BASE PROSPECTUS

LEVERAGE SHARES PUBLIC LIMITED COMPANY

(a public company incorporated with limited liability in Ireland)



COLLATERALISED EXCHANGE TRADED SECURITIES PROGRAMME

*Under the Collateralised Exchange Traded Securities Programme described in this Base Prospectus (the "**Programme**"), Leverage Shares Public Limited Company (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue collateralised exchange traded securities (the "**ETP Securities**") which provide exposure to a range of asset classes including equity securities, debt securities, fixed income securities, mutual funds, units in exchange traded funds, futures contracts and options contracts by either seeking to track an index ("**Index**") or by pursuing a stated investment strategy ("**Investment Strategy**"), on the terms set out herein, as completed by the final terms in respect of the relevant ETP Securities (the "**Final Terms**"). The aggregate number of ETP Securities issued under the Programme will not at any time exceed 5,000,000,000,000. Investors should note that the Issuer anticipates that the Base Prospectus and other Programme Documents (as defined herein) may be amended from time to time to permit the Issuer to issue series of ETP Securities backed by asset classes other than as described herein.*

The ETP Securities may offer long or short exposure to the performance of the assets underlying such Indices or Investment Strategies. ETP Securities may also be issued which have the objective of generating income to fund periodic interest payments.

ETP Securities will be issued in Series (as defined in the section entitled "Description of the Programme") and each Series will be secured in favour of the Trustee (as described in the section entitled "Security Arrangements"). Claims against the Issuer by holders of the ETP Securities of a particular Series or of any other party to a Programme Document (save as otherwise disclosed in the risk factor entitled "Limited recourse obligations, non-petition and related risks" on page 55) in respect of that Series, will be limited to the Secured Property applicable to that Series.

Investors should be aware that the recommended holding period for Series offering a Leveraged Exposure or Short Exposure is one day.

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the Central Bank should not be considered as an endorsement of the Issuer or the quality of the ETP Securities that are the subject of this Base Prospectus. In addition, such approval relates only to the ETP Securities which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU and/or which are to be offered to the public in any Member State of the European Economic Area. Investors should make their own assessment as to the suitability of investing in the ETP Securities.

The Issuer has also prepared a separate base prospectus relating to the Programme for use in the United Kingdom (the "**FCA Base Prospectus**"). The FCA Base Prospectus was approved by the Financial Conduct Authority (the "**FCA**") on 2 November 2026. It is a different document from this Base Prospectus.

This Base Prospectus has been approved only by the Central Bank. It has not been submitted to, or approved by, the FCA, and it is not intended for use in connection with offers of ETP Securities to the public in, or the admission of ETP Securities to trading on a market in, the United Kingdom. Investors in the United Kingdom should read the FCA Base Prospectus instead of this Base Prospectus.

If the net proceeds of the enforcement of the security over the Secured Property for a Series are not sufficient to make all payments then due in respect of the ETP Securities of that Series and, if applicable, the claims of any other Programme Parties (as defined herein and save as otherwise disclosed in the risk factor entitled "Limited recourse obligations, non-petition and related risks" on page 55), the obligations of the Issuer will be limited to such net proceeds and the other assets of the Issuer will not be available to meet any shortfall. The Issuer will not be obliged to make any further payment in excess of such net proceeds and no debt shall be owed by the Issuer in respect of such shortfall. Furthermore, the ETP Securityholders, or any person on their behalf, will not be able to take any action against the Issuer (including instituting, or joining with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer) to recover any such shortfall.

The ETP Securities will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

The Issuer has requested the Central Bank to notify the approval of the Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the Commissione Nazionale per la Societá e la Borsa of Italy, the *Bundesanstalt für Finanzdienstleistungsaufsicht* of Germany, *Autorité des Marchés Financiers* of France, the *Comisión Nacional del Mercado de Valores* of Spain, the *Autoriteit Financiële Markten* (Authority for the Financial Markets) of the Netherlands, the Komisja Nadzoru Finansowego of Poland, the Belgian Financial Services and Markets Authority, the Swedish Financial Supervisory Authority, the Financial Supervisory Authority (*Finanstilsynet*) of Norway and the Financial Market Authority in Austria by providing them with, *inter alia*, certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the Central Bank to provide competent authorities in other EEA Member States with such certificates whether for the purposes of making a public offer in such Member States or for admission to trading of all or any Series of ETP Securities on a regulated market therein or both.

Application may be made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the **"Frankfurt Stock Exchange"**) for ETP Securities issued under this Programme to be admitted to listing and trading on Deutsche Börse Xetra.

Application may be made to the Italian Stock Exchange (*Borsa Italiana*) (the **"Italian Stock Exchange"**) for ETP Securities issued under this Programme to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on the Italian Stock Exchange and/or SeDeX, the multilateral trading facility of the Italian Stock Exchange ("**SeDeX**") .

Application may be made to Euronext Paris for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Paris, the regulated market operated by Euronext Paris.

Application may be made to Euronext Amsterdam for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam.

Application may be made to Börse Stuttgart for ETP Securities issued under this Programme to be admitted to listing and trading on the regulated market operated by Börse Stuttgart.

Application may be made to the Madrid Stock Exchange (*Bolsa De Madrid*) for ETP Securities issued under this Programme to be admitted to listing and trading on the regulated market operated by the Madrid Stock Exchange.

Application may be made to the FCA for the ETP Securities issued under this Programme to be admitted to the Official List of the FCA. Application may be made to the London Stock Exchange plc (the "**London Stock Exchange**") for the ETP Securities issued under this Programme to be admitted to trading on the Main Market of the London Stock Exchange. Admission to the UK Official List and to trading on the London Stock Exchange is not admission to trading under the Prospectus Regulation, but is admission to trading in accordance with the rules in Prospectus Rules: Admission to Trading on a Regulated Market sourcebook

(the "**PRM**") made pursuant to its rule-making powers under the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**").

The ETP Securities may also be listed on additional stock exchanges and admitted to trading on additional markets specified in the Final Terms.

References in this Base Prospectus to ETP Securities being "listed" (and all related references) shall mean that such ETP Securities have been admitted to trading on some or all of:

- the Frankfurt Stock Exchange; the Italian Stock Exchange, including Se140DeX; Euronext Paris; Euronext Amsterdam; Börse Stuttgart; the Madrid Stock Exchange; and/or an alternative market, which are each regulated markets or multilateral trading facilities for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**")."

The relevant Final Terms in respect of the issue of any ETP Securities will specify which exchange(s) or trading facilities the ETP Securities will be admitted to trading on.

The ETP Securities may also be listed on additional stock exchanges and admitted to trading on additional markets as specified in the Final Terms.

ETP Securities are complex, structured products involving a significant degree of risk. In particular, an investment in ETP Securities giving short and/or leveraged exposure to the performance of the assets underlying the applicable Index or Investment Strategy is only appropriate for investors that understand the increased risk caused by such features. Prospective purchasers of ETP Securities should obtain their own independent accounting, tax and legal advice and should consult their own professional investment advisors in order to determine the merits and risks of an investment in the ETP Securities and the suitability to them of an investment to them in the light of their own circumstances and financial condition. The ETP Securities involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. See "Risk Factors" on pages 29 to 80.

This Base Prospectus does not describe all of the risks of an investment in the ETP Securities. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Trustee, the Portfolio Administrator, the Issuing and Paying Agent, the Margin Loan Provider or any other Programme Party that any recipient of this Base Prospectus should purchase the ETP Securities.

Arranger

Leverage Shares Management Company Limited

Initial Authorised Participant

BNP Paribas Arbitrage S.N.C.

Second Authorised Participant

Virtu Financial Ireland Limited

Third Authorised Participant

Optiver VOF

Fourth Authorised Participant

Jane Street Financial Limited

Fifth Authorised Participant

Flow Traders B.V.

Sixth Authorised Participant

Susquehanna International Securities Limited

Seventh Authorised Participant

Investium Limited

Eighth Authorised Participant

GTX UK LLP

Ninth Authorised Participant

DRW Europe B.V.

The date of this Base Prospectus is 17 November 2026

IMPORTANT NOTICES

The Issuer accepts responsibility for all information contained in this document. To the best of the knowledge of the Issuer, the information contained in this document is in accordance with the facts and makes no omission likely to affect its import.

This Base Prospectus is valid from one year from the date hereof. The Issuer shall have no obligation to supplement this Base Prospectus in the event of any significant new factor, material mistake or inaccuracy when the Base Prospectus is no longer valid.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

The information in the section of this Base Prospectus headed "The "Indices" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by the relevant Index Sponsor, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Description of the Reference Assets" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published in relation to the Relevant Assets, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Arranger" consists only of information provided to the Issuer by Leverage Shares Management Company Limited. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Leverage Shares Management Company Limited, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the sub-section of this Base Prospectus headed "The Portfolio Administrator" consists only of information provided to the Issuer by the Portfolio Administrators listed therein. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer

is aware and is able to ascertain from information published by the Portfolio Administrators, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Margin Loan Providers" consists only of information provided to the Issuer by Interactive Brokers LLC, Morgan Stanley & Co. LLC and Pershing LLC. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Interactive Brokers LLC, Morgan Stanley & Co. LLC and Pershing LLC no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Determination Agent" consists only of information provided to the Issuer by Calculation Agent Services LLC. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Calculation Agent Services LLC, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Authorised Participants" consists only of information provided to the Issuer by each of the Authorised Participants. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by the Authorised Participants, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Samsung Electronics Co. Ltd." consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Samsung Electronics Co. Ltd., no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "SK hynix Inc." consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to SK hynix Inc., no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "MediaTek Inc." consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to MediaTek Inc., no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Alchip Technologies, Limited" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Alchip Technologies, Limited, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Nanya Technology Corporation" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Nanya Technology Corporation, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Winbond Electronics Corporation" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Winbond

Electronics Corporation, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Kioxia Holdings Corporation" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Kioxia Holdings Corporation, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Tokyo Electron Limited" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Tokyo Electron Limited, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Anthropic, PBC" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to Anthropic, PBC, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "iShares $ Treasury Bond 1-3yr UCITS ETF" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. As far as the Issuer is aware and is able to ascertain from information published in relation to iShares $ Treasury Bond 1-3yr UCITS ETF, no facts have been omitted which would render such reproduced information inaccurate or misleading.

New information with respect to Authorised Participants unknown at the time of the approval of the Base Prospectus will be published on the Issuer's website.

CONSENTS

The Issuer has consented to the use of this Base Prospectus, and has accepted responsibility for the content of this Base Prospectus, with respect to subsequent resale or final placement by way of public offer of the ETP Securities in any of Ireland, Austria, Italy, Germany, France, Spain, the Netherlands, Poland, Belgium, Sweden and Norway and by any Authorised Offeror (as described below).

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation ("**EU Non-exempt Offers**") in Ireland, Austria, Italy, Germany, France, Spain, the Netherlands, Poland, Belgium, Sweden and Norway (the "**EU Non-exempt Offer Jurisdictions**").

Any person making or intending to make an EU Non-exempt Offer of ETP Securities on the basis of this Base Prospectus must do so only with the Issuer's consent as described below.

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the ETP Securities in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, the Arranger accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

The Issuer has consented to the use of this Base Prospectus, and has accepted responsibility for the content of this Base Prospectus, with respect to any EU Non-exempt Offers of the ETP Securities in any of the EU Non-exempt Offer Jurisdictions and by any Authorised Offeror (as described below).

If, in the context of an EU Non-exempt Offer, an Investor is offered ETP Securities by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this

Base Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

The Authorised Offerors are:

(A) the Initial Authorised Participant;

(B) the Second Authorised Participant;

(C) the Third Authorised Participant; and

(D) each Authorised Participant which either:

(i) is expressly named as an Authorised Offeror in the Final Terms; or

(ii) is expressly named as an Authorised Participant on the Issuer's website: www.leverageshares.com (in which case, its name and address will be published on the Issuer's website).

Any Authorised Offeror using this Base Prospectus must state on its own website that it uses this Base Prospectus in accordance with the consent and conditions attached in this Base Prospectus.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus unless such consent is withdrawn prior to that date by notice published on the Issuer's website.

Arrangements between an Investor and the Authorised Offeror who will distribute the ETP Securities

Neither the Issuer nor, for the avoidance of doubt, the Margin Loan Providers, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent and the Broker Dealer of Record have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

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

The Authorised Participants, the Margin Loan Providers, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent and the Broker Dealer of Record have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Authorised Participants, the Margin Loan Providers, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record as to the accuracy or completeness of the financial information contained herein, or any other financial statements or any further information supplied in connection with the Programme or any of the ETP Securities or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other financial statements or further information supplied pursuant to the terms of the Programme or any of the ETP Securities and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, any Authorised Participant, the Margin Loan Providers, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and

Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record.

Neither this Base Prospectus nor any further information supplied pursuant to the terms of the Programme or the ETP Securities are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or constituting an invitation or offer by or on behalf of any of the Issuer or any Authorised Participant, the Margin Loan Providers, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record that any recipient of this Base Prospectus or any further information supplied pursuant to the terms of the Programme or any of the ETP Securities should subscribe for or purchase any of the ETP Securities. Each investor contemplating purchasing any of the ETP Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The delivery of the Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the ETP Securities is correct as of any time subsequent to the date indicated in the document containing the same.

Each of the Authorised Participants, the Margin Loan Providers, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record expressly do not undertake to review the financial condition or affairs of the Issuer or the validity, effectiveness or adequacy of any security provided by the Issuer during the term of the Programme.

The Issuer is not and will not be regulated by the Central Bank as a result of issuing the ETP Securities.

The Issuer is not and will not be regulated by the Central Bank as a result of issuing the ETP Securities. Any investment in the ETP Securities does not have the status of a bank deposit and as such, will not be within the scope of any deposit scheme operated by the Central Bank and are not otherwise insured or guaranteed by any government, government agency or other body.

For a description of certain restrictions on offers and sales of ETP Securities and on the distribution of this Base Prospectus, see the section headed “Subscription and Sale”. This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of any Authorised Participant, any Margin Loan Provider, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record to subscribe for, or purchase, any ETP Securities.

ETP Securities may be offered to retail clients, professional clients and other eligible counterparties. This Base Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the ETP Securities. However, a prospective investor should, without any reliance on the Issuer, the Margin Loan Providers or any Authorised Participant or any of their respective Affiliates, conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any ETP Securities issued under the Programme. Any evaluation of the suitability for an investor of an investment in ETP Securities issued under the Programme depends upon a prospective investor’s particular financial and other circumstances, as well as on specific terms of the relevant ETP Securities and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser prior to deciding whether or not to make an investment in the ETP Securities.

The ETP Securities may not be a suitable investment for all investors. Each potential investor in the ETP Securities must determine the suitability of that investment in light of its own circumstances and should consult with its legal, business, tax advisers and such other advisers as it deems appropriate to determine the consequences of an investment in the ETP Securities and to arrive at its own evaluations of the investment.

In particular, each potential investor should:

(a) be financially sophisticated in that it either (i) has the requisite knowledge and experience in financial, business and investment matters and of investing in investments offering a similar economic exposure to the ETP Securities, and access to, and knowledge of, appropriate resources, to evaluate the information contained in this document and the relevant Final Terms and the merits and risks of an investment in the ETP Securities in the context of such investors' financial position and circumstances; or (ii) if it does not have such knowledge, experience and access, have consulted with appropriate advisers who do have such knowledge, experience and access;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the ETP Securities and the impact the ETP Securities will have on its overall investment portfolio;

(c) understand thoroughly the terms of the ETP Securities and be familiar with the behaviour of the market of the Reference Assets and the Index or Investment Strategy relating to a particular Series of ETP Securities and any relevant indices, investment strategies and financial markets; and

(d) have an asset base sufficiently substantial as to enable it to sustain any loss that they might suffer as a result of an investment in the ETP Securities and have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETP Securities including, without limitation, any currency exposure arising from the currency for payments being different to the prospective investor's currency.

If a prospective investor is in any doubt as to whether the ETP Securities are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the ETP Securities.

This Base Prospectus is not, and does not purport to be, investment advice, and none of the Issuer, the Arranger, the Authorised Participants or the Margin Loan Providers make any recommendation as to the suitability of the ETP Securities as an investment. The provision of this Base Prospectus to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor in the ETP Securities. Even if the Issuer, any of the Authorised Participants, the Margin Loan Providers or any of their respective Affiliates possess limited information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for such person of the ETP Securities. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgment and/or that of its advisers and not in reliance on the Issuer, the Authorised Participants, the Margin Loan Providers or any of their respective Affiliates.

In particular, each prospective investor in the ETP Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the ETP Securities (i) is fully consistent with its (or, if it is acquiring the ETP Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the ETP Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the ETP Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the ETP Securities.

Each prospective investor in ETP Securities should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant ETP Securities, including, without limitation, where the currency for payments is different from the potential investor's currency, the associated currency exposure. See "*Exchange rate risks and exchange controls*" below.

Investment activities of certain investors are subject to investment laws and regulations or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the ETP Securities are legal investments for it, (ii) if relevant, the ETP Securities can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or, if relevant, pledge, of any ETP Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of ETP Securities under any applicable risk-based capital or similar rules.

Benchmark Regulation

Interest and/or other amounts payable under the ETP Securities may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**"). Transitional provisions in the EU Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

MIFID II Product Governance / Target Market

The Final Terms in respect of any ETP Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the ETP Securities and which channels for distribution of the ETP Securities are appropriate. Any person subsequently offering, selling or recommending the ETP Securities (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the ETP Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination may be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 ("MiFID II Product Governance"), any dealer subscribing for any ETP Securities is a manufacturer in respect of such ETP Securities, but otherwise neither the Arranger nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of MIFID II Product Governance. Neither any Authorised Participant nor any of their affiliates will be a manufacturer for the purpose of MiFID II Product Governance.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any ETP Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the ETP Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the ETP Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the ETP Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

All references in this document to "£", "pounds", "Pounds Sterling" and "Sterling" are to the lawful currency of the United Kingdom, all references to "$", "US$", "USD" and "US dollars" are to the lawful currency of the United States of America, references to "CHF" and "Swiss Francs" are references to the lawful currency of Switzerland, references to "HK$", "HKD" and "Hong Kong dollars" are references to the lawful currency of the Hong Kong SAR, references to "JPY", "JP Yen", "¥", "JP¥" and "Japanese Yen" are references to the lawful currency of Japan, references to "€", "euro" and "EUR", are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union and references to "KRW" are references to the lawful currency of the Republic of Korea.

For the avoidance of doubt, the Issuer's website and other websites referred to in this document and the contents thereof do not form part of this Base Prospectus unless explicitly specified.

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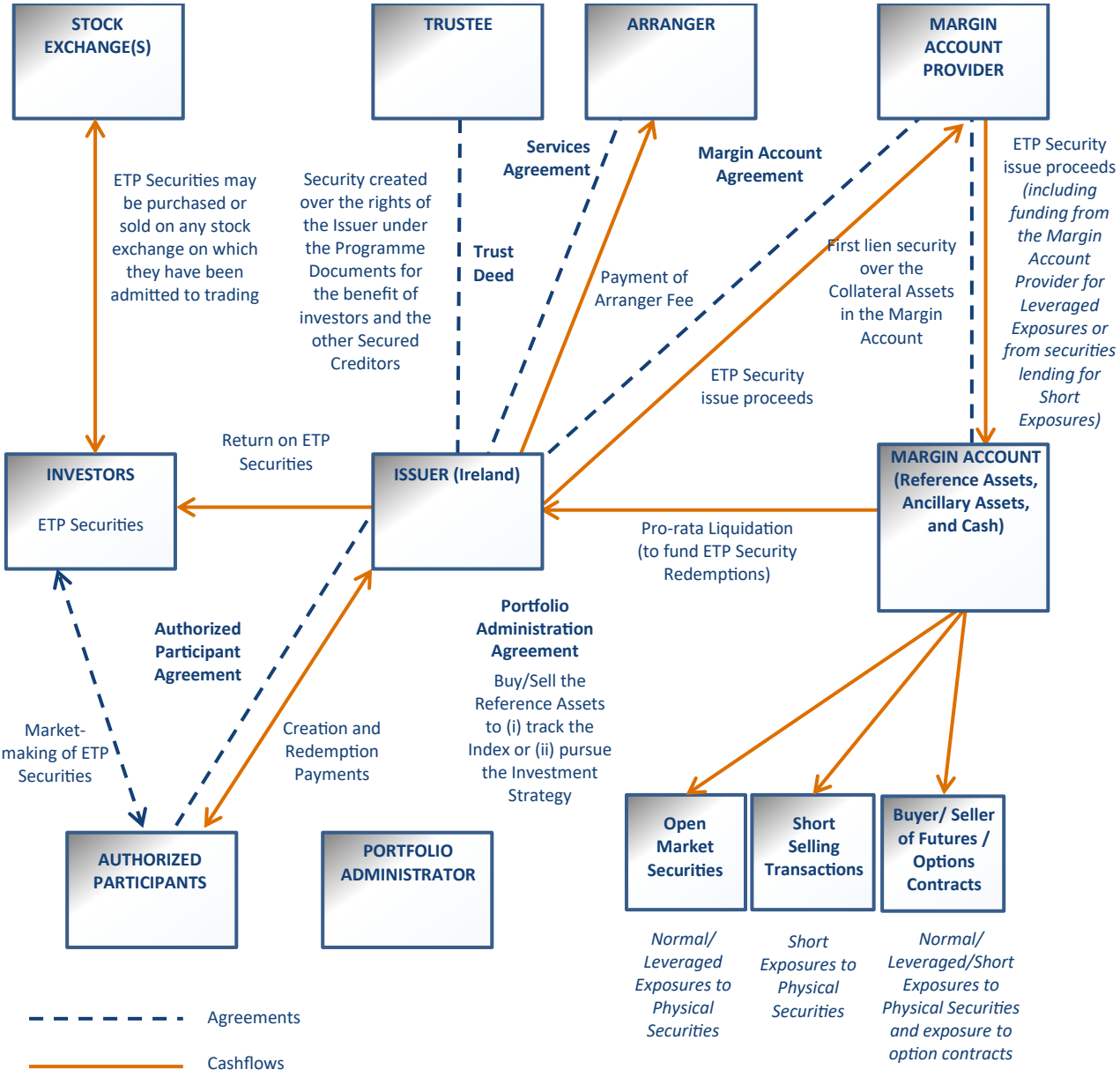
DESCRIPTION OF THE PROGRAMME

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

Description of the Programme

Collateralised Exchange Traded Securities Programme pursuant to which the Issuer may issue collateralised exchange traded securities ("**ETP Securities**") which are either linked to an index (an "**Index**") or pursue an investment strategy (the "**Investment Strategy**"). Series of ETP Securities can offer leveraged long exposure ("**Leveraged Exposures**"), short inversed leveraged exposures ("**Short Exposures**") and +1x exposure ("**Normal Exposures**") to the Reference Assets (as defined below). For Series of ETP Securities providing Leveraged Exposures and Short Exposures, the degree of leverage or inversed leverage will be either (i) embedded in the Index or the Investment Strategy; or (ii) a leverage or inversed leverage factor will be embedded directly in the ETP Securities (the "**Leverage Factor**"). In addition to offering the type of exposures described above, Series of ETP Securities can also pursue Investment Strategies where the objective is to generate income to fund periodic interest payments ("**Income Series**"). The Investment Strategy for an Income Series may also provide for a Leveraged Exposure to the relevant Reference Assets, details of which will be included in the description of the Investment Strategy.

A diagrammatic representation of the principal aspects of the structure as currently in place appears below:


STOCK EXCHANGE(S)
TRUSTEE
ARRANGER
MARGIN ACCOUNT PROVIDER
ETP Securities may be purchased or sold on any stock exchange on which they have been admitted to trading
Security created over the rights of the Issuer under the Programme Documents for the benefit of investors and the other Secured Creditors
Trust Deed
Services Agreement
Payment of Arranger Fee
Margin Account Agreement
First lien security over the Collateral Assets in the Margin Account
ETP Security issue proceeds
ETP Security issue proceeds (including funding from the Margin Account Provider for Leveraged Exposures or from securities lending for Short Exposures)
INVESTORS
ETP Securities
Return on ETP Securities
ISSUER (Ireland)
MARGIN ACCOUNT (Reference Assets, Ancillary Assets, and Cash)
Pro-rata Liquidation (to fund ETP Security Redemptions)
Authorized Participant Agreement
Market-making of ETP Securities
Creation and Redemption Payments
Portfolio Administration Agreement
Buy/Sell the Reference Assets to (i) track the Index or (ii) pursue the Investment Strategy
AUTHORIZED PARTICIPANTS
PORTFOLIO ADMINISTRATOR
Open Market Securities
Short Selling Transactions
Buyer/ Seller of Futures / Options Contracts
Normal/ Leveraged Exposures to Physical Securities
Short Exposures to Physical Securities
Normal/ Leveraged/Short Exposures to Physical Securities and exposure to option contracts
Agreements
Cashflows

Parties to the Programme

Issuer	Leverage Shares Public Limited Company, a public limited company incorporated in Ireland with registered number 597399.
Arranger	Leverage Shares Management Company Limited, a private company limited by shares incorporated in Ireland with registered number 596207.
Margin Loan Provider	For each Series of ETP Securities, Interactive Brokers LLC and/or Morgan Stanley & Co. LLC and/or Pershing LLC . The Portfolio Administrator has the discretion to decide which Margin Loan Provider(s) shall apply with respect to a Series of ETP Securities.
Portfolio Administrator	Flexinvest Limited or FlexAdvisor Limited
Trustee	Apex Corporate Trustees (UK) Limited.
Issuing and Paying Agent	U.S. Bank Europe DAC.
Paying Agents	The Issuer may appoint additional paying agents in relation to a Series of ETP Securities if required by the rules of any stock exchange on which ETP Securities are listed or admitted to trading.
Irish Listing Agent	Ogier Global.
Registrar	U.S. Bank Europe DAC.
Determination Agent	Calculation Agent Services LLC.
Authorised Participant(s)	BNP Paribas Arbitrage S.N.C., Virtu Financial Ireland Limited, Optiver VOF, Jane Street Financial Limited, Flow Traders B.V., Susquehanna International Securities Limited, Investium Limited, GTX UK LLP, DRW Europe B.V., and any Eligible Authorised Participant that has entered into an Authorised Participant Agreement with the Issuer and has acceded to the LS Operating Procedures Agreement. Only an Authorised Participant may subscribe for or require the Issuer to repurchase the ETP Securities (except in limited circumstances). The ETP Securities are to be traded on one or more stock exchanges (see below "*Listing and admission to trading*"). The ETP Securities may be bought and sold on such exchanges without the involvement of an Authorised Participant. "**Eligible Authorised Participant**" means any entity that meets the requirements of the LS Operating Procedures Agreement.
Broker Dealer of Record	Flexinvest Limited.

Description of the Programme

Consent to use of Base Prospectus	If so specified in the Final Terms in respect of any Tranche of ETP Securities, the Issuer consents to the use of the Base Prospectus by any Authorised Participant (an "**Authorised Offeror**") in connection with any offer of ETP Securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Regulation (an "**EU Non-exempt Offer**") during the offer period specified in the relevant Final Terms (the "**Offer Period**"), in the relevant Member State(s), and subject to the applicable conditions, in each case specified in the relevant Final Terms.

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

The Programme

On 5 December 2017 the Issuer established a programme (the "**Programme**") for the issuance of collateralised exchange-traded securities ("**ETP Securities**"). The maximum number of ETP Securities that may be outstanding at any time under the Programme is 5,000,000,000,000.

Issuance of Series of ETP Securities

The Issuer may issue Series of ETP Securities under the Programme (each a "**Series**"). With the exception of the Issuer's obligations under the LS Margin Account Agreement, each Series of ETP Securities constitutes limited recourse obligations of the Issuer, secured on and payable solely from the assets constituting the Security in respect of such Series. Each Series of ETP Securities may comprise one or more tranches (each, a "**Tranche**").

With the exception of the Issuer's obligations under the LS Margin Account Agreement, if the net proceeds of the enforcement of the assets constituting the Security for a Series of ETP Securities are not sufficient to make all payments due in respect of such Series of ETP Securities (after payment of all obligations of the Issuer ranking senior thereto), no other assets of the Issuer (including the Security in respect of any other Series of ETP Securities) will be available to meet such shortfall and the claims of the creditors of the Issuer in respect of such Series and such shortfalls shall be extinguished.

Method of issuance

ETP Securities will be issued in Series. Each Series may comprise a number of different Tranches issued on identical terms other than the Issue Date and Issue Price and with the ETP Securities of each Tranche of a Series being interchangeable with all other ETP Securities of that Series.

In Specie Subscription

In relation to any Subscription Order, in satisfaction of the relevant subscription amount, the Issuer may agree with the relevant Authorised Participant to accept the delivery to, or to the order of, the Issuer of Reference Assets which the Determination Agent determines have a value on the Subscription Settlement Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to or greater than the subscription amount.

Continual issuance and redemption

It is intended that the ETP Securities of each Series shall be subject to a continual issuance and redemption mechanism, under which additional ETP Securities of such Series may be issued as further Tranches, and ETP Securities may be redeemed by ETP Securityholders who are Authorised Participants.

Issuer expenses

Pursuant to a services agreement between the Issuer and the Arranger and certain of the Programme Documents, the Arranger has agreed to pay all fees, costs and expenses incurred by the Issuer in relation to the Programme and the ETP Securities (including remuneration and other amounts payable to the Trustee and the Agents) other than:

(a) the Arranger Fee;

(b) all other fees and expenses applicable to the Series of ETP Securities including the fees and expenses set out in the sections of this Base Prospectus entitled "The Indices" and "The Investment Strategies" and all fees, costs and expenses which may be incurred by the Issuer in entering into transactions or instruments, acquiring assets or otherwise engaging in activities which the Issuer considers prudent, appropriate or otherwise desirable for the maintenance of the integrity of the Programme including maintaining its access to sufficient leverage for the operation of the

Programme and maintaining the exposure and leverage levels for each of the Relevant Series (the "**Funding and Brokerage Fees**");

(c) any taxes, fees and other amounts payable to the Irish Revenue Commissioners;

(d) amounts payable to the Margin Loan Provider and the Broker Dealer of Record; and

(e) the costs and expenses incurred in connection with the liquidation of the Collateral Assets.

Principal features of the ETP Securities

Form of the ETP Securities The ETP Securities may be issued in bearer form (including in new global note form and in classic global note form) and serially numbered, in registered form (including in registered form issued under the new safekeeping structure) or in bearer form exchangeable for Registered Securities, in each case in the amount and currency of denomination specified in the applicable Final Terms.

Terms and Conditions of the ETP Securities Each Series of ETP Securities will have the terms and conditions set out in the section of this Base Prospectus headed "*Terms and Conditions of the ETP Securities*" as completed by the Final Terms in respect of each Tranche of that Series.

Status of ETP Securities The ETP Securities of each Series are secured, limited recourse debt obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves.

Notwithstanding the above, there can be no assurance that the courts or regulatory authorities in any jurisdiction would not recharacterise the ETP Securities as units in a collective investment scheme. Any recharacterisation of the ETP Securities as units in a collective investment scheme may have adverse consequences for an investor (including, without limitation, adverse tax consequences and/or a mandatory redemption of the ETP Securities).

Prospective investors should consult their professional advisers on the implications, and in particular the tax and accounting implications, of investment in the ETP Securities.

Issue Price The Issue Price in respect of each Tranche of ETP Securities will be set out in the Final Terms with respect to such Tranche.

Principal Amount The Principal Amount in respect of each Tranche of ETP Securities will be set out in the Final Terms with respect to such Tranche.

Principal Protection Amount An amount per ETP Security, in respect of each Tranche of ETP Securities, corresponding to 2.00 per cent of the Principal Amount for the ETP Security of such Tranche.

Minimum Denomination The Denomination of each ETP Security is equal to its Principal Amount.

Interest The ETP Securities will not bear interest at a prescribed rate.

Periodic Interest Payments In respect of each Income Series, the Issuer shall make payments of Interest Amounts in respect of the ETP Securities of that Series on the relevant Interest Payment Dates.

In respect of each ETP Security of an Income Series, the Interest Amount for each Interest Payment Date shall be its *pro rata* entitlement to the Available Receipts,

being the amount equal to the Available Receipts divided by the number of Interest Amount Entitled ETP Securities.

Unless otherwise specified for a particular Series, each Interest Payment Date will be either (i) the day that falls five (5) Clearing System Business Days after the Record Date or, if such day is not also a Currency Business Day, the immediately following day that is both a Clearing System Business Day and a Currency Business Day or (ii) any other date designated by the Portfolio Administrator in its absolute discretion, provided there shall be at least one Interest Payment Date in each calendar quarter.

The declaration of the payment of the Interest Amount shall result in a corresponding reduction in the ETP Security Value on the relevant Interest Ex Date.

At least five Business Days prior to each Interest Payment Date, the Issuer shall cause the following details to be notified to ETP Securityholders in accordance with Condition 20.3:

(i) the Interest Payment Date;

(ii) the Interest Amount;

(iii) the Interest Ex Date; and

(iv) the Record Date.

Redemption at maturity Unless previously redeemed in whole or purchased and cancelled by the Issuer, the ETP Securities of each Series will become due and payable on their Final Redemption Settlement Date at their Final Redemption Amount.

Final Redemption Settlement Date The Final Redemption Settlement Date in respect of a Series of ETP Securities will be the day that falls three Currency Business Days after the Final Redemption Date.

Final Redemption Date The Final Redemption Date in respect of each Series of ETP Securities will be set out in the Final Terms with respect to such Series.

Final Redemption Amount An amount equal to the greater of:

(1) the Principal Protection Amount of the ETP Security; and

(2) the Pro-rata Liquidation.

Pro-rata Liquidation In respect of Series of ETP Securities other than Income Series, the Pro-rata Liquidation means an amount equal to the liquidation proceeds of the relevant Collateral Assets held in the Margin Account for the Series of ETP Securities, *pro rata* to the amount of ETP Securities being redeemed divided by the total number of ETP Securities for such Series, after the *pro rata* deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the *pro rata* deduction of the Arranger Fee and the Funding and Brokerage Fees.

In respect of Income Series, the Pro-rata Liquidation means,

(A) for the purposes of determining the Optional Redemption Amount, an amount equal to the liquidation proceeds of the relevant Collateral Assets held in the Margin Account for the Income Series (less the Collateral Assets held in the Margin Account which are determined by the Determination Agent to be attributable to any Interest Amounts which have not yet been paid but for which the Interest Ex Date has passed), *pro rata* to the amount of ETP Securities being redeemed divided by the total number of ETP Securities for such Income Series, after the *pro rata* deduction of all costs and expenses incurred by the Issuer in connection

with the liquidation of such Collateral Assets, the pro rata deduction of the Arranger Fee and the Funding and Brokerage Fees; and

(B) for the purposes of determining the Mandatory Redemption Amount or Final Redemption Amount, an amount equal to the aggregate of:

(i) the amount determined pursuant to (A) above; and

(ii) in respect of any ETP Securities of that Income Series which are entitled to participate in any Interest Amount which has been declared and in respect of which the Interest Payment Date falls on or after the due date for payment of the Mandatory Redemption Amount or Final Redemption Amount, ("**Interest Amount Entitled ETP Securities**"), an amount equal to the liquidation proceeds of the Collateral Assets held in the Margin Account which are determined by the Determination Agent to be attributable to the Interest Amounts which are payable on the relevant Interest Payment Date, pro-rata to the amount of Interest Amount Entitled ETP Securities being redeemed divided by the total number of Interest Amount Entitled ETP Securities for such Income Series.

Mandatory Redemption The ETP Securities of a Series may fall for mandatory redemption prior to their Final Redemption Date at the Mandatory Redemption Amount if a Mandatory Redemption Event occurs.

Mandatory Redemption Amount An amount per ETP Security calculated by the Determination Agent equal to the greater of:

(A) the Principal Protection Amount of such ETP Security; and

(B) the Pro-rata Liquidation.

Mandatory Redemption Events The ETP Securities of a Series may fall for mandatory redemption if any of the following events occur:

(1) if after the occurrence of an Adjustment Event (meaning an Index Cancellation, an Index Modification an Index Disruption; or an Investment Strategy Modification) which is continuing, no Successor Index is designated and the Issuer determines that it is not appropriate to make adjustments to the Conditions of the ETP Securities, thereby triggering a Disruption Redemption Event;

(2) if on any Valuation Date falling on or after the relevant calendar day specified in the Conditions of the ETP Securities following a Threshold Event Date, the ETP Security Value is less than 2.00 per cent. of the Principal Amount of such ETP Securities;

(3) any of the Determination Agent, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator and/or all of the Authorised Participants in relation to the ETP Securities resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect;

(4) if the ETP Security Value in respect of the ETP Securities has not been published by or on behalf of the Issuer for 14 consecutive Non-Disrupted Valuation Dates (a "**Publication Failure Event**") and the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least a majority of the ETP Securities then outstanding to trigger a Mandatory Redemption Event;

(5) (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, the Issuer gives notice that the ETP Securities of a Series are to be redeemed, because:

(i) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under such ETP Securities and/or the LS Margin Account Agreement; or

(ii) it would become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Collateral Asset, and/or (y) perform its obligations under the ETP Securities and/or the LS Margin Account Agreement;

(6) the LS Margin Account Agreement terminates prior to the redemption of all of the ETP Securities for any reason; or

(7) the Issuer exercises its option to call all or some of the ETP Securities for early redemption.

Optional Redemption by ETP Securityholders who are Authorised Participants

An ETP Securityholder which is also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or part of its holding of ETP Securities of a Series at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order.

Optional Redemption by ETP Securityholders who are not Authorised Participants

An ETP Securityholder which is not also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or any part of its holding of such ETP Securities at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the ETP Securityholders in accordance with Condition 17 in respect of any Valuation Date that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered.

Optional Redemption Amount

An amount per ETP Security calculated by the Determination Agent equal to the greater of: (a) the Principal Protection Amount of such ETP Security; and (b) the Pro-rata Liquidation.

In Specie Redemption

The Issuer may in accordance with the relevant Authorised Participant Agreement and the LS Operating Procedures Agreement agree with any ETP Securityholder which is also an Authorised Participant to satisfy any requests for the Optional Redemption of any ETP Securities by the transfer to, or to the order of, such ETP Securityholder on the Optional Redemption Settlement Date of Collateral Assets with a value determined by the Determination Agent to be equal to the Optional Redemption Amount.

ETP Security holder's exposure to the performance of the applicable Index

The return on a Series of ETP Securities linked to an Index (an "**Index-linked Series**") will be linked to the performance of the applicable Index, as the Final Redemption Amount, the Mandatory Redemption Amount or the Optional Redemption Amount will be derived from the liquidation of the Collateral Assets, which will be selected in order to replicate (to the degree practicable) the return of the Index referenced by such Series in accordance with the Leverage Factor of such Series of ETP Securities.

Index

A Series of ETP Securities may be linked to an index specified in the relevant Final Terms (see the section of this Base Prospectus headed "*Description of the Indices*").

The Index may be a leveraged index. Leveraged indices provide a leveraged exposure to the Reference Assets with the effect that any negative or positive

changes in the value of such Reference Assets will be multiplied by the applicable Leverage Factor.

The Index may provide a long or short exposure to the Reference Assets. Where the Index provides a long exposure, any increase in the value of the Reference Assets will cause the Index level to increase.

Where the Index provides a short exposure, any decrease in the value of the Reference Assets will cause the Index Level to increase.

The Index will provide exposure to the relevant Reference Assets specified in the relevant Final Terms (see below and the sections of this Base Prospectus headed "*The Reference Assets*" for further information on the Reference Assets)

Investment Strategy

A Series of ETP Securities may be linked to an investment strategy specified in the relevant Final Terms (see the section of this Base Prospectus headed "*Description of the Investment Strategies*").

The Investment Strategy will describe the manner in which the proceeds of the issuance of the ETP Securities are to be invested along with any leverage to be employed in respect of such Investment Strategy.

Where the Investment Strategy provides for a long exposure (which may also be the case for a Series which has the objective of generating a stream of income), any increase in the value of the Reference Assets will cause an increase in the ETP Security Value (excluding the effects of any applicable fees and adjustments).

Where the Investment Strategy provides for a short exposure, any decrease in the value of the Reference Assets will cause an increase in the ETP Security Value (excluding the effects of any applicable fees and adjustments).

Where the Investment Strategy has the objective of generating a stream of income, the Reference Assets may consist of (i) Reference Assets which are invested in on a leveraged basis; or (ii) put and call options in respect of the indices or stocks specified in the relevant Investment Strategy that the Issuer will enter into as the option seller and, where applicable, such stocks; or (iii) ETP Securities issued by the Issuer which themselves generate a recurring income stream.

In the case of such Series where the Reference Assets are to be invested in on a leveraged basis, distributions from such assets may be used to fund interest payments.

In the case of such Series where the Reference Assets consist of put and call options, the Issuer will receive premiums for selling the relevant options which will cause an increase in the ETP Security Value and which may be used to fund interest payments by the Issuer. Any loss incurred by the Issuer in respect of the options may cause a decrease in the ETP Security Value. Additionally, as further described in the relevant Investment Strategy, the Issuer may cover its exposure under any call options it sells by acquiring the relevant underlying assets. Furthermore, put options and call options may be physically settled such that the Issuer may from time to time be required to make or take delivery of the underlying assets.

In the case of Series where the Reference Assets consist of ETP Securities issued by the Issuer which themselves generate a recurring income stream, such income stream will fund the interest payments.

Reference Assets

The underlying asset(s) of the relevant Index or Investment Strategy in respect of a Series of ETP Securities, as specified in the Final Terms and/or Investment Strategy, as applicable (the "**Reference Assets**").

Series may be issued from time to time where the Reference Assets consist of the following categories of assets:

a. equity securities, including American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) that represent equity securities;

b. debt securities;

c. fixed income securities;

d. exchange traded funds;

e. mutual funds;

(items (a) to (e), "**Physical Assets**")

f. futures contracts; and

g. options contracts.

Equity Securities

The Reference Assets may be comprised of the list of listed equity securities or listed ADRs or ADSs that represent equity securities as set out in the section entitled "Description of Reference Assets".

Debt Securities

The Reference Assets may be comprised of the debt securities as set out in the section of this Base Prospectus entitled "Description of the Reference Assets".

Fixed Income Securities

As at the date of this Base Prospectus, there are no fixed income securities which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus with details of fixed income securities that may be designated as Reference Assets.

Exchange Traded Funds

The Reference Assets may be comprised of the list of exchange traded fund as set out in the section of this Base Prospectus entitled "Description of the Reference Assets".

Mutual Funds

The Reference Assets may be comprised of the list of mutual funds as set out in the section of this Base Prospectus entitled "Description of the Reference Assets".

Futures Contracts

The Reference Assets may be comprised of the futures contracts as set out in the section of this Base Prospectus entitled "Description of the Reference Assets".

Options Contracts

The Reference Assets may be comprised of the put and call options contracts as set out in the section of this Base Prospectus entitled "Description of the Reference Assets".

Collateral Assets

The assets of the Issuer in respect of each Series of ETP Securities, being:

in the case of Leveraged Exposures and Normal Exposures where the Reference Assets are Physical Assets:

(a) the Reference Assets of the applicable Index or Investment Strategy for such Series of ETP Securities;

(b) Ancillary Assets (as defined below); and

(c) any cash;

in the case of Short Exposures where the Reference Assets are Physical Assets:

(a) the mark to market value of the securities loans;

(b) the Ancillary Assets; and

(c) any cash;

in the case of ETP Securities where the Reference Assets are futures contracts:

(a) the mark to market value of the futures contracts;

(b) the Ancillary Assets; and

(c) any cash,

in the case of Income Series where the Reference Assets are option contracts:

(a) the mark to market value of the option contracts;

(b) any underlying assets of the option contracts acquired by the Issuer to (i) cover its exposure under the options in accordance with the Investment Strategy or (ii) as a result of the option contracts being physically settled;

(c) the Ancillary Assets; and

(d) any cash,

in the case of Income Series where the Reference Assets are Physical Assets:

(a) the Reference Assets of the Investment Strategy for such Series of ETP Securities;

(b) Ancillary Assets (as defined below); and

(c) any cash;

in each case as held in the Margin Account, as described below (the "**Collateral Assets**").

Ancillary Assets

Amounts standing to the credit of a Margin Account in respect of a Series of ETP Securities, to the extent not required for investment in the Reference Assets to replicate the performance of the Index or to pursue the Investment Strategy for that Series, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in sovereign debt in the currency of denomination of the ETP Securities with an original maturity of less than one month which is rated at least A-1 by Standard & Poor's Ratings Services, and/or P-1 by Moody's Investors Service Ltd. and/or F1 by Fitch Ratings Limited ("**Ancillary Assets**").

Leverage Factor

Where a Series provides for a Leveraged or Short Exposure, the Leverage Factor will be assigned in the relevant Final Terms or Investment Strategy, as applicable. The Investment Strategy of an Income Series may also specify an applicable Leverage Factor.

Events of Default

If:

(1) the Issuer defaults in the payment of any sum due in respect of a Series of ETP Securities or any of them for a period of 14 calendar days or more;

(2) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under the ETP Securities, the Trust Deed or any other Programme Document, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);

(3) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;

(4) an examiner is appointed in respect of the Issuer; or

(5) a Margin Loan Provider Event of Default or Margin Loan Provider insolvency occurs,

then the Trustee at its discretion may, or shall, if so directed in writing by the required proportion of the ETP Securityholders, provided that it has been indemnified and/or secured and/or prefunded to its satisfaction, declare that the ETP Securities of such Series are immediately due and payable at their Final Redemption Amount.

Limited recourse

In respect of the ETP Securities of any Series, with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, the Programme Parties and the ETP Securityholders shall have recourse only to the Secured Property in respect of such ETP Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in the Conditions and the Trust Deed, any outstanding claim against the Issuer in respect of the Secured Obligations remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, none of the Programme Parties, the ETP Securityholders of any relevant Series or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation shall be owed to any such persons by the Issuer in respect of such further sum.

With the exception of the Margin Loan Provider with respect the LS Margin Account Agreement, none of the Programme Parties, the ETP Securityholders of any Series or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the sums, assets and/or property

attributable to any other securities issued by the Issuer (save for any further securities which form a single Series with the ETP Securities).

Governing law of ETP Securities

Each Series of ETP Securities, the Master Trust Deed and the Supplemental Trust Deed relating to a Series of ETP Securities will each be governed by Irish law.

Listing and admission to trading

Application may be made to the Frankfurt Stock Exchange for ETP Securities issued under this Programme to be admitted to listing and trading on Deutsche Börse Xetra.

Application may be made to the Italian Stock Exchange for ETP Securities issued under this Programme to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on the Italian Stock Exchange and/or SeDeX, the multilateral trading facility of the Italian Stock Exchange.

Application may be made to Euronext Paris for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Paris, the regulated market operated by Euronext Paris.

Application may be made to Euronext Amsterdam for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam.

Application may be made to Stuttgart Börse for ETP Securities issued under this Programme to be admitted to listing and trading on the regulated market operated by Börse Stuttgart.

Application may be made to the Madrid Stock Exchange for ETP Securities issued under this Programme to be admitted to listing and trading on the regulated market operated by the Madrid Stock Exchange.

Application may be made to the FCA for ETP Securities issued under this Programme to be admitted to the Official List of the FCA. Application may be made to the London Stock Exchange for ETP Securities issued under this Programme to be admitted to trading on the Main Market of the London Stock Exchange. Admission to the UK Official List and to trading on the London Stock Exchange is not admission to trading under the Prospectus Regulation, but is admission to trading for the purposes of the PRM.

Selling and transfer restrictions

There are restrictions in relation to the offering and sale of ETP Securities and the distribution of offering materials in certain jurisdictions. See the section of this Base Prospectus headed "*Subscription and Sale*".

Portfolio Administration Agreement

Pursuant to the terms of the Portfolio Administration Agreement, for each Series of ETP Securities:

(a) in relation to the Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of the issuance of such Series or Tranche of ETP Securities will be deposited with the Margin Loan Provider, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount (as defined below) shall be invested in the Reference Assets of the Index or Investment Strategy of such Series of ETP Securities, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account;

(b) in relation to Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets of the Index or Investment Strategy of such Series which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account;

(c) in relation to the Short Exposures where the Reference Assets are Physical Assets, the Portfolio Administrator, on behalf of the Issuer, will short sell Reference Assets which it will borrow from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series taking into account the applicable Leverage Factor;

(d) in relation to ETP Securities where the Reference Assets are futures contracts, the net proceeds of issuance of such Series of ETP Securities will be held in the Margin Account to fund margin payments to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series taking into account the applicable Leverage Factor;

(e) in the case of Income Series where the Reference Assets are put options, the net proceeds of issuance of such Series of ETP Securities will be used to fund the related Margin Accounts as may be required to maintain positions in the put options in order to pursue the Investment Strategy of such Series, taking into account any applicable Leverage Factor;

(f) in the case of Income Series where the Reference Assets are call options, the net proceeds of issuance of such Series of ETP Securities will be:

(i) used to fund the related Margin Accounts as may be required to maintain positions in the call options; and

(ii) invested in the underlying assets of the call options, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account,

in order to pursue the Investment Strategy of such Series, taking into account any applicable Leverage Factor; and

(g) in the case of Income Series where the Reference Assets are Physical Assets, the net proceeds of issuance of such Series of ETP Securities or Tranche of ETP Securities will be deposited with the Margin Loan Provider, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount, where applicable. shall be invested in the Reference Assets of the Investment Strategy of such Series of ETP Securities, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account.

For the actively managed Investment Strategies, the Portfolio Administrator will also act as investment manager.

The "**Leveraged Investment Amount**" will be the amount of margin that the Margin Loan Provider will extend by way of credit to the Issuer in the Relevant Currency equal to the product of (i) the difference between the Leverage Factor and one and (ii) the net proceeds of the issuance.

Margin Account A securities account, cash account, margin account or collateral account established for a Series with the Margin Loan Provider for the purpose of holding the Collateral Assets, including where applicable the Reference Assets and all distributions received by or on behalf of the Issuer in respect of the Reference Assets and all proceeds of the Reference Assets.

Investment Objective The investment objective of each Series of ETP Securities is to provide ETP Securityholders with a return that will seek to either track the performance of an

Index or pursue an Investment Strategy in accordance with the Leverage Factor, as applicable, of such Series of ETP Securities. Income Series will also have the objective of generating a stream of income to fund periodic interest payments.

The Issuer's obligations in respect of a Series of ETP Securities will be funded by the investment of the net proceeds of the issuance of each Tranche of such Series of ETP Securities in the Reference Assets of the relevant Index or Investment Strategy of such Series and the other Collateral Assets of such Series.

The only funds available to the Issuer to pay the amount due in respect of the redemption of any ETP Security will be proceeds of the liquidation of the *pro rata* portion of the Collateral Assets (after deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the Arranger Fee and the Funding and Brokerage Fees).

Security for the ETP Securities

In respect of the ETP Securities of each Series, the Security shall be constituted by the Security Documents relating to such Series.

Pursuant to the applicable Security Documents, the Issuer will create security in respect of a Series of ETP Securities in favour of the Trustee (for the benefit of the relevant Secured Creditors) over (subject to the Margin Loan Provider's first ranking security interest as described below) (i) all of the Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to the ETP Securities; (ii) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (iii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the LS Margin Account Agreement and the Portfolio Administration Agreement and (iv) all of the Issuer's rights as against the Margin Loan Provider in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider to the extent that they relate to the ETP Securities, in favour of the Trustee for its benefit and for the benefit of the Secured Creditors.

The Security created in favour of the Trustee for the benefit of the Secured Creditors will be subordinated to a first ranking security interest created by the Issuer in favour of the Margin Loan Provider as security for the Issuer's obligations under the LS Margin Account Agreement.

Settlement and clearing

A Series of ETP Securities may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series comprising either Bearer Securities, Registered Securities or definitive bearer securities.

See the section of this Base Prospectus headed "Settlement and Clearing of ETP Securities".

RISK FACTORS

AN INVESTMENT IN ETP SECURITIES INVOLVES A SIGNIFICANT DEGREE OF RISK AND AN INVESTOR MAY LOSE THE VALUE OF ITS ENTIRE INVESTMENT OR PART OF IT.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the ETP Securities issued under the Programme. All of these factors are contingencies that may or may not occur.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with ETP Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in ETP Securities issued under the Programme, but the inability of the Issuer to pay any amounts on or in connection with any ETP Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any ETP Securities are exhaustive. Before making an investment decision, prospective purchasers of ETP Securities should consider carefully, in the light of their own financial circumstances and investment objectives, all the detailed information set out elsewhere in this document and, in particular, the considerations set forth below in order to reach their own views prior to making any investment decision.

Words and expressions not defined in this Risk Factors section shall have the meanings given to them elsewhere in this Base Prospectus.

1. Risk factors relating to the ETP Securities

1.1 Market price of the ETP Securities

The ETP Securities may have a long term and the Final Redemption Date could be up to 50 years from the original Issue Date of the Series. The only means through which an investor will be able to realise value from an ETP Security prior to its Final Redemption Settlement Date will be to sell it at its then market price in a secondary market transaction.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the ETP Securities. Investors should note that general movements in markets and factors that affect the investor climate and investor sentiment may have different effects on each Series of ETP Securities. The ETP Security Value and/or market price of the ETP Securities may be volatile and may fall rapidly and an investor may not be able to sell its ETP Securities quickly and/or at a price such that the investor is able to prevent or minimise any loss of its investment.

The market price of the ETP Securities of a Series will be affected by a number of factors, including, but not limited to:

(i) with respect to Index-linked Series, the value and volatility of the Index referenced by such Series of ETP Securities and the assets underlying that Index;

(ii) with respect to Series which pursue an Investment Strategy, the value of the Reference Assets referenced by such Investment Strategy;

(iii) the degree of leverage applicable to such Series of ETP Securities;

(iv) market perception, interest rates, yields and foreign exchange rates;

(v) whether or not any market disruption is subsisting;

(vi) the nature and value of any Collateral Assets relating to such Series of ETP Securities;

(vii) the creditworthiness of the Margin Loan Providers, Portfolio Administrator and the Authorised Participants;

(viii) any fees or execution costs applicable to subscriptions for or redemptions of the ETP Securities; and

(ix) the liquidity in the ETP Securities.

Prospective investors should be aware that the ETP Security Value and the secondary market price of the ETP Securities can go down as well as up throughout the term of the ETP Securities. Certain indices and investment strategies may be more volatile than other indices and investment strategies, and the secondary market price of the ETP Securities linked to such index or investment strategy may demonstrate similar volatility. Prospective investors should be aware that the ETP Security Value and market price of any ETP Securities on any Valuation Date may not reflect their prior or future performance. There can be no assurance as to the future value and market price of any ETP Securities.

1.2 Market-making by Authorised Participants

The price (if any) provided by an Authorised Participant for the purchase or sale of ETP Securities in the secondary market (whether in an on-exchange or off-exchange transaction), and the number of ETP Securities subject to any such offer, will be determined at the absolute discretion of that Authorised Participant by reference to such factors as it sees fit.

An Authorised Participant may maintain such bid/offer spread as it determines in its absolute discretion. The bid/offer spread is the difference between the bid price (i.e. the price at which a holder can sell ETP Securities to the Authorised Participant) and the offer price (i.e. the price at which a holder can buy ETP Securities from the Authorised Participant). Any price provided by an Authorised Participant or other secondary market price may take into account fees (including any dealing order fees charged by the Issuer to such Authorised Participant), charges, duties, taxes, commissions, liquidity, market spreads and/or other factors.

Investors should be aware that no Authorised Participant is obliged to make a market for any Series of ETP Securities (including any Series in respect of which it is appointed as an Authorised Participant) and in circumstances where an Authorised Participant acts as market maker with respect to any Series of ETP Securities, such Authorised Participant may discontinue making a market at any time. Where an Authorised Participant discontinues making a market and there is no other liquidity in the secondary market, investors would be not be able to realise their investment in the ETP Securities and may be required to hold their ETP Securities until the Final Redemption Date. In addition, investors should be aware that in the event that there is no market maker with respect to a Series of ETP Securities and there is no other liquidity in the secondary market, the Issuer may, but is not obliged to, redeem all the ETP Securities of the relevant Series in accordance with the Issuer Call Redemption provisions set out at Condition 8.6.

Prospective investors should note that:

(i) not all market participants and Authorised Participants will determine the price of the ETP Securities of a Series in the same manner, and the variation between such valuations and prices quoted may be substantial;

(ii) the number of ETP Securities of a Series subject to any offer made by an Authorised Participant or otherwise in the secondary market may be affected by market demand for the ETP Securities of that Series, the number of ETP Securities of that Series in issue, whether the relevant Margin Loan Provider has requisite capacity to enter into margin account agreements in respect of any new ETP Securities, whether subscriptions can be processed and prevailing market conditions;

(iii) they may not be able to sell their ETP Securities quickly, easily or at prices that will provide them with a yield comparable to other similar investments;

(iv) any price at which the ETP Securities of a Series may be sold prior to the Final Redemption Date may be at a discount, which could be substantial, to the price at which such ETP Securities were acquired by the relevant investor; and

(v) illiquidity of the Reference Assets to which a Series of ETP Securities is exposed may have a severely adverse effect on the ETP Security Value. Furthermore, because a Series of ETP Securities may provide a leveraged or inversed leveraged exposure to a single Reference Asset or a limited number of Reference Assets, the impact of illiquidity of any such Reference Asset – particularly during an environment with significant price fluctuations – is intensified due to the concentrated nature of the exposure of the ETP Securities.

Prospective investors should be aware that ETP Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time. Investors should not assume that ETP Securities will automatically be placed with investors by the relevant Authorised Participant(s) immediately upon issue. To the extent that the Authorised Participants hold ETP Securities at any time, they may exercise their rights under them in such manner as they see fit in their own interests and need not have regard to the interests of other holders of ETP Securities or any other person. In particular, an Authorised Participant that is a holder of ETP Securities may vote at any meeting of holders of such ETP Securities or approve any resolution of such holders as it sees fit (including with respect to any changes to the terms of the ETP Securities proposed by the Issuer).

1.3 Foreign exchange risk

Prospective investors should be aware that if a Reference Asset of the relevant Index or Investment Strategy for a Series of ETP Securities is denominated in a currency other than the currency in which the ETP Securities are listed, they will be exposed to the risk that the exchange rate between those currencies moves against them. If the currency of denomination of the Reference Asset depreciates against the listing currency in which prospective investors buy the ETP Securities, such movement may impact negatively the return that they will derive from an investment in such Series of ETP Securities.

1.4 Exchange rate risks and exchange controls

The Issuer will satisfy its payment obligations in respect of the ETP Securities in the currency of denomination of the ETP Securities. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (a) the Investor's Currency equivalent value of the payment payable on the ETP Securities and (b) the Investor's Currency equivalent market value of the ETP Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less payment than expected and may receive no payment.

1.5 Issuer's right to vary fees

The fees that are taken into account in calculating the ETP Security Value in respect of a Series on any Valuation Date may be varied upon the Issuer giving notice to the ETP Securityholders. Potential investors should note that the Issuer is not required to consider the interests of the ETP Securityholders in making any such variation. Any increase in fees would negatively impact the return for ETP Securityholders.

1.6 Issuer's right to make funding adjustments in the relevant Series of ETP Securities

Series of ETP Securities offering Leveraged Exposures and Short Exposures take into account specific funding and borrowing adjustments, which may be varied by agreement between the Issuer and the relevant Margin Loan Provider. Potential investors should note that the Issuer and the Margin Loan Provider are not required to consider the interests of the ETP Securityholders in making any such variation. Any increase in such funding and borrowing costs would negatively impact the return for ETP Securityholders.

1.7 Optional redemption

Only Authorised Participants may deal with the Issuer in subscribing for or requiring the Issuer to redeem outstanding ETP Securities, save in relation to Optional Redemptions at any time following notification by the Issuer that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted.

Prospective purchasers should note that the calculation of the Optional Redemption Amount payable by the Issuer to an ETP Securityholder in respect of an ETP Security will take into account any amounts owing to the Margin Loan Provider as well as costs and expenses in relation to the liquidation of the relevant Collateral Assets and the *pro rata* deduction of the Arranger Fee and any other applicable Funding and Brokerage

Fees. As such, the amount due to an ETP Securityholder in respect of each ETP Security held by it on the Optional Redemption Settlement Date may be less than the ETP Security Value in respect of such ETP Securities. Additionally, for Income Series the calculation of the Optional Redemption Amount will exclude the value of any Collateral Assets held in the Margin Account which are determined by the Determination Agent to be attributable to any Interest Amounts which have not yet been paid but for which the Interest Ex Date has passed.

The amount of any Optional Redemption is subject to the Maximum Daily Redemption Limit, being a maximum limit (if applicable) on the redemption number of ETP Securities of a Series on any Optional Redemption Pricing Date, as may be amended from time to time in accordance with the terms of the LS Operating Procedures Agreement.

Prospective investors should be aware that it is possible that the Maximum Daily Redemption Limit could cause the ETP Securities to trade at a higher premium or result in a discount to the ETP Security Value. An investor who buys ETP Securities in such circumstances may incur a significant loss should market demand change. Significant loss could occur even where the ETP Security has increased in price during the investor's holding period. The Maximum Daily Redemption Limit could also lead to higher trading spreads for the ETP Securities in the secondary market, which could increase the execution costs for an investor purchasing the ETP Securities in the secondary market.

In the event that an investor is not able to immediately redeem their ETP Securities due to a breach of the Maximum Daily Redemption Limit, such investor will be subject to market risk (i.e. that the value of the ETP Securities will decline prior to redemption and therefore reduce the redemption amount). As a result, it is possible that the redemption amount could be reduced due to an adverse change in the price of the Reference Assets (which would consequently impact the value of the ETP Securities).

In addition, prospective investors should be aware that if trading in the Reference Assets in respect of a Series of ETP Securities is suspended, any Optional Redemption would be delayed. As a result, any redemption request relating to the relevant ETP Securities placed on the day upon which the relevant Reference Assets are suspended from trading would be delayed and such suspension from trading of the relevant Reference Assets could ultimately lead to a Disruption Redemption Event. Investors would therefore be subject to market risk (i.e. that the value of the ETP Securities will decline prior to redemption and therefore reduce the redemption amount). As a result, it is possible that the redemption amount could be reduced due to an adverse change in the price of the Reference Assets (which would consequently impact the value of the ETP Securities).

1.8 Issuer call option

The Issuer may at any time, in its sole and absolute discretion, elect to redeem all or some only of the ETP Securities of a Series. In exercising such discretion, the Issuer will have no regard to the interests of the ETP Securityholders. In such circumstances it is possible that the ETP Securityholders may receive less, or substantially less, than their initial investment.

1.9 Mandatory Redemption Events and Events of Default

The ETP Securities of a Series may become due and payable prior to their Final Redemption Date, as further described in Conditions 8.8 and 12, in connection with the occurrence of an Event of Default (including an event of default with respect to the Issuer or the Margin Loan Provider under the LS Margin Account Agreement) or a Mandatory Redemption Event. In such circumstances it is possible that the ETP Securityholders may receive less, or substantially less than their initial investment.

1.10 Disruption events/adjustment events/technical and operational errors/change in law impacting the ETP Securities

Any Valuation Date of a Series of ETP Securities may become subject to disruption due to the occurrence of certain events including, without limitation:

(i) any applicable Exchange or Related Exchange failing to open for its regular trading session, or suspends or limits trading of any components of such Index or Investment Strategy, or an event occurs that impairs trading or valuation on the Exchange of, any components of such Index or Investment Strategy;

(ii) the ETP Security Value falling by more than the applicable threshold;

(iii) the Index Sponsor permanently cancelling the relevant Index;

(iv) the Index Sponsor announcing that it will make a material change in the formula for, or the method of, calculating the relevant Index or in any other way materially modifying the Index;

(v) the Index Sponsor failing to calculate and announce the level of the Index;

(vi) the Portfolio Administrator making operational adjustments to the Investment Strategy to ensure that, so far as possible, the basic principles and economic effect of the Investment Strategy are maintained;

(vi) a change in any applicable law or regulation that causes it to become illegal for the Issuer to perform its duties under the LS Margin Account Agreement; and

(vii) the occurrence of technical issues with a Programme Party or operational errors by a Programme Party

The consequences of such events may include disruptions or delays to pricing of ETP Securities, the Issuer's ability to reconstitute the Margin Account to track the performance of the relevant Index or to pursue the Investment Strategy at the end of a Rebalance Period or on the occurrence of an Unscheduled Rebalance. the postponement of subscriptions for, and redemptions of, ETP Securities, adjustments to the terms of the ETP Securities and the designation of a Successor Index or replacement Investment Strategy. Ultimately, the occurrence of any such event may trigger the mandatory redemption of the affected Series of ETP Securities. In this eventuality, the amount which an ETP Securityholder may receive in respect of each ETP Security subject to such redemption may be lower than the ETP Security Value.

1.11 The Conditions and the Master Trust Deed contain provisions which may permit modifications without the consent of ETP Securityholders

Prospective investors should be aware that the Conditions and the Master Trust Deed permit the Issuer to agree, without the consent of the Trustee or the ETP Securityholders, to any modification of the Conditions, the Trust Deed and/or the Programme Document, including any modification which is made:

(i) in connection with the accession of a new Authorised Participant to the Programme or the termination of the appointment of an existing Authorised Participant (including the Initial Authorised Participant);

(ii) in connection with any variation of the terms of appointment of an Agent, the termination of the appointment of an Agent, the replacement of an Agent, the appointment of additional Agents or any variation or amendment to the terms of any Programme Document;

(iii) in connection with an amendment to the terms of the Programme to extend the range of assets which may be included as Collateral Assets for any Series of ETP Securities to be issued following the date of the relevant amendments;

(iv) in connection with an amendment to the terms of the Programme to facilitate the issue of Series of ETP Securities which pursue actively managed Investment Strategies, such Series to be issued following the date of the relevant amendment;

(v) in order to facilitate any application for the admission of the ETP Securities of any Series to listing or trading on any stock exchange;

(vi) in order to effect the transfer of the LS Margin Account Agreement to a new Margin Loan Provider or to make amendments consequent upon such transfer; or

(vii) to effect any adjustment to the Conditions of the ETP Securities and/or the terms of the LS Margin Account Agreement pursuant to Condition 9.3 as a consequence of the occurrence of an Adjustment Event provided that:

(a) the adjustments so agreed have the consequence that at the time of the adjustments there is no negative change to the ETP Security Value in respect of the ETP Securities; and

(b) the adjustments do not take effect until at least three calendar days have elapsed after they are announced to the ETP Securityholders in accordance with Condition 17.

In addition, where provided for in the applicable Conditions, some Series of ETP Securities may also permit other modifications not specifically referenced above which the Issuer considers to be necessary or desirable for the Programme or any Series of ETP Securities provided that:

(i) such modifications are notified to ETP Securityholders at least 10 Business Days in advance of becoming effective; and

(ii) the Issuer certifies in the notice to ETP Securityholders that, in the opinion of the Issuer, such modifications are not materially prejudicial to the interests of the ETP Securityholders.

Furthermore, to the extent that the consent of the Trustee is required in order to give effect to any permitted modification to the Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which the Issuer certifies to the Trustee is necessary or desirable to be made for the purposes described above, the Trustee is required to agree, without the consent of the ETP Securityholders, to such modification provided however that the Trustee shall be entitled to refuse to agree to any modification or any other matter which would, in the Trustee's sole opinion, have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) adding to or increasing the obligations, liabilities or duties or decreasing the rights, powers, authorisation, indemnities, discretions or protections of the Trustee.

Accordingly, a situation could arise whereby the Issuer makes a modification to the Conditions, the Trust Deed and/or the Programme Document which would not otherwise have been made if the consent of the Trustee or the ETP Securityholders was required (as the Trustee or ETP Securityholders would not have consented to such modification).

1.12 Fees and costs may significantly reduce the return on the ETP Securities

The fees and costs described in the section of this Base Prospectus headed "Fees" are accrued daily based on the ETP Security Value, regardless of whether the value of the Reference Assets rises or falls. For Series providing a Leveraged Exposure, the Daily Margin Interest Rate is calculated by reference to the amount of funding incurred, which increases with the Leverage Factor, so the total cost as a percentage of the amount invested rises sharply with leverage.

For Series providing a Short Exposure, Securities Lending Fees vary between Reference Assets and may be high, and may increase significantly at short notice, for securities that are in high demand to borrow. Certain Investment Strategies also charge a performance-based fee, and Series which invest in exchange traded funds or other exchange traded products bear the fees of those products in addition to the fees of the ETP Securities. These costs accumulate over time, so their effect is greater the longer the ETP Securities are held, and they may result in an investor receiving less than the amount invested even where the Reference Assets have risen in value. The Benchmark Rate and the margin charged above it may change, so the cost of holding the ETP Securities may increase (see risk factor 1.6).

As a consequence of the risks set out in this risk factor 1.12, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

2. Risk factors relating to Reference Assets

2.1 Risks related to futures contracts

Series of ETP Securities may be issued where the Reference Assets are comprised of futures contracts. Futures contracts are derivative contracts whereby the parties agree to exchange payments on a future date based on changes to the value of an underlying asset. Accordingly, the value of the ETP Securities of such

Series will be subject to the risks which apply to investing in futures contracts generally and also to the relevant underlying asset.

If the Issuer takes a long position in the relevant futures contract by acting as the buyer, the value of the Issuer's position in the futures contract will increase if the price of the underlying asset increases. Conversely, the Issuer will be required to make payments to the seller of the futures contract to the extent that the price of the underlying asset decreases over the term of the futures contract. If the Issuer takes a short position in the relevant futures contract by acting as the seller, the value of the Issuer's position in the futures contract will increase if the price of the underlying asset decreases. Conversely, the Issuer will be required to make payments to the buyer of the futures contract to the extent that the price of the underlying asset increases over the term of the futures contract.

By contrast with short positions which involve the potential of an unlimited loss, the potential loss of the Issuer in respect of any long position is limited to amount of the contract settlement price. See "*Leveraged or Inverse Leveraged Series*" below for more details.

Futures contracts involve, to varying degrees, elements of market risk and exposure to loss in excess of the amounts of any margin which is required to be delivered. Additional risks associated with the use of futures contracts are imperfect correlation between movements in the price of the futures contracts and the level of the underlying reference asset and the possibility of an illiquid market for a futures contract. With futures contracts, there is minimal but some counterparty risk to the Issuer since futures contracts are exchange traded and the exchange's clearinghouse, as counterparty to all exchange-traded futures contracts, effectively guarantees futures contracts against default. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified times during the trading day. Futures contracts prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting the holders of ETP Securities linked to such futures contracts to substantial losses. If trading is not possible or if the Issuer determines not to close a futures position in anticipation of adverse price movements, the Issuer may be required to make daily cash payments of additional margin.

Futures' prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Issuer as the investor in the futures contract. Like other leveraged investments, a futures transaction may result in losses for the Issuer in excess of the amount invested by the Issuer.

Where a Series maintains exposure to an underlying asset through futures contracts, contracts approaching expiry must periodically be sold and replaced with contracts with later expiries ("rolling"). Where the later contract is more expensive than the expiring contract ("contango"), each roll buys fewer contracts for the same amount, and the Series will lose value over time even if the spot price of the underlying asset is unchanged. Where the later contract is cheaper ("backwardation"), rolling may add value. The shape of the futures curve depends on factors such as storage costs, inventories, interest rates and seasonal supply and demand, and can change quickly. Energy futures, in particular natural gas and crude oil futures, have historically experienced extended periods of steep contango. As a result, the return on Series whose Reference Assets comprise futures contracts may differ significantly from the change in the spot price of the underlying asset, particularly over longer holding periods and where combined with leverage.

As a consequence of the risks set out in this risk factor 2.1, whilst ETP Securityholders cannot lose more than the amount they invest to purchase the ETP Securities, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

2.2 Risks related to equities and debt securities

Investors in Series of ETP Securities where the Reference Assets are comprised of equities or debt securities should be familiar with investments in global capital markets and with equities and debt securities generally and should carefully consider, among other matters, the value and price volatility of equities or debt securities

included in the Reference Assets and by reference to which amounts payable under the ETP Securities are calculated.

ETP Securities will give rise to obligations of the Issuer and will not give rise to any obligations of any company whose securities are included in the Reference Assets.

No issuer of any equities or debt securities included in the Reference Assets will have participated in the preparation of this Base Prospectus, the Final Terms or in establishing the terms of the ETP Securities and no Authorised Participant will make any investigation or enquiry in connection with such offering with respect to the information concerning any such issuer contained in this Base Prospectus, the Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the relevant equities or debt securities will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer could affect the trading price of the relevant equities or debt securities and therefore the trading price of the ETP Securities.

The risks of an ETP Security linked to equities or debt securities may include, but are not limited to, the possibility of significant changes in the price(s) of the relevant equities or debt securities. The value of the relevant equities or debt securities may go down as well as up and the value of any relevant equities or debt securities on any date may not reflect their performance in any prior period. There can be no assurance as to the future value of any equity or debt security or of the continued existence of any equity, debt security or its related company. Accordingly, before making an investment decision with respect to ETP Securities, prospective investors should carefully consider whether an investment, the return on which will depend on the performance of equities or debt securities, is suitable for them.

Where a Series provides exposure to the performance of equities or debt securities, such Series will be subject to general and specific market movements and changes in the market rates or prices such as interest rates, credit spreads, foreign exchange rates, commodities and equity or debt security prices.

Prospective investors should also be aware that leveraged exposure to a single equity security or debt security has a high degree of idiosyncratic (i.e., company-specific) risk, relative to a more diversified investment. Examples of idiosyncratic risk include, but are not limited to: company management expertise, capital allocation, labour and/or supply chain disruptions, theft, lawsuits, the spread of infectious illness or other public health issues and natural disasters.

In addition, where the Reference Assets consist of a single equity security, the potential impact of corporate actions is more significant than in a diversified investment. Potential investors should note that ETP Securityholders will not participate directly in any rights issue or stock split in relation to the relevant Reference Asset. In addition, certain corporate actions, such as a merger or acquisition could result in the eventual liquidation of an ETP Security. In the event of a de-listing of an equity security, including an ARD, this would trigger a Mandatory Redemption Event in respect of the relevant Series of ETP Securities, with the ETP Securities of such Series becoming due and payable on the Mandatory Redemption Settlement Date at its Mandatory Redemption Amount.

The price of an equity security will be influenced by a range of factors including management decisions, overall performance and the extent that it has large holdings in a particular asset. Prospective investors should familiarise themselves with the business and performance of the equity security Reference Asset.

As a consequence of the risks set out in this risk factor 2.2, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

2.3 Risks related to options

Series of ETP Securities may be issued where the Reference Assets are comprised of call or put option contracts.

A call option gives the option buyer (the "**Option Buyer**") the right (but not the obligation) to purchase a specified asset (the "**Underlying Asset**") from the option seller (the "**Option Seller**") at a future date (the "**Exercise Date**") for an agreed price (the "**Strike Price**"), in exchange for the payment of a premium. If the price of the Underlying Asset on the Exercise Date exceeds the Strike Price, the option will be exercised by the Option Buyer and the Option Seller will be required to (i) if the option is cash settled, make a payment to

the Option Buyer of the amount by which the price of the Underlying Asset on the Exercise Date exceeds the Strike Price or (ii) if the option is physically settled, deliver the Underlying Asset to the Option Buyer at the Strike Price.

A put option gives the Option Buyer of the option the right (but not the obligation) to sell an Underlying Asset to the Option Seller of the put option on the Exercise Date at the agreed Strike Price, in exchange for the payment of a premium. If the price of the Underlying Asset on the Exercise Date is less than the Strike Price, the option will be exercised by the Option Buyer and the Option Seller will be required to (i) if the option is cash settled, make a payment to the Option Buyer of the amount by which the Strike Price on the Exercise Date exceeds the price of the Underlying Asset or (ii) if the option is physically settled, accept delivery of the Underlying Asset from the Option Buyer at the Strike Price.

For any Series where the Reference Assets are comprised of options contracts, the Issuer may act as the Option Seller of the call and put options.

Acting as the Option Seller of a call option will expose the Issuer to the risk that the price of the Underlying Asset exceeds the Strike Price on the Exercise Date. There is no limit on the level to which the price of an asset can increase and there accordingly exists the potential of an unlimited loss. For Series of ETP Securities where the Reference Assets include call options, the Issuer may enter the call options on a covered basis whereby it will also purchase the relevant Underlying Asset to which the call option relates. Accordingly, if the price of the Underlying Asset exceeds the Strike Price on the Exercise Date, any loss incurred on the call option will be offset by an equivalent gain on the Underlying Asset owned by the Issuer. However, the Issuer may not be able to fully cover its exposure under call options that it enters into as it may not be able to acquire sufficient underlying assets. To the extent that the Issuer suffers a loss in respect of any call option where its exposure is wholly or partly uncovered, such loss will result in a decrease in the ETP Security Value. Additionally, to the extent that it owns the underlying assets, the Issuer will be exposed to the risk of the price of the underlying assets decreasing which may result in a decrease of the ETP Security Value.

Conversely, acting as the Option Seller of a put option will expose the Issuer to the risk that the Strike Price exceeds the price of the Underlying Asset on the Exercise Date. Any loss incurred by the Issuer in respect of the put option will result in a decrease in the ETP Security Value. Additionally, to the extent the put options are physically settled, the Issuer may from time to time be required to take delivery of the underlying assets. To the extent that it owns the underlying assets, the Issuer will be exposed to the risk of the price of the underlying assets decreasing which may result in a decrease of the ETP Security Value.

With options contracts there is some counterparty risk to the Issuer since the Issuer's exposure with respect to all options contracts it enters into will be to the Options Clearing Corporation.

As a consequence of the risks set out in this risk factor 2.3, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

2.4 Risks related to exchange traded funds

Series of ETP Securities may be issued where the Reference Assets are comprised of exchange traded funds ("**ETFs**"). ETFs are pooled investments in assets such as equities and debt securities that track a stated index or investment strategy. Accordingly, the value of the ETP Securities of such Series will be subject to the risks which apply to investing in the ETFs that are included in the Reference Assets and also to the underlying assets in which they invest.

While ETFs vary in product structure, many will share some of the basic features of the ETP Securities and their related risks. Investors should carefully consider, among other matters, the structure, investment policy, liquidity, tracking error, relevant parties and price volatility of the ETFs included in the Reference Assets.

If such ETFs invest in equity or debt securities, they may share some of the risks outlined under "*Risk factors relating to the Reference Assets – Risks related to equities and debt securities*" above and, consequently, investors are advised to read them carefully and to consider any other risks specific to the relevant ETF's underlying assets.

While the underlying assets of ETFs are typically diversified across the relevant asset class and strategy, they may be concentrated and, in that case, the "*Concentration Risk*" outlined below may be useful for the purposes of assessing some of the risks of such ETFs.

As a consequence of the risks set out in this risk factor 2.4, the ETP Securityholders may lose some or all of their investment in the ETP Securities

2.5 Risks related to mutual funds

Series of ETP Securities may be issued where the Reference Assets are comprised of mutual funds. Mutual funds are pooled investments in assets such as equities and debt securities. Accordingly, the value of the ETP Securities of such Series will be subject to the risks which apply to investing in the mutual funds that are included in the Reference Assets and also to the underlying assets in which they invest.

While mutual funds may vary in product structure, many will share some of the basic features of the ETP Securities and their related risks. Investors should carefully consider, among other matters, the structure, investment policy, liquidity, relevant parties and price volatility of the mutual funds included in the Reference Assets.

If such mutual funds invest in equity or debt securities, they may share some of the risks outlined under "*Risk factors relating to the Reference Assets – Risks related to equities and debt securities*" above and, consequently, investors are advised to read them carefully and to consider any other risks specific to the relevant mutual fund's underlying assets.

While the underlying assets of mutual funds are typically diversified across the relevant asset class and strategy, they may be concentrated and, in that case, the "*Concentration Risk*" outlined below may be useful for the purposes of assessing some of the risks of such mutual funds.

As a consequence of the risks set out in this risk factor 2.5, the ETP Securityholders may lose some or all of their investment in the ETP Securities

2.6 Risks relating to crypto holdings and activities of Reference Assets

The Reference Assets of a Series of ETP Securities may be comprised of public companies or ETFs which have declared holdings of crypto assets or which otherwise have exposure to crypto assets. These include (but not limited to) the following:

- Robinhood Markets, Inc allows users to buy and sell cryptocurrencies on its platform; crypto trading has historically contributed a material share of Robinhood's revenues, although this share has declined significantly in recent quarters as the business has diversified into other areas.
- Microstrategy Incorporated (doing business as of February 2025 under the name "Strategy") is the largest corporate holder of bitcoin and as at 28 June 2026 reported a holding of 847,363 bitcoin.
- As at 31 March 2026 Coinbase Global, Inc. reported holding 16,492 bitcoin and 150,193 ether.
- As at 31 March 2026 Tesla Inc. reported holding 11,509 bitcoin.
- As at 31 March 2026 Block, Inc. reported holding approximately 8,997 bitcoin.
- Ferrari NV has an exposure to cryptocurrency by virtue of the fact that it accepts cryptocurrency in certain regions.
- ARK Next Generation Internet ETF has an indirect exposure to cryptocurrencies through its investment in the ARK 21Shares Bitcoin ETF (ARKB).
- ARK Innovation ETF invests in companies that are involved in the blockchain and digital economy, including Coinbase Global, Inc.
- PayPal Holdings, Inc. has exposure to cryptocurrency through various offerings, including allowing users to buy, sell and hold bitcoin and other cryptocurrencies and by developing their own stablecoin, PayPal USD (PYUSD).
- As at 31 March 2026, Goldman Sachs Group Inc reported holdings of approximately $691 million in the iShares Bitcoin Trust ETF, $25 million in the Fidelity Wise Origin Bitcoin Fund, $114 million in the iShares Ethereum Trust ETF and $67 million in the iShares Staked Ethereum Trust ETF.

- JPMorgan Chase & Co. have reported holdings in spot bitcoin exchange traded funds, created a cryptocurrency called “JPM Coin” designed to instantly settle payments between clients and has performed collateral settlements for clients using blockchain.
- Visa Inc. have partnered with platforms including Worldcoin and Coinbase Global, Inc. to facilitate crypto-linked payments and allow users to spend digital assets.
- As at 28 June 2026, Bitmine Immersion Technologies, Inc. reported holding approximately 5,700,040 Ethereum and 206 Bitcoin.
- Circle Internet Group, Inc.’s business is tied to the digital asset ecosystem through the issuance and management of USD Coin and other tokenised assets.
- As of the first quarter of 2026 Galaxy Digital Inc. reported approximately $1,362 million of net digital assets and investments on its balance sheet.
- IREN Limited has exposure to cryptocurrency markets through its bitcoin mining operations and related compute assets.
- As of 31 March 2026, MARA Holdings, Inc. reported holding approximately 35,303 BTC on its balance sheet.
- As at 31 March 2026, Riot Platforms, Inc. reported holding 15,679 bitcoin (of which 5,802 were held as collateral) on its balance sheet, in addition to its exposure to cryptocurrency markets through its large scale bitcoin mining operations.
- Gemini Space Station, Inc. is a platform for cryptocurrency trading, custody and related digital asset services and its business is directly tied to the activity and liquidity of crypto markets.
- As at 31 March 2026, Space Exploration Technologies Corp. reported holding 18,712 bitcoin on its balance sheet.
- As at 31 December 2025, Core Scientific, Inc. reported holding 2,537 bitcoin on its balance sheet, produced through its digital asset self-mining operations.
- Applied Digital Corporation has exposure to cryptocurrency markets through the provision of hosting services to cryptocurrency mining customers.

Disclosure of Reference Assets direct and indirect exposure to crypto asset is set out in the section of this Base Prospectus entitled “Description of the Reference Assets”

As can be seen from the list above, certain of the public companies to whom investors may be exposed through the ETP Securities have business activities extrinsically linked to the crypto market. For example Coinbase Global, Inc. is a holding company that offers digital currency wallet and platform. Coinbase Global, Inc also offers various products and services, including transaction and subscription offerings related to the crypto assets market. Such activities means that companies such as Coinbase Global, Inc, may be effected by the volatility of the crypto asset market.

Losses accrued by such companies resulting from crypto market volatility may affect the value of those companies and accordingly the value of the relevant ETP Securities. Further, by reason of the leveraged exposure, the effect of any negative changes in the value of those companies on the leveraged Index or Investment Strategy, where relevant, will be magnified as compared to the effect of any such negative changes on the level of an otherwise identical Index or Investment Strategy that does not employ leverage. Where leverage is employed, the level of the Index or Investment Stratrgy will typically be magnified by a factor of +5, +4 +3, +2, -1, -2, -3 or -5, as will be specified in the relevant Final Terms.

Prospective investors should take particular note of this when considering investing in Series of ETP Securities whose Reference Assets have large stated exposures to volatile markets such as crypto assets . A downturn in such markets may result in a magnified fall in the value of such Reference Assets. In such circumstances, the value of those Reference Assets would be less than had the relevant Index or Investment

Strategy been unlevered, meaning that any losses on a Securityholder's investment in the ETP Securities would also be greater.

As a consequence of the risks set out in this risk factor 2.6, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

2.7 Concentration risk

Series of ETP Securities may provide Leveraged Exposure, Short Exposure or Normal Exposure to the Reference Assets underlying the relevant Index for that Series or referenced by the Investment Strategy for such Series. Where there is a single Reference Asset or a limited number of Reference Assets, prospective investors should be aware that there are risks deriving from such concentration, the most significant of which is the impact on the liquidity and the volatility of the ETP Securities.

In respect of liquidity, a concentrated leveraged and inversed leveraged exposure to a single asset heightens the impact of the illiquidity of any such asset on the ETP Securities, particularly during an environment with significant price declines and inclines. Furthermore, the volatility of the ETP Securities is also intensified due to their concentrated leveraged or inversed leveraged exposure, as there is no other Reference Asset to counterbalance potential volatile movements on the Reference Asset of the relevant Index or Investment Strategy for a Series of ETP Securities.

As a consequence of the risks set out in this risk factor 2.7, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

2.8 Reliance on Third Party Information

The section of this Base Prospectus entitled "Description of the Reference Assets" contains certain information in relation to the Reference Assets which has been sourced from publicly available information. Such information has been accurately reproduced by the Issuer and so far as the Issuer is aware and/or able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

There is a risk that such information is not accurate or up to date and a situation could arise whereby an investor would not have otherwise invested in the relevant ETP Security if such information was accurate or up to date, as applicable. In addition, the Issuer relies on publicly available information to assess the suitability of each Reference Asset for inclusion in the Programme. The Issuer could suffer a loss if the value of the Reference Asset is negatively impacted as a result of the correction of such publicly available information (for example if a material error in the financial statements of the issuer of a Reference Asset was identified). Any such loss would negatively impact the value of the ETP Securities.

2.9 Risks related to the Leveraged Exposure Post-IPO Investment Strategies

As a consequence of the risks set out in this risk factor 2.9, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

(i) Cash holding phase and no exposure to the Underlying Entity

Each Leveraged Exposure Post-IPO Investment Strategy operates in three phases. During the Initial Phase, the relevant Series of ETP Securities will hold cash, and will provide no Leveraged Exposure and no exposure of any kind to the Underlying Entity. During the Initial Phase, the value of the ETP Securities will not track the value or performance of the Underlying Entity, and ETP Securityholders will not benefit from any appreciation (nor be exposed to any depreciation) in its value. The cash held during such period will accrue the Return on Collateral, which is the principal determinant of the value of the ETP Securities during that period.

(ii) IPO postponement, withdrawal or cancellation risk and length of the cash holding phase

The IPO of the Underlying Entity may be postponed, withdrawn or cancelled entirely, for reasons including adverse market conditions, regulatory delay, failed demand, or issuer decision. Although the Issuer intends to issue the first tranche of a Series pursuing a Leveraged Exposure Post-IPO Investment Strategy no earlier than ten (10) London Business Days before the publicised date of the relevant IPO, the IPO may be postponed, withdrawn or cancelled after that Series has been issued and admitted to trading. The Initial Phase may therefore last for a significant period of time, and there can be no assurance as to when, or

whether, the IPO will occur. During any such extended period the strategy will remain fully invested in cash and will provide no Leveraged Exposure to the Underlying Entity, and accordingly the Series of ETP Securities may not provide the intended Leveraged Exposure for a prolonged period or at all. In addition, even after the IPO, the Portfolio Administrator may fail to secure enough Underlying Entity Shares, in which case the strategy may remain invested in cash beyond the IPO. However, if the Portfolio Administrator fails to secure enough borrowing capacity within ten (10) London Business Days of the IPO, the Issuer will trigger an Issuer Call Redemption Event, which constitutes a Mandatory Redemption Event (as discussed below).

(iii) IPO pricing and first-day trading volatility risk

Newly listed equity securities are subject to extreme price volatility on and immediately following listing. When the strategy begins to provide Leveraged Exposure and the Portfolio Administrator acquires the Underlying Entity Shares at or around the time of the IPO, the price of such Underlying Entity Shares may be at a significant premium or discount to subsequently prevailing market prices. The Leveraged Exposure amplifies the impact of any such price movement, including the risk that a sharp post-IPO price decline triggers an Unscheduled Rebalance shortly after the Underlying Entity Shares are acquired.

Furthermore, during the Second Phase, the Portfolio Administrator will aim to execute all buy orders shortly after the Opening Auction. However, there is a risk that there may be large differences between the Execution Price and the Opening Price.

(iv) Tracking variance relative to the Leverage Factor

Tracking variance may arise during the Second Phase and Third Phase of the relevant Leveraged Exposure Post-IPO Investment Strategy. During the Initial Phase the ETP Securities provide no exposure to the Underlying Entity and accordingly do not track the Underlying Entity Shares at all. During the Second Phase the Leveraged Exposure actually obtained depends on availability of the Underlying Entity Shares from the Margin Loan Providers shortly after the conclusion of the Opening Auction, and may be lower than the stated Leverage Factor or absent altogether. During the Third Phase, tracking variance may arise as described below.

During the Second Phase and Third Phase, the Leveraged Exposure Post-IPO Investment Strategies may be unable to secure a sufficient number of Underlying Entity Shares, which may cause the return on the ETP Securities to differ materially from the Leverage Factor times the daily return of the Underlying Entity Shares. For example, the Portfolio Administrator may deviate from the target Leverage Factor following the IPO, including by reason of liquidity constraints, limitations imposed by the Margin Loan Provider, regulatory restrictions or market disruption. Any such deviation may cause the return on the ETP Securities to diverge from the intended leveraged exposure to the Underlying Entity Shares.

(v) Risk of trading halts, delays or restrictions imposed by a listing exchange around the IPO

A stock exchange or other trading venue on which ETP Securities pursuing a Leveraged Exposure Post-IPO Investment Strategy are admitted to trading retains its own discretion to delay the commencement of trading, impose a trading halt, or otherwise restrict dealing in such ETP Securities, including on the first day of trading of a new Series and around the time of the IPO of the Underlying Entity. A trading venue may determine that trading in the ETP Securities should not commence or resume until the Underlying Entity is itself admitted to trading on its primary listing venue, or until the completion of an opening auction, uncrossing process or other price-formation mechanism in respect of the Underlying Entity, which may occur on a different exchange, in a different time zone and during a different trading session than that of the exchange on which the ETP Securities are listed.

A trading venue may also impose a halt, delay or restriction where it considers that there is a risk of investor confusion in relation to the Leveraged Exposure Post-IPO Investment Strategy, including confusion as to the relationship between the ETP Securities and the Underlying Entity, or as to how the ETP Security Value is expected to respond to the IPO, or where other events have occurred or are occurring that, in the determination of the trading venue, have led to or risk leading to a disorderly market in the ETP Securities or

an adverse impact on investors. Any such determination is made by the relevant trading venue in its sole discretion, applying its own rules and market-integrity standards, and the Issuer has no ability to influence, preempt or expedite that determination.

Any such halt, delay or restriction, on any of the grounds described above, is outside the control of the Issuer, which cannot give any assurance as to when a trading venue will permit trading in ETP Securities pursuing a Leveraged Exposure Post-IPO Investment Strategy to commence or resume. During any period in which trading is halted, delayed or restricted, ETP Securityholders will be unable to buy or sell the ETP Securities on the relevant exchange, notwithstanding that the ETP Securities continue to have a determinable ETP Security Value throughout such period.

(vi) Price discovery risk

Uncertain market microstructure regarding the Underlying Entity (order flow, liquidity, bid-offer spreads) in the initial trading days following the IPO may impair the Portfolio Administrator's ability to execute rebalances accurately and efficiently, and may result in greater tracking error than would be expected for a Series referencing a seasoned listed equity.

3. Risk factors relating to Indices

3.1 Index-linked Series

As a consequence of the risks set out in this risk factor 3.1, the ETP Securityholders may lose some or all of their investment in the ETP Securities

In the case of Index-linked Series, the purpose of the Index in respect of each Series of ETP Securities is to provide exposure (which may be long, short, leveraged or unleveraged) to the Reference Assets of such Index, which will be adjusted daily, weekly, monthly or such other period as set out in the Final Terms or Investment Strategy, as applicable (the "**Rebalance Period**") in accordance with the performance of the Reference Assets.

Potential Investors should note that the amount payable on the redemption of the ETP Securities of any Series will be linked to the performance of the Index referenced by such Series, however, potential investors should note that they will have no entitlement to the relevant Index or the Reference Assets of such Index, but have entitlement solely to the Pro-rata Liquidation (as defined herein).

The level of an Index can go down as well as up and accordingly may negatively impact the return for the ETP Securityholders. In addition, the past performance of an Index will not be indicative of its future performance. There can be no assurance as to the future performance of any Index to which the ETP Securities are linked. The ETP Securities may trade differently from the performance of the Index and changes in the level of the Index may not result in a comparable change in the market value of the ETP Securities or in the ETP Security Value.

Accordingly, before investing in any ETP Securities, prospective investors should carefully consider whether an investment based on the performance of the applicable Index is suitable for them and in all cases an investor in ETP Securities should carry out its own detailed review of the applicable Index and the rules relating thereto.

3.2 Factors affecting the performance of Indices may adversely affect the value of the ETP Securities

As a consequence of the risks set out in this risk factor 3.2, the ETP Securityholders may lose some or all of their investment in the ETP Securities

The performance of an Index in respect of each Series of ETP Securities may adversely affect the value of the ETP Securities and therefore may negatively impact the return for ETP Securityholders. The performance of an Index is dependent upon the macroeconomic factors relating to the assets that comprise such Index, which may include, among others, interest rates and price levels on the capital markets, currency developments, political factors (including geopolitical conflicts or tensions) and in the case of equity securities and debt securities, company-specific factors such as earnings position, market position, risk situation,

shareholder structure and distribution policy as well as broader market developments such as volatility in global equity, commodity and energy markets arising from geopolitical events or macroeconomic uncertainty.

3.3 *Tracking error in relation to the Index*

As a consequence of the risks set out in this risk factor 3.3, the ETP Securityholders may lose some or all of their investment in the ETP Securities

At any given time, the price at which any Series of ETP Securities trade in the secondary market may be significantly different from the Index Level of the relevant Index of such Series. Additionally, the performance of any Series of ETP Securities may significantly differ from the performance of the relevant Index of such Series.

Accordingly, there is a risk that the return on any Series of ETP Securities may differ from the actual return that investors would obtain from the relevant Index tracked by such Series. Therefore, investors may receive a return under the ETP Securities that is significantly lower than the return that they would receive if it was possible for investors to invest in the relevant Index directly.

3.4 The returns on the ETP Securities may not reflect a direct investment in the assets comprised in the applicable Index

As a consequence of the risks set out in this risk factor 3.4, the ETP Securityholders may lose some or all of their investment in the ETP Securities

The return payable on ETP Securities which provide for a Normal Exposure or Leveraged Exposure to the related Reference Assets may not reflect the return generated from the relevant Index or the return an investor would realise if it actually owned the relevant Reference Assets underlying such Index and is not the same as being long or short, as applicable, in a comparable position in futures contracts related to such Index. For example, holders of the ETP Securities linked to an Index where the Reference Assets are equities will not receive any dividends paid on the Reference Assets of the relevant Index and will not participate in the return on those dividends other than through the effect that these dividends might have on the Redemption Amount of the ETP Securities, or if applicable any Interest Amounts paid in respect of that Series, as any dividends held in the Margin Account in respect of a Series of ETP Securities would increase the Collateral Assets in respect of such Series. Similarly, the holders of such ETP Securities will not have any voting rights in the Reference Assets of such Index. In addition, ETP Securityholders will not participate in any rights issue or stock split in relation to the relevant Reference Asset. Accordingly, investors in ETP Securities may receive a lower payment upon settlement or redemption of such ETP Securities than such investor would have received if it had invested directly in the Reference Assets of the Index to which such ETP Securities are linked.

3.5 The actions of the Index Sponsor, including any change in the composition or discontinuance of an Index, could adversely affect the market value of the ETP Securities referencing such Index.

As a consequence of the risks set out in this risk factor 3.5, the ETP Securityholders may lose some or all of their investment in the ETP Securities

The sponsor of each Index is responsible for the calculation and maintenance of that Index. The sponsor of any Index can make methodological changes that could affect the composition, calculation and/or maintenance of such Index, which could affect the payments made by the Issuer to the investors in the ETP Securities referencing such Index. The sponsor of any Index may effect intraday, intra-week, intra-month or such other period, as applicable, rebalancing of the Index due to volatility of the relevant Reference Assets of such Index, which may make the applicable Index Level differ from the market price of the Reference Assets multiplied by the relevant levels of leverage embedded in the Index. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the ETP Securities and will have no obligation to any investor in such ETP Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the ETP Securities, and any of these actions could adversely affect the market value of the ETP Securities.

The methodology of an Index referenced by a Series of ETP Securities may take into account specific funding adjustments. Depending on market conditions, the Index Sponsor for the relevant Index may vary its funding adjustments from time to time without regard to the interests of the ETP Securityholders. Potential investors should note that the Issuer shall have no obligation to adjust the ETP Security Value, the calculation or the methodology of the relevant Series of ETP Securities so as to eliminate or reduce the impact of the funding adjustments made in the underlying Index of such Series of ETP Securities.

The Issuer is not affiliated with the sponsor of any Index in any way (except for the agreements and licensing arrangements described in this Base Prospectus) and has no ability to control or predict their actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of any Index or related Indices.

ETP Securityholders will have no recourse against the sponsor of any Index, or the underlying components of such Index.

3.6 Reliance on Third Party Information

The section of this Base Prospectus entitled "Description of Indices" contains certain information in relation to the Indices which has been sourced from publicly available information and has been accurately reproduced by the Issuer so far as the Issuer is aware and/or able to ascertain from information published by the relevant entities.

There is a risk that such information is not accurate or up to date and a situation could arise whereby an investor would not have otherwise invested in the relevant ETP Security if such information was accurate or up to date, as applicable. In addition, the Issuer relies on publicly available information to assess the suitability and performance of each Index for inclusion in the Programme. The Issuer could suffer a loss if the performance of the Index is negatively impacted as a result of the correction such publicly available information. Any such loss would negatively impact the value of the ETP Securities.

4. Risk factors relating to Investment Strategies

4.1 *Investment Strategy-linked securities*

As a consequence of the risks set out in this risk factor 4.1, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

Prospective investors should note that in the case of Series which pursue an Investment Strategy, the amount payable on the redemption of the ETP Securities of such Series will be linked to the performance of the Investment Strategy referenced by that Series. Potential Investors should note that they will have no entitlement to the Reference Assets of such Investment Strategy but have entitlement solely to the Pro-rata Liquidation (as defined herein), which, depending on the performance of the Investment Strategy, may be less, than their initial investment.

Accordingly, before investing in any ETP Securities, prospective investors should carefully consider whether an investment based on the performance of the applicable Investment Strategy is suitable for them and in all cases an investor in ETP Securities should carry out its own detailed review of the applicable Investment Strategy.

4.2 No Tracking error analysis for Series which pursue an Investment Strategy

As a consequence of the risks set out in this risk factor 4.2, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

There is a risk that the return on any Series of ETP Securities may differ from the actual return that investors would obtain from the relevant Index tracked or from the Investment Strategy pursued by such Series. With respect to Index-linked Series, the official Index Level is calculated and published by the Index Sponsor, which enables investors to analyse the success of the Series in tracking the relevant Index. Information equivalent to an Index Level will not be published with respect to Series which pursue an Investment Strategy

and investors will therefore will not be in a position to compare the success of the Series in pursuing the relevant Investment Strategy.

For Series which pursue an Investment Strategy, there remains a risk of tracking error between the return on the ETP Securities and the return that investors would expect based on the application of the target Leverage Factor to the performance of the relevant underlying reference asset(s) or strategy. Accordingly, the return on the ETP Securities of such a Series may deviate, and may deviate materially, from the return that would result from a precise application of the target Leverage Factor, whether as a result of financing costs, rebalancing, fees and expenses, market disruption, or other factors affecting the implementation of the Investment Strategy. As no information equivalent to an Index Level is published in respect of such Series, investors will not have any external reference point against which to measure the extent of any such deviation from the target Leverage Factor.

4.3 ***Factors affecting the performance of an Investment Strategy may adversely affect the value of the ETP Securities***

As a consequence of the risks set out in this risk factor 4.3, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

The performance of an Investment Strategy in respect of each Series of ETP Securities is dependent upon the macroeconomic factors relating to the assets referenced by such Investment Strategy, which may include, among others, interest rates and price levels on the capital markets, currency developments, political factors and in the case of equity securities and debt securities, company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Such macroeconomic factors may negatively impact the value of the ETP Securities.

4.4 The returns on the ETP Securities may not reflect a direct investment in the Reference Assets comprised in the applicable Investment Strategy

As a consequence of the risks set out in this risk factor 4.4, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

The return payable on ETP Securities which provide for a Normal Exposure or Leveraged Exposure to the related Reference Assets may not reflect the return an investor would realise if it actually owned the relevant Reference Assets underlying such Investment Strategy. For example holders of the ETP Securities linked to an Investment Strategy where the Reference Assets are equities will not receive any dividends paid on the Reference Assets of the relevant Investment Strategy and will not participate in the return on those dividends other than through the effect that these dividends might have on the Redemption Amount of the ETP Securities, or if applicable any Interest Amounts paid in respect of that Series, as any dividends held in the Margin Account in respect of a Series of ETP Securities would increase the Collateral Assets in respect of such Series. Similarly, the holders of such ETP Securities will not have any voting rights in the Reference Assets of such Investment Strategy. Accordingly, investors in ETP Securities may receive a lower payment upon settlement or redemption of such ETP Securities than such investor would have received if it had invested directly in the Reference Assets of the Investment Strategy to which such ETP Securities are linked.

4.5 ***The actions of the Portfolio Administrator, including changing the composition of or discontinuing an Investment Strategy could adversely affect the market value of the ETP Securities referencing such Investment Strategy.***

As a consequence of the risks set out in this risk factor 4.5, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

The Portfolio Administrator is responsible for the maintenance of the Investment Strategy. The Portfolio Administrator may make certain operational adjustments to the Investment Strategy to ensure that, so far as possible, the basic principles and economic effect of the Investment Strategy are maintained. The Portfolio Administrator may take any actions in respect of such Investment Strategy without regard to the interests of the investor in the ETP Securities, and any of these actions could adversely affect the market value of the ETP Securities.

4.6 ***Investing in ETP Securities is not the same as being long or short, as applicable, in the Reference Assets of the Investment Strategy and is different from a long or short futures position.***

As a consequence of the risks set out in this risk factor 4.6, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

Investing in ETP Securities is not the same as making an investment in the Reference Assets of the relevant Investment Strategy. The return from holding ETP Securities is not the same as the return from buying the Reference Assets of the relevant Investment Strategy, and is not the same as being long or short, as applicable, in a comparable position in futures contracts related to such Reference Assets or taking comparable positions in options contracts that comprise the Reference Assets. Accordingly, investors in ETP Securities may receive a lower payment upon settlement or redemption of such ETP Securities than such investor would have received if it had invested directly in the Reference Assets of the relevant Investment Strategy.

4.7 Actively Managed Investment Strategies

As a consequence of the risks set out in this risk factor 4.7, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

ETP Securityholders have no right to participate in the management of the Collateral Assets of a Series of ETP Securities. All decisions with respect to the investment of the proceeds of issuance of the ETP Securities will be made by the Portfolio Administrator. Accordingly, the Portfolio Administrator alone is responsible for any consequences of the exercise of such discretions. No person should purchase any ETP Securities unless they are willing to entrust all aspects of management of the Collateral Assets to the Portfolio Administrator. Poor performance by the Portfolio Administrator in the management of the Collateral Assets may negatively impact the value of the ETP Securities which may result in the ETP Securityholders receiving less, or substantially less than their initial investment.

The performance of the ETP Securities will depend upon the manner by which the Portfolio Administrator exercises certain discretions specified in the relevant Investment Strategy with respect to the Collateral Assets, the limitations and restrictions on the scope of such discretion and the Portfolio Administrator's ability to comply with the restrictions to the exercise of such discretions. The Portfolio Administrator (and, accordingly, the ETP Securityholders) alone is responsible for any consequences of the exercise of such discretions. In addition, the performance of the Collateral Assets will be dependent upon the sales and purchases of the Collateral Assets pursuant to and in accordance with the relevant Investment Strategy, and in particular, but without limitation, the Portfolio Administrator carrying out due diligence prior to the sale or purchase of the Collateral Assets. The Portfolio Administrator alone is responsible for ensuring that the Collateral Assets comply with the relevant Investment Strategy. Neither the Arranger or any other Programme Party is responsible for monitoring the compliance of the Portfolio Administrator with the relevant Investment Strategy, including the Portfolio Administrator's compliance with applicable limitations and restrictions on the scope of its discretions under the relevant Investment Strategy.

In addition to reviewing the specific disclosures pertaining to the Collateral Assets, prospective ETP Securityholders should also review the disclosures on the Portfolio Administrator (including their investment approach, expertise and regulatory status) and the relevant Investment Strategy to evaluate how these could impact on the performance of the ETP Securities for their investment requirements. In addition, certain Portfolio Administrators may be regulated in jurisdictions outside of Europe or the United States of America and may be subject to a regulatory regime less stringent than that currently in existence in Europe or the United States of America. Prospective ETP Securityholders should review the regulatory status of the Portfolio Administrator to evaluate how this could impact on the performance of the ETP Securities for their investment requirements.

The Portfolio Administrator will rely on the services of certain key individuals. As a result, the performance of the Investment Strategy will depend largely upon the ability of the key individuals and should any of them terminate their relationship with the Portfolio Administrator, die or become otherwise incapacitated for any period of time, and should the replacement (if any) for any of them not equal his or her predecessor's performance, the profitability of the Collateral Assets of the relevant Series and the value of the ETP Securities may suffer. In addition, should the Portfolio Administrator terminate its relationship with the Issuer

or vice versa, the profitability of the Collateral Assets of the relevant Series may suffer. There can be no assurance that the Portfolio Administrator will be successful in managing the Collateral Assets of the relevant Series.

Where a Series of ETP Securities employs an actively managed Investment Strategy, the Arranger Fee may include a fee charged at a specific daily rate and a performance based fee, as described in the relevant Investment Strategy. The payment of these fees could negatively impact the performance of the ETP Securities, especially where the underlying Collateral Assets have not been performing. Prospective ETP Securityholders should review the disclosures pertaining to the Arranger Fee in the relevant Investment Strategy to evaluate their potential impact on the performance of the ETP Securities, and thereby assess the appropriateness and suitability of the ETP Securities for their investment requirements.

Series which pursue a Multiple Income Strategy, are actively managed Investment Strategies and therefore this risk factor is also relevant to such Series.

This risk factor is also relevant to the Short Contango Long Gold Strategy and the Short Contango Long Equity Strategy. These Investment Strategies are highly risky as market prices may move against both the short positions in high-contango asset classes and the long Gold Exposure or Equity Exposure (as applicable) at the same time, thereby losing value more rapidly than normal strategies.

4.8 Options Based Income Series

Income Series are Series of ETP Securities which are linked to an Investment Strategy where the objective is to generate a recurring income stream which may be used to fund interest payments on the ETP Securities. Such Series may be options based such that the Reference Assets are comprised of call and put options in respect of the indices or stocks specified in the relevant Investment Strategy. ETP Securityholders should be aware of the risks associated with such options contracts which may lead to a loss of all or some of their investment. See “Risks related to options” above for more details.

Writing options for income involves specific trade-offs. Selling call options exposes the Series to potentially unlimited losses if that price rises. Selling put options exposes the Series to falls in the price of the Option Underlying below the Strike Price, and those losses may exceed the premium received. Where a Series implements covered call strategies, where it sells calls out of the money on top of a long position on the Option Underlying, the combination of capped gains and continued exposure to losses may cause the ETP Security Value to decline even where the price of the Option Underlying has risen.

The premium available depends on the implied volatility of the Option Underlying. When implied volatility is low, the premium, and therefore the income available to fund Interest Amounts, will generally be lower. When implied volatility is high, the premium will generally be higher, but this reflects a greater expected range of price movements and a greater risk of losses on the written Options. Where the Option Underlying is a single stock, a leveraged exchange traded product or a futures contract, its price may be particularly volatile and losses on written Options correspondingly larger. Options traded for hedging purposes may not reduce losses as intended and their cost will reduce the income available. Where Options may be exercised before their Exercise Date, the Issuer may be required to deliver or acquire the Option Underlying at an unfavourable time.

4.9 Periodic Interest Payments

In respect of each Income Series, the Issuer shall be required to make payments of Interest Amounts in respect of the ETP Securities of that Series on the relevant Interest Payment Dates. If the Issuer defaults on the payment of an Interest Amount for a period of 14 calendar days or more, such default may constitute an Event of Default in accordance with Condition 12. If the Trustee gives notice of an Event of Default in accordance with Condition 12, the ETP Securities may become due and immediately payable at their Final Redemption Amount.

ETP Securityholders should be aware that the Interest Amounts for each Interest Payment Date may vary depending on the amount of Available Receipts with respect to each Interest Payment Date. Accordingly, there is no assurance that any amount will be received by ETP Securityholders on any Interest Payment Date.

ETP Securityholders should be aware that to the extent an Interest Amount is paid by the Issuer, declaration of such payment will cause a corresponding decrease in the ETP Security Value on the relevant Interest Ex Date.

4.10 Risks specific to individual Investment Strategies

In addition to the risk factors above, the following risks are specific to the Investment Strategies named below. They are presented in descending order of the Issuer's assessment of their materiality.

(a) Short Contango Long Gold Strategy and Short Contango Long Equity Strategy

These Investment Strategies take short positions in exchange traded products which track short-term VIX futures, natural gas futures and/or crude oil futures, with the aim of profiting from contango in those futures markets. Contango is not permanent. In periods of market stress the VIX futures curve has typically moved into backwardation and short-term VIX futures prices have risen very sharply over short periods: on 5 February 2018, for example, short-term VIX-futures exposure more than doubled intraday. Natural gas and crude oil futures are also subject to sudden and large price movements driven by weather, inventories, supply disruptions and geopolitical events.

The short exposure to each of these asset classes may rise from its long-term target of between 20% and 40% to as much as 100% of the ETP Security Value before the Portfolio Administrator is required to reduce it, and the aggregate short exposure across all three asset classes may reach 300%, or more temporarily as a result of price movements. Where a short position is taken through a leveraged exchange traded product, the economic short exposure will be a multiple of the market value of the position (see risk factor 5.6). A sharp rise in the price of a shorted asset may therefore cause a substantial or total loss of the ETP Security Value before the short exposure can be reduced.

In the case of the Short Contango Long Equity Strategy, sharp rises in VIX futures prices have historically tended to coincide with falls in equity markets, so the short volatility exposure and the long Equity Exposure may lose value at the same time. In the case of the Short Contango Long Gold Strategy, gold may not rise, and may fall, while the shorted assets rise. The exchange traded products in which short positions are taken may be difficult or costly to borrow. Their issuers may suspend or limit new issuance, which may cause them to trade at a premium to their indicative value and increase losses on a short position, and they may be redeemed early or delisted, requiring the short position to be closed at an unfavourable time.

(b) CoreShares Bulcorp Risk On-Risk Off Investment Strategy

Positions are determined by the Risk Indicator, a proprietary model of the CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor, which may misclassify market conditions or be slow to identify a change of regime. Positions are rebalanced weekly, so the portfolio may remain in a configuration for up to a week after conditions have changed. In "risk on" mode the strategy holds a 125% long exposure to the S&P 500 index, part of which is funded by borrowing from the Margin Loan Provider, and a 25% short position in exchange traded products linked to VIX futures. A sharp fall in equity markets is likely to cause losses on both positions at the same time, and short-term VIX futures can rise very sharply over short periods (see paragraph (a) above). In "risk off" mode the strategy holds a 100% long exposure to the S&P 500 index and a 100% short position in a high-beta equity exposure, which will lose value if high-beta stocks outperform the broader market, as may occur in sharp market recoveries.

(c) Actively Managed Leveraged Exposure and Short Exposure Investment Strategies

These Investment Strategies invest in other Series of ETP Securities issued by the Issuer, each providing a 3x Leveraged Exposure. Its value therefore depends on the value of those Series, each of which is subject to the risks described in section 5 of these Risk Factors, and on the performance of a single, highly correlated industry sector or a concentrated basket of as few as two Series. The Reference Assets are rebalanced to equal weights periodically, so their weightings, and the effective exposure, will drift between rebalancing dates.

(d) Relay Race Investment Strategy

This Investment Strategy trades US small- and mid-capitalisation stocks around corporate events such as capital increases, initial public offerings, mergers and acquisitions and results announcements, with a typical

holding period of one to two days, and occasionally takes short positions. Prices of such stocks can move sharply and discontinuously around these events, liquidity may be limited, and the frequency of trading means that trading costs and execution shortfalls may materially reduce returns. The Relay Race Investment Strategy Sponsor was incorporated on 9 December 2024 and has a limited operating history on which investors can assess its methodology.

(e) LS Commodity Strategies

Although these Investment Strategies follow a systematic roll schedule, the Portfolio Administrator can deviate from it, and its decisions may produce a return that differs from that of the systematic methodology. The LS Natural Gas Strategy, LS Brent Crude Strategy and LS WTI Crude Strategy are particularly exposed to the contango risks described in risk factor 2.1, and natural gas futures prices have historically been among the most volatile of the major commodity futures.

(f) CoreShares+ Strategies

Approximately 85% to 90% of the effective exposure of each CoreShares+ Strategy is held through long futures positions, so its return may be affected by the roll yield, contango and backwardation risks described in risk factor 2.1 and by the margin requirements of those futures contracts. The factor or thematic premium targeted by the ETF leg may not materialise, and the Portfolio Administrator may deviate from the target allocations between the two legs.

(g) CCF Peso Global Balanced Investment Strategy

This Investment Strategy aims to track an index denominated in Mexican pesos in which non-peso currency exposure is hedged back to Mexican pesos. It aims to do so by investing in a portfolio composed of a majority of ETFs offering diversified exposure to fixed income and equity strategies. The currency hedging implemented by each such component may be incomplete or ineffective, and its cost or benefit depends on interest rate differentials between the Mexican peso and the other relevant currencies, which may change significantly.

(h) Pantarai A·D·A·P·T Investment Strategy and NG Tactical Growth Investment Strategy

Allocations under these Investment Strategies are determined by proprietary models of the PANTAR.AI Strategy Sponsor, which uses an AI-driven system with human supervision, and of the NG Tactical Growth Strategy Sponsor respectively. Such models rely on assumptions and historical relationships between asset classes that may not hold in future, may respond late or wrongly to changes in market conditions, and may be affected by errors in data or design. The Pantarai A·D·A·P·T Investment Strategy rebalances intraday, which may increase trading costs. The NG Tactical Growth Strategy's target volatility of between 12% and 18% over a rolling five-year period is an objective only, and the actual volatility of the ETP Securities may be higher, particularly over shorter periods.

(i) CWM Core Balanced Investment Strategy

The Reference Assets are held in the fixed weights set by the Solactive CWM Balanced Strategy Index and are not adjusted in response to market conditions. The portfolio is concentrated in US dollar-denominated assets and includes shares of Strategy Inc., whose share price has historically been closely linked to the price of bitcoin.

As a consequence of the risks set out in this risk factor 4.10, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

5. Risk factors relating to ETP Securities offering Leveraged Exposures and Short Exposures

For an explanation of the risks covered here and some simulated numerical examples, see the Section of this Base Prospectus titled "Economic Overview of the ETP Securities".

5.1 Factors affecting leverage risk

As a consequence of the risks set out in this risk factor 5.1, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

Higher leverage, higher volatility and longer holding periods will increase the risk from investing in ETP Securities and hence may adversely affect the value of the ETP Securities. For leveraged returns with holding periods longer than one day (excluding the effects of any applicable fees and adjustments):

(a) the return of such ETP Securities will likely differ from the product of the Reference Asset return and the Leverage Factor; and

(b) an ETP Security will lose value if the relevant Reference Asset's performance is flat (i.e. has a zero or close to zero return); and

(c) it is possible for an ETP Security with Leveraged Exposure to the relevant Reference Asset to lose value even if the relevant Reference Asset's return is positive. Similarly it is possible for an ETP Security with a Short Exposure to the relevant Reference Asset to lose value even if the relevant Reference Asset's return is negative; and

(d) the risks in (a) to (c) will be magnified for longer holding periods, higher Reference Asset volatility and higher leverage.

See section of the Base Prospectus entitled "Economic Overview of the ETP Securities" for simulated examples on how the above risks may occur.

5.2 *Leveraged or Inverse Leveraged Series*

Investors should be aware that:

(i) If they invest in ETP Securities linked to a Normal Exposure or a Leveraged Exposure, such ETP Securities have a long exposure to the Reference Assets such that price declines in the Reference Assets will generally result in a fall in the value of the ETP Securities (the effect of which will be multiplied in the case of Series providing a Leveraged Exposure).

(ii) if they invest in ETP Securities linked to a Short Exposure, such ETP Securities have a short exposure to the Reference Assets such that price rises in the Reference Assets will generally result in a fall in value of the ETP Securities. Short sales will involve the Issuer selling Reference Assets which it has borrowed from the Margin Loan Provider. Making short sales of Reference Assets that it does not own exposes the Issuer to risks associated with those Reference Assets and involves speculative exposure risk. The Issuer will incur a loss as a result of a short sale if the price of the Reference Asset increases between the date of the short sale and the date on which the Issuer replaces the Reference Asset sold short. The Issuer will realise a gain if the Reference Asset declines in price between those dates. A short sale position is closed out by purchasing the Reference Asset and returning it to the Margin Loan Provider. There can be no assurance that the Issuer will be able to borrow the Reference Assets from the Margin Loan Provider to open a short sale position, to reconstitute the Margin Account to track the performance of the relevant Index or to pursue the Investment Strategy at the end of a Rebalance Period or on the occurrence of an Unscheduled Rebalance or close out a short sale position at any particular time or at an acceptable price. Although the Issuer's gain is limited to the amount at which it sells the Reference Asset, its potential loss is limited only by the maximum attainable price of the Reference Asset, less the price at which the Reference Asset was sold. Short sale transactions involve leverage because they can provide investment exposure in an amount exceeding the initial investment.

Government or regulatory intervention in the financial market, such as short sale restrictions, could result in the Issuer being unable to enter into or maintain a short sale position or could impact the

Issuer's ability to reconstitute the Margin Account to track the performance of the relevant Index or to pursue the Investment Strategy at the end of a Rebalance Period or on the occurrence of an Unscheduled Rebalance . It is also possible that due to a change in applicable law or regulation, it may become illegal for the Issuer to enter into or maintain a short position either on a temporary or permanent basis. Such scenarios may impact on the value of the ETP Securities, may impact on the Issuer's ability to meet any redemption requests with respect to the relevant ETP Securities in a timely manner or the relevant Series of ETP Securities may fall for compulsory early redemption. In such circumstances an ETP Securityholder may receive back less than their initial investment.

Where a Series of ETP Securities employs leverage, the effect which any negative or positive changes in the price of the Reference Assets will have on the ETP Security Value will be multiplied by the applicable Leverage Factor for the relevant Series of ETP Securities.

Series of ETP Securities which provide for a Leveraged Exposure to the related Reference Asset seek to achieve a return which is a multiple of the Rebalance Period return of the Reference Asset of the relevant Index or Investment Strategy (excluding the effects of any applicable fees and adjustments). Conversely, Series of ETP Securities which provide for a Short Exposure to the related Reference Asset seeks to achieve a return which is a multiple of the Rebalance Period rate of decrease of the price of the Reference Asset (excluding the effects of any applicable fees and adjustments). Thus the ETP Securities will magnify losses in market environments adverse to their objective compared to similar exchange traded products that are not leveraged. In addition, losses will be magnified as the amount of leverage increases.

The Interest Amount to be paid by Series of ETP Securities which are Income Series and provide for a Leveraged Exposure to the related Reference Asset may be smaller than the product of the dividends or other distributions received from the Reference Assets multiplied by the applicable Leverage Factor.

For Series which pursue Leveraged Exposures, the Leverage Factor may be between 2x and 5x. For Series which pursue Short Exposures, the Leverage Factor may be between -1x and -5x. The Leverage Factor applicable to a Series of ETP Securities will be set out in relevant Investment Strategy or in the Final Terms for such Series.

5.3 *Risk of unscheduled rebalancing*

As defined in the Index or Investment Strategy methodology in respect of a Series of ETP Securities, where relevant, there is a possibility of unscheduled rebalancing in the event of (i) a significant decline in the price of the relevant Reference Assets if such Series provides a Leveraged Exposure to such Reference Assets; and (ii) a significant increase in the price of the relevant Reference Assets if such Series provides a Short Exposure to such Reference Assets, in both cases before the beginning of the next Rebalance Period of the Series. On a day in which an Unscheduled Rebalance is triggered, the Rebalance Period return of the relevant Series of ETP Securities will not be equal to the Leverage Factor of such Series multiplied by the Rebalance Period price change of the respective Reference Assets. Such unscheduled adjustment seeks to protect the holder of ETP Securities providing Leveraged Exposure or Short Exposure in the event of extreme market movements during Rebalance Periods by crystallising the losses incurred up to that point.

As a result of the unscheduled rebalancing, a Series of ETP Securities may not track what an investor might expect for such Rebalance Period. For example, in the case of a Series linked to an Index providing a Leveraged Exposure to the related Reference Assets, if the price of the relevant Reference Assets was to reverse its fall after the unscheduled rebalancing, then the holder of the relevant ETP Security will not benefit from the reversal of the price decline of the Reference Assets to the same extent that it might have if the unscheduled rebalancing had not occurred. However, if the price of the relevant Reference Assets continues to fall, then the holder of such ETP Security will not suffer a loss to the same extent as if the unscheduled rebalancing had not occurred. Similarly, in the case of a Series providing for a Short Exposure to the related Reference Assets, if the price of the relevant Reference Assets was to fall after the unscheduled rebalancing, then the holder of the relevant ETP Security will not benefit from the reversal of the price of the Reference Assets to the same extent that it might have if the unscheduled rebalancing had not occurred. However, if the price of the relevant Reference Assets continues to increase, then the holder of such ETP Security will not suffer a loss to the same extent as if the unscheduled rebalancing had not occurred.

5.4 *Risks of Holding the ETP Securities for longer than their Rebalance Period*

As a consequence of the risks set out in this risk factor 5.4, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

Where applicable, the Rebalance Period applicable to a Series of ETP Securities will be set out in the Final Terms. Due to the Rebalance Period investment goal of ETP Securities, an ETP Security's return over holding periods longer than the Rebalance Period will likely differ from the return of the relevant Index or Investment Strategy (as adjusted to take account of the Leverage Factor), and this difference will become more significant as the holding period increases in length.

The return on ETP Securities over a period longer than the Rebalance Period will reflect the return for each Rebalance Period compounded over all Rebalance Periods in that holding period and the effects of the Rebalance Period rebalancing. As a consequence of the Rebalance Period and the leveraged exposure of ETP Securities, over periods longer than the Rebalance Period, the redemption entitlement of an ETP Security will fall if the Index's or Investment Strategy's performance is flat (i.e. has a zero or close to zero return). Similarly, if an investor holds ETP Securities offering Leveraged Exposure or Short Exposure for longer than their Rebalance Period, the return of such ETP Securities over that holding period will likely differ from the return of the Reference Assets over such holding period multiplied by the Leverage Factor of the ETP Securities. This means that where an investor holds an ETP Security over a period longer than the Rebalance Period, the value of the ETP Security on redemption will (i) fall where the Index or Investment Strategy's performance is zero or close to zero and (ii) may not reflect the performance of the Reference Assets over that holding period multiplied by their Leverage Factor, and may have a negative impact on the value of the ETP Security the longer the holding period, the higher the Leverage Factor and the greater the volatility of the Reference Assets over the holding period.

5.5 *Effective daily Leverage Factor where Rebalance Periods are longer than a day*

As a consequence of the risks set out in this risk factor 5.5, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

At the end of each Rebalance Period, where relevant, the Portfolio Administrator will instruct the Margin Loan Provider to buy or sell Reference Assets in such amounts as may be required so that, at the beginning of the immediately following Rebalancing Period, the ETP Securities offer their Leveraged Exposure or Short Exposure to the Reference Assets determined by their stated Leverage Factor. If the Rebalance Period is longer than a day, the exposure of such ETP Securities to their Reference Assets will not be rebalanced daily to maintain such exposure constant by reference to the Leverage Factor. As such, the effective level of Leveraged Exposure or Short Exposure offered by such ETP Securities, as the case may be, will vary on each day of the Rebalance Period as prices of the Reference Assets fluctuate and subscriptions and redemptions are fulfilled by the Issuer on a daily basis. What this means is that, for example, in the case of a Leveraged Exposure, where the value of the Reference Asset decreases during the Rebalance Period, the exposure of the ETP Securities of such Series to the Reference Assets will increase (i.e., the effective leverage exposure to the Reference Assets will be greater than the stated Leverage Factor of the ETP Securities), which may negatively impact the value of the ETP Securities.

5.6 Risks relating to Series pursuing an Investment Strategy which may invest in, or take short positions in, Leveraged Reference Assets

Where the Investment Strategy of a Series permits investment in, or short positions in, one or more assets which themselves seek to provide a leveraged or inverse return on an underlying index or asset (each a "**Leveraged Reference Asset**"), the leverage of the ETP Securities and the leverage of each Leveraged Reference Asset will be combined. The economic exposure of the ETP Securities to the index or asset underlying a Leveraged Reference Asset will be approximately equal to the product of (i) the Leverage Factor of the relevant Series (or, in the case of a Series providing a Normal Exposure, one); (ii) the proportion of the ETP Security Value allocated to that Leveraged Reference Asset and (iii) the leverage of that Leveraged Reference Asset. For example, a Series providing a Normal Exposure which holds a short position equal to 12.5% of the ETP Security Value in a Leveraged Reference Asset providing 2x daily exposure to an index will have a short economic exposure of approximately 25% to that index or asset. Accordingly, the risks described in risk factors 5.1 to 5.5 will apply to such Series to the extent that they relate to leveraged or short exposures, notwithstanding that the Series may provide a Normal Exposure.

Where the Investment Strategy permits allocations to Leveraged Reference Assets to be made, varied or removed over time, whether alone or alongside other Reference Assets, the economic exposure of the ETP

Securities to the underlying indices or assets will vary with the composition of the Reference Assets from time to time. Such exposure may increase significantly without prior notice to ETP Securityholders, and it will not be reflected in the stated Leverage Factor of the Series. ETP Securityholders may therefore be unable to determine the level of leverage to which their investment is exposed at any given time, other than by reference to any information on the composition of the Reference Assets published by the Issuer.

Where an Investment Strategy holds a short position in a Leveraged Reference Asset, a rise in the underlying index or asset will cause the Leveraged Reference Asset to rise by approximately a multiple of that rise, and the loss on the short position will be magnified correspondingly. As there is no limit on how far the price of a Leveraged Reference Asset may rise, losses on a short position are potentially unlimited. For example, a one-day rise of 100% in the underlying index would be expected to cause a 2x Leveraged Reference Asset to rise by approximately 200%, so that a short position equal to 12.5% of the ETP Security Value would lose approximately 25% of the ETP Security Value. As the price of the Leveraged Reference Asset rises, the economic exposure of the short position rises at a multiple of that rate. Where the Investment Strategy is subject to a maximum exposure, the Portfolio Administrator may be required to reduce the short position after prices have risen, crystallising losses. It may be unable to do so promptly or at acceptable prices in stressed or illiquid markets or where trading is suspended. Losses on short positions may also give rise to margin calls requiring other Reference Assets to be sold at unfavourable prices.

Leveraged Reference Assets are typically rebalanced daily, and their returns over periods longer than one day will differ from the leveraged return of their underlying index or asset. This may benefit a short position where the underlying is volatile but trendless. However, it will cause losses on a short position to exceed the leveraged return of the underlying where the underlying rises steadily, and will cause a long position to underperform that leveraged return where the underlying is volatile. Where the ETP Securities or the Investment Strategy are rebalanced at different times from, or less frequently than, a Leveraged Reference Asset, the effects of compounding and volatility at both levels will interact, and the return of the ETP Securities may then differ significantly from the product of the combined leverage and the return of the underlying index or asset. A relatively small movement in the underlying index or asset may cause a substantial or total loss in the value of the ETP Securities. Any rebalancing may not prevent such loss, particularly where prices move discontinuously, including between the close of one trading day and the opening of the next.

In addition, the value of the ETP Securities will be exposed to risks specific to each Leveraged Reference Asset. These include its termination or liquidation, changes to its investment objective or leverage, any suspension of its creations, redemptions or trading, divergence between its market price and net asset value, its tracking error; the credit risk of its derivative counterparties and fees and costs charged at the level of the Leveraged Reference Asset in addition to those charged in respect of the ETP Securities.

Leveraged Reference Assets may also be more difficult or expensive to borrow for the purposes of short sales. Borrowing fees may increase at short notice, and borrowed securities may be recalled at any time, requiring the short position to be closed at an unfavourable time or price. Leveraged Reference Assets may also be subject to higher haircuts, or be ineligible as collateral, under the arrangements with the Margin Loan Provider. Any of these events may impair the ability of the Issuer to pursue the Investment Strategy, may adversely affect the value of the ETP Securities, or may result in an adjustment to, or the compulsory early redemption of, the relevant Series.

Worked examples illustrating the scenarios described in this risk factor 5.6, by reference to the Short Contango Long Gold Strategy and the Short Contango Long Equity Strategy, are set out in the section of this Base Prospectus entitled “Economic Overview of the ETP Securities” under the heading “Worked Examples – Short Contango Long Gold Strategy and Short Contango Long Equity Strategy”. Examples of the compounding effect of daily-rebalanced leveraged exposures are set out in that section under the heading "Recommended Holding Period".

As a consequence of the risks set out in this risk factor 5.6, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

5.7 Risk of total loss from a single large price movement

For a Series providing a Leveraged Exposure or a Short Exposure, a movement in the price of the Reference Assets against the position over a single Rebalance Period equal to 100% divided by the Leverage Factor would, before fees and costs, reduce the ETP Security Value to zero. Those movements are:

Leverage Factor	Movement in the Reference Assets over a single Rebalance Period that would reduce the ETP Security Value to zero
2x	A fall of 50%
3x	A fall of approximately 33.3%
4x	A fall of 25%
5x	A fall of 20%
-1x	A rise of 100%
-2x	A rise of 50%
-3x	A rise of approximately 33.3%
-5x	A rise of 20%

Unscheduled rebalancing (see risk factor 5.3) is intended to limit losses in these circumstances, but it may not do so where prices of the Reference Assets move rapidly and the Issuer cannot rebalance before such prices movements cause the ETP Security Value of the relevant Series to fall to zero. Single stocks may be subject to large price gaps following results announcements, regulatory decisions, litigation or other corporate events. The risk is greatest for Series with the highest Leverage Factors.

As a consequence of the risks set out in this risk factor 5.7, the ETP Securityholders may lose all of their investment in the ETP Securities.

6. Regulation and Reform of benchmarks, including Fed Funds Effective, Euro Short Term Rate, SONIA and other benchmarks

Internationally recognised benchmarks on overnight deposits are used as the basis for determining the Benchmark Rates (as defined in the section of the Base Prospectus entitled 'Economic Overview of the ETP Securities".

The Fed Funds Effective (Overnight), Euro Short Term Rate (€STR), the Sterling Overnight Index Average (SONIA) and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following any such reforms, benchmarks may perform differently than in the past or disappear entirely, or there could be other consequences which cannot be predicted.

Any such consequence could have a material adverse effect on any ETP Securities linked to such a benchmark.

Key regulatory proposals and initiatives in this area include (amongst others) IOSCO's Principles for Financial Market Benchmarks, published in July 2013 (the "**IOSCO Benchmark Principles**") and the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). The Benchmark Regulation could have a material impact on ETP Securities linked to a benchmark rate or index. For example:

(i) a rate or index which is a benchmark could be prohibited from being used in the EU if (subject to applicational transitional provisions) its administrator is (i) based in the EU and does not obtain authorisations or registration, or (ii) based on a non-EU jurisdiction which does not satisfy the 'equivalence' conditions and is not 'recognised' pending an equivalence decision. In such event, depending on the particular benchmark and the applicable terms of the ETP Securities, the ETO Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted;

(ii) the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could reduce or increase the rate or level or affect the volatility of the published rate or level, and could lead to adjustments to the terms of the ETP Securities; and

(iii) the withdrawal or suspension of the administrator's authorisation or registration, or the rejection of an application by the administrator for authorisation or registration, may result in the terms and

conditions of the ETP Securities being adjusted or being redeemed prior to maturity or otherwise impacted.

Ongoing international and/or national reform initiatives and the increased regulatory scrutiny of benchmarks generally could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any applicable regulations or requirements. Such factors may discourage market participants from continuing to administer or contribute to benchmarks, trigger changes in the rules or methodologies used in respect of benchmarks, and/or lead to the disappearance of benchmarks. This could result in (i) adjustments to the terms and conditions and/or early redemption provisions, (ii) delisting, and/or (iii) other consequences for ETP Securities linked to any such benchmarks. Any such consequence could have a material adverse effect on the value of and return on any such ETP Securities.

7. Risk factors relating to the Security

7.1 *Limited recourse obligations, non-petition and related risks*

In respect of the ETP Securities of any Series, the Secured Creditors (which includes the ETP Securityholders), with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, will have recourse only to the Secured Property in respect of such ETP Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash in accordance with the applicable orders of priority and the Trust Deed, any outstanding claim against the Issuer in respect of the Secured Obligations remains unpaid, then such outstanding claim will be extinguished and no debt, liability or obligation will be owed by the Issuer in respect thereof. Following such extinguishment, with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, none of the Programme Parties, the ETP Securityholders of any relevant Series or any other person acting on behalf of any of them will be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation will be owed to any such persons by the Issuer in respect of such further sum.

With the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, none of the Programme Parties, the ETP Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them will have any claim arising with respect to the sums, assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single Series with the ETP Securities).

There is also the risk that the Issuer may become subject to claims or other liabilities (whether or not in respect of the ETP Securities) which are not themselves subject to limited recourse or non-petition limitations. There is a risk that such claims or liabilities may negatively impact the value of the ETP Securities of a particular Series.

Investors should be aware that the LS Margin Account Agreement does not contain limited recourse provisions with respect to the obligations of the Issuer. There is a risk therefore that, in respect of a claim against the Issuer by the Margin Loan Provider in relation to the LS Margin Account Agreement, if following realisation in full of the Secured Property (whether by way of liquidation or enforcement) in respect of a Series of ETP Securities and application of available cash in accordance with the applicable orders of priority and the Trust Deed, a claim remains outstanding against the Issuer, such claim may be made against assets attributable to other outstanding Series of ETP Securities on a *pro rata* basis. The Broker Dealer of Record, however, has agreed to indemnify the Issuer against any loss, cost, claim, action, demand or expense which the Issuer may incur as a result of any such claims by the Margin Loan Provider. If for any reason the Broker Dealer of Record cannot or does not honour such indemnity, such claim would negatively impact the value of the ETP Securities of such outstanding Series of ETP Securities.

7.2 *The claims of ETP Securityholders are subordinated upon enforcement of the Security*

The obligations of the Issuer in respect of a Series of ETP Securities are secured by the Security Documents in respect of such Series of ETP Securities. Pursuant to such Security Documents, the Issuer will create security in respect of that Series in favour of the Trustee (for the benefit of the Secured Creditors) over (i) all

of the Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to the ETP Securities; (ii) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar) to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (iii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the LS Margin Account Agreement and the Portfolio Administration Agreement and (iv) all of the Issuer's rights as against the Margin Loan Provider in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider relating to the ETP Securities, in each case, to the extent that they relate to the ETP Securities.

Following the enforcement of the security, the Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the security constituted by the Security Documents in the applicable order of priority under which amounts due to the ETP Securityholders will be subordinated to all costs, fees, expenses and all other amounts including (without limitation) the costs of enforcing and/or realising any security due to the Trustee itself and any receiver(s), and amounts due to the Arranger in respect of the Arranger Fee and arising to the Margin Loan Provider, in each case in relation to the ETP Securities. The impact of such subordination is that the ETP Securityholders may receive less, or substantially less than their initial investment.

7.3 *Recognition of Security in other jurisdictions*

The laws of certain jurisdictions may affect some or all of the assets comprising the Collateral Assets. In the event that the laws of a jurisdiction do not recognise the security granted by the Security Documents, such security may not be effective in relation to assets deemed located in that jurisdiction and/or such assets may be subject to claims which would otherwise rank after claims secured by the Security Documents. In the event that it becomes necessary to enforce the security granted by the Security Documents in a jurisdiction that does not recognise such security (or in which it has not been perfected) there may be delays in enforcing the security or it may not be possible to enforce such security which could result in losses to the ETP Securityholders.

8. Risk factors relating to the Issuer and its legal structure

8.1 *The Issuer is a special purpose vehicle*

The Issuer is a special purpose vehicle with the sole business of issuing ETP Securities. The contracts which may be entered into by the Issuer (such as the LS Margin Account Agreement entered into by the Issuer in relation to one or more Series of ETP Securities) and the payments of the Issuer and the parties thereunder are structured to have the capacity to provide the Issuer with funds to service payments due and payable in respect of the ETP Securities and on any redemption by the Issuer of the ETP Securities.

The Issuer has, and will have, no assets other than (i) the small sums of money raised by issuing shares in relation to its incorporation, (ii) such fees (if any) as are payable to it in connection with the issue or redemption of any Series of ETP Securities from time to time and (iii) any rights, property, sums or other assets on which any Series of ETP Securities issued under the Programme are secured.

This means that if the assets on which a Series of ETP Securities are secured are not sufficient to meet sums payable by the Issuer in respect of that Series, there are no other assets that are available to the Issuer to make those payments. In such circumstances, the holders of the ETP Securities would not receive the amounts owing to them in full.

Furthermore, as the Issuer is a special purpose vehicle without employees, it has appointed on an arm's length basis all the Programme Parties who carry out the various functions to allow the Issuer operate the Programme, including companies that are directly or indirectly connected to the Arranger (including the Portfolio Administrator, the Second Authorised Participant, the Eighth Authorised Participant, the Broker Dealer of Record and the Determination Agent (the "**Arranger Related Entities**")). If for any reason, one of the Programme Parties were to become subject to a regulatory matter by any regulatory authority, this could adversely impact the operation of the Programme, including the suspension of issuances of further Tranches of ETP Securities. Please see Risk Factor 9.13 in relation to the suspension of further tranche issuances. Furthermore, please see Risk Factor 10.6 which contains the Risk Factor relating to the common ownership of the Arranger Related Entities.

8.2 *Regulation of the Issuer by any regulatory authority*

The Issuer is not required to be licensed or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the ETP Securities. For instance, if it was determined by a regulatory authority that the Issuer was required to be authorised in a particular jurisdiction, it may not be possible for the Issuer as a special purpose vehicle to receive such authorisation. In such a scenario there is a risk that the Issuer could be required to effect a mandatory redemption of the ETP Securities which could result in a loss being incurred by holders of the ETP Securities.

However, the Issuer offers the ETP Securities to the public in both the EU and the United Kingdom and has ETP Securities admitted to the UK Official List and to trading on the London Stock Exchange, together with regulated stock exchanges within the EU. This means that it is subject to certain ongoing requirements connected to offers to the public and listings on regulated stock exchanges in each jurisdiction, including those contained in the PRM. It is also subject to ongoing obligations connected to the Market Abuse Regulation (EU) No. 596/2014 in the EU and the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 in the UK, together with the associated disclosure and transparency rules. Although the Issuer understands its current compliance obligations with regards to these ongoing requirements, there can be no assurance that the legal or regulatory requirements with respect thereto will not change in the future resulting in additional regulatory obligations. Any such change could have an adverse impact on the Issuer or the ETP Securityholders as a result of additional obligations, requirements or restrictions being applied to the Issuer and/or the ETP Securities. Owing to the special purpose nature of the Issuer, the Issuer may be unable to comply with the additional requirements imposed by the regulatory authorities. Any change in regulatory oversight could therefore have an adverse impact on the Issuer and/or the ETP Securityholders including, without limitation, the Issuer consequently exercising its right to redeem any affected ETP Securities. The ETP Securities may therefore be redeemed early, which may result in ETP Holders receiving less, or substantially less, than their initial investment.

8.3 *Insolvency*

The Issuer has agreed not to engage in activities other than the issue of ETP Securities and related and incidental matters. Any issue of ETP Securities must be on terms that provide for the claims of the ETP Securityholders and the Programme Parties (with the exception of the claims of the Margin Loan Provider with respect to the LS Margin Account Agreement), in respect of such ETP Securities to be limited to the proceeds of the assets on which such ETP Securities are secured (see "*Risk factors relating to the Security - Limited recourse obligations, non-petition and related risks*" above). In addition, with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, there are restrictions on the ETP Securityholders and Programme Parties bringing insolvency proceedings against the Issuer. If such provisions are upheld, it would be unlikely that the Issuer could become insolvent.

However, notwithstanding the restrictions described in Condition 7 and the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to discharge or should the limited recourse or non-petition provisions be found to be non-enforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of ETP Securityholders and may prevent ETP Securityholders from enforcing their rights with respect to any ETP Securities held by it or delay such enforcement. If the ETP Securityholders are prevented from enforcing their rights with respect to the ETP Securities, this may result in the ETP Securityholders losing their investment in the ETP Securities. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the Security created in favour of the Trustee in respect of such Series of ETP Securities may be set aside or ranked behind certain other creditors and the assets subject to such Security may be transferred to another person free of such Security. The impact of the occurrence of such scenarios is that the ETP Securityholders may either lose all their investment in the ETP Securities or receive less, or substantially less than their initial investment.

In addition, certain jurisdictions have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions, the rights of the Trustee or of the Issuer to enforce the Security created

pursuant to any Security Document may be limited or delayed by such procedures. Such a situation may adversely impact the value of the ETP Securities.

8.4 *Preferred Creditors under Irish Law and Floating Charges*

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to its secured creditors including the ETP Securityholders, the ETP Securityholders (and other secured creditors) may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Irish law, upon an insolvency of an Irish company, such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts (see "Examinership" below). Such preferred claims may negatively impact on the value of the ETP Securities.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of VAT) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security. If any such claim was made by the Irish Revenue Commissioners against the Trustee, this could negatively impact the value of the ETP Securities.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question. If any such action is made by the Irish Revenue Commissioners, this could negatively impact the value of the ETP Securities.

In relation to the disposal of assets of any Irish tax resident company (such as the Issuer) which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security. The impact of such a scenario on the Issuer could negatively impact the value of the ETP Securities,

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Security Documents may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the moneys standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the relevant charged assets would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

(b) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;

(c) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;

(d) they rank after certain insolvency remuneration expenses and liabilities;

(e) the examiner of a company has certain rights to deal with the property covered by the floating charge; and

(f) they rank after fixed charges.

If the fixed charges created pursuant to the Security Documents in favour of the Trustee for the benefit of the ETP Securityholders are regarded as floating charges instead fixed charges, this could negatively impact on the value of the ETP Securities.

8.5 *Centre of Main Interests*

Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) (the "**EU Insolvency Regulation**") is in force in Ireland since 26 June 2017 and applies to "insolvency proceedings" opened after 26 June 2017. Article 3(1) of the EU Insolvency Regulation provides that the centre of main interests ("**COMI**") shall be "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties" and in the case of a company, such as the Issuer, the place of the registered office shall be presumed to be the COMI in the absence of proof to the contrary and provided that the registered office has not been moved from another Member State within the three month period prior to the request for the opening of "insolvency proceedings"

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its COMI is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the Court of Justice of the European Union ("**CJEU**") in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings (the predecessor of the EU Insolvency Regulation), that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland. The Issuer is structured to be bankruptcy remote and accordingly considers it unlikely that it will ever become insolvent. However, in the unlikely event of the Issuer becoming insolvent, if insolvency proceedings were commenced in a jurisdiction other than Ireland, ETP Securityholders may receive less than would have been the case had the proceedings commenced in Ireland.

8.6 *Examinership*

Examinership is a court procedure available under the Companies Act 2014 to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when at least one class of creditors has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unduly prejudicial to the interests of any interested party.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to reject any proposal not in favour of the ETP Securityholders. The Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the ETP Securityholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the ETP Securityholders.

The fact that the Issuer is a special purpose vehicle and that, with the exception of the Issuer's obligations under the LS Margin Account Agreement, all of its liabilities should be of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

However, if, for any reason, an examiner were appointed while any amounts due by the Issuer under the ETP Securities were unpaid, the primary risks to the ETP Securityholders are as follows:

(a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the ETP Securityholders as secured by the Security Documents;

(b) the Trustee, acting for and on behalf of the secured creditors, would not be able to enforce rights against the Issuer during the period of examinership;

(c) the potential for the examiner to seek to set aside any negative pledge in the ETP Securities prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and

(d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the ETP Securities or the Programme Documents.

The impact of such risks for ETP Securityholders is that the value of the ETP Securities may be negatively impacted or the ETP Securityholder may receive less, or substantially less than their initial investment.

8.7 **Small Companies Administration Rescue Process (SCARP)**

The Companies (Rescue Process for Small and Micro Companies) Act 2021 (the "**SCARP Act**") was signed into law in Ireland on 22 July 2021, and commenced on 7 December 2021. The SCARP Act provides for a new administrative rescue process – dubbed the Small Company Administrative Rescue Process ("SCARP")– which will be available exclusively to small and micro companies.

A small company (excluding a holding company) is defined as one fulfilling two or more of the following requirements in relation to a financial year:

(a) the amount of turnover does not exceed €12m;

(b) the balance sheet total of the company does not exceed €6m; and

(c) the average number of employees does not exceed 50.

The comparable conditions to qualify as a micro company are:

(a) the amount of turnover does not exceed €700,000;

(b) the balance sheet total of the company does not exceed €350,000; and

(c) the average number of employees does not exceed 10.

It is not intended that the Issuer shall have any employees nor is it intended that the balance sheet of the Issuer shall be less than €6m. Nevertheless, should the Issuer, at any point in time, fulfil two of the above criteria, whether during a winding down process or otherwise, then the Issuer would (in those circumstances) fall within the scope of SCARP.

The SCARP Act creates a new process for small companies to restructure their debts within an expedited timeframe of 70 days. While the SCARP Act provides an opportunity for small and micro companies to avail of a restructuring process, it remains to be seen how it will operate in practice.

The SCARP process differs from examinership (as discussed above) in some material ways, including:

(a) the Irish Revenue Commissioners (and other state creditors) may object to the inclusion of certain "excludable liabilities" (pertaining to unpaid taxes and liabilities with respect to the Irish Revenue Commissioners and the Department of Social Protection and other liabilities arising from the Redundancy Payments and Protection of Employees Acts).

(b) The Issuer would have no automatic protections and would have to apply to the court for protective orders.

(c) The SCARP process cannot be initiated by a creditor.

(d) The SCARP process will not currently be recognised under the EU Insolvency Regulation and so there is no automatic recognition of SCARP in other EU members states.

The primary risk to the holders of the ETP Securities if the Issuer were to enter into the SCARP process are as follows:

(a) The potential for a "rescue plan" being approved involving the writing down of the debt due by the Issuer to the ETP Securityholders as secured pursuant to the Security Documents and therefore the ETP Securityholders may lose some or all of their initial investment;

(b) The "rescue plan" devised by the "process adviser" (an insolvency practitioner who must be qualified to act as a liquidator under the Companies Act 2014) may provide for the repudiation of contracts on behalf of the Issuer where the process adviser considers it necessary for the survival of the Issuer as a going concern. Whilst court approval is not required, the right is subject to certain notice obligations and the right of claimants to object to the proposed repudiation; and

(c) In the event that a "rescue plan" is not approved and the Issuer subsequently goes into liquidation, the process adviser's remuneration and expenses will take priority over the amounts secured by the charges held for the benefit of the ETP Securityholders and the other Secured Creditors under the Security Documents.

9. Legal, Regulatory and Taxation matters impacting the Issuer

9.1 *Anti-Tax Avoidance Directive*

Irish tax law is subject to changes as a result of the implementation if the EU Anti-Tax Avoidance Directive (Council Directive (EU) 2016/1164, "**ATAD**") and the amending Directive (Council Directive (EU) 2017/952 "**ATAD II**").

ATAD provides for anti-tax avoidance rules in the following fields: deductibility of interest, exit taxation, general anti-abuse rule, controlled foreign company rules and hybrid mismatches. ATAD provides for an "interest limitation rule" following to the recommendation contained in BEPS Action 4 which restricts the deductible interest of an entity. Ireland has implemented the interest limitation rule to apply to companies with

respect to their accounting periods commencing on or after 1 January 2022. The interest limitation rule provides that where an entity has exceeding borrowing costs of more than EUR 3,000,000 it may only deduct its exceeding borrowing costs up to an amount equal to 30 per cent. of its earnings before interest, tax, depreciation and amortisation in the year in which they are incurred but the balance would remain available for carry forward, subject to certain conditions. For these purposes, “exceeding borrowing costs” mean the amount by which an entity’s borrowing costs exceed "interest revenues and other equivalent taxable revenues". If the Issuer does have exceeding borrowing costs in excess of EUR 3,000,000 in a tax year, the interest limitation rule may nonetheless permit the Issuer to deduct exceeding borrowing costs in an amount in excess of 30 per cent. (and potentially up to 100 per cent.) of its earnings before interest, tax, depreciation and amortisation, if certain conditions are satisfied. In particular, the Issuer should be able to deduct the full amount of its exceeding borrowing costs if it qualifies as a "single company worldwide group" (as defined in Section 835AY TCA) and does not owe any amount which gives rise to deductible interest equivalent to an “associated enterprise”. One of the conditions required to qualify as a “single company worldwide group” is that the entity is not a member of a “worldwide group” (as defined in Section 835AY TCA) (eg, it is not included in consolidated financial statements prepared under generally accepted accounting practice or an alternative body of accounting standards). As a result, the Issuer will not qualify as a “single company worldwide group” if it is financially consolidated by an ETP Securityholder or any other person. If the Issuer is not a “single company worldwide group”, the Issuer should be able to deduct the full amount of its exceeding borrowing costs if it is a member of a “worldwide group” and its ratio of equity to assets is greater than, equal to or within two percentage points of the same ratio of its “worldwide group”. If the Issuer has exceeding borrowing costs in excess of EUR 3,000,000 in a tax year and its ability to deduct interest in that tax year is restricted by Ireland’s interest limitation rule, the Issuer may have material tax liabilities in Ireland as a consequence of interest not being deductible in computing its profits for Irish corporation tax purposes.

ATAD II provides for hybrid mismatch rules that result in certain payments that result in so-called ‘hybrid mismatch outcomes’ potentially ceasing to be fully deductible for Irish tax purposes. These rules are designed to neutralise arrangements where amounts payable between ‘associated entities’ are deductible from the income of one entity but are not taxable for the other or the same amounts are deductible for two associated entities. Ireland has already implemented the anti-hybrid rules provided for in ATAD II. Under Ireland’s legislation, associated for these purposes includes direct and indirect participation in terms of voting rights or capital ownership of 25 per cent. or more or an entitlement to receive 25 per cent. or more (50 per cent. in certain circumstances) of the profits of that entity, as well as entities that are part of the same consolidated group for financial accounting purposes or enterprises that have a significant influence in the management of the taxpayer.

It is possible that the various aspects of ATAD and ATAD II could apply to the Issuer in certain circumstances. The application of such measures could potentially result in the non-deductibility of certain interest expenses by the Issuer, thereby resulting in increased taxes. A material increase in the overall level of taxes would adversely impact any amounts to be paid to investors.

9.2 *Irish Taxation Position of the Issuer*

The Issuer has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended) of Ireland (“**Section 110**”) (“**TCA**”), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, or Section 110 is amended in any respect, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cash flows for the transaction and as such adversely affect the tax treatment of the Issuer and consequently the payments on the ETP Securities.

Under the Finance Act 2019, the Irish Government introduced some measures which may qualify the extent to which interest payable in respect of results-dependent securities may be deducted for Irish tax purposes. The measures provide that persons which both hold 20% or more of results-dependent securities or interest payable in respect of them and exercise 'significant influence' over an Irish securitisation company (such as the Issuer) may be treated as 'controlling' that company for Irish tax purposes. Results-dependent interest paid to persons who control the Issuer may only be deducted for Irish tax purposes to the extent such interest is paid to a person that is resident in Ireland or otherwise within the charge to Irish corporation tax or the interest is subject to tax in a Member State of the European Union (other than Ireland) or a jurisdiction with

which Ireland has a double tax treaty. The term 'significant influence' is defined as meaning an ability to participate in the financial and operating decisions of an Irish securitisation company.

9.3 *Taxation and no gross-up*

Each ETP Securityholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the ETP Securities. In the event that any withholding or deduction for or on account of tax is imposed on payments on the ETP Securities, the ETP Securityholders will be subject to such tax or deduction and will not be entitled to receive amounts to compensate for such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

The Issuer may become liable for tax charges whether by direct assessment or withholding. If any such event occurs as a result of a change in law or regulation that materially increases the cost to the Issuer of performing its obligations under the ETP Securities or the LS Margin Account Agreement or makes it illegal for the Issuer to do the same or to hold, acquire or dispose of the Collateral Assets, the ETP Securities may become subject to early redemption or a shortfall could arise in the amount available to meet the obligations of the Issuer under the ETP Securities, which in turn could negatively impact the value of the ETP Securities.

9.4 *Change of law*

The Conditions of the ETP Securities are governed by Irish law in effect as at the date of issue of the relevant ETP Securities. No assurance can be given as to the impact of any possible judicial decision or change to Irish law or administrative practice after the date of issue of the relevant ETP Securities. Any such change could have a significant adverse effect on the value and liquidity of the ETP Securities. For example, such changes in law may include changes in statutory, tax and regulatory regimes during the life of the ETP Securities, which could materially adversely impact the value of any Securities affected.

In addition, if any change in law or regulation materially increases the cost to the Issuer of performing its obligations under the ETP Securities and/or the Programme Documents or makes it illegal for the Issuer to do the same or to hold, acquire or dispose of the Reference Assets, or otherwise materially adversely impacts the Issuer, the Issuer may determine to exercise its right to redeem the ETP Securities. As a result of any such Mandatory Redemption Event, ETP Securityholders may receive less, or substantially less, than their initial investment

9.5 *Legality of purchase*

The purchase of the ETP Securities by any prospective investor may be subject to investment law, regulations and/or restrictions or review by certain authorities. The Issuer, the Arranger, the Trustee, the Margin Loan Providers, the Broker Dealer of Record, the Authorised Participants or any Affiliate of such persons are not responsible for compliance by a prospective investor of such ETP Securities (whether for its own account or for the account of any third party) with such investment laws, regulations and/or restrictions. There may be risks to such investors which acquire or hold ETP Securities in contravention of such laws, regulations and/or restrictions and breach of such laws, regulations and/or restrictions may have adverse consequences including, without limitation, adverse tax consequences for any investor, which ultimately may impact on the return an investor receives on the ETP Securities.

9.6 *Recharacterisation risk*

The ETP Securities are issued in the form of debt securities and are listed as non-equity securities on each relevant Exchange. The ETP Securities are not units in a collective investment scheme for the purposes of the Directive of 13 July 2009 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (No 2009/65/CE), as amended.

There can be no assurance that the courts or regulatory authorities in any jurisdiction would not apply a different interpretation, including recharacterising the ETP Securities as units in a collective investment schedule or a fund. Any such difference in interpretation may have adverse consequences (including, without limitation, adverse tax consequences) for an investor, which ultimately may impact the return an investor receives on the ETP Securities.

Prospective investors should consult their professional advisers on the implications, and in particular the tax and accounting implications, of investment in the ETP Securities and any risk of recharacterisation of the ETP Securities.

9.7 *Undertakings for Collective Investment in Transferable Securities (UCITS)*

Prospective investors comprising a scheme which is an undertaking for collective investment in transferable securities subject to Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (the "**UCITS Directive**"), as amended, need to satisfy themselves that an investment in the ETP Securities would comply with any regulations and/or guidelines applicable to them pursuant to the UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives. Any such non-compliance may negatively impact the return such investor would receive on the ETP Securities.

9.8 *Risk of Data Security Breach*

There is a risk that a security breach impacting a Programme Party could lead to a loss or theft of the Issuer's or Programme Parties' confidential data. A major data security breach could lead to significant reputational damage for the Issuer and/or the relevant Programme Party and result in regulatory intervention and/or fines, which may, in turn, negatively impact the price of the ETP Securities.

9.9 *'Brexit'*

Series of ETP Securities may be admitted to listing on an exchange or trading facility in the United Kingdom. Pursuant to the European Referendum Act 2015, a referendum on the United Kingdom's membership of the EU was held on 23 June 2016 with the majority voting to leave the EU.

On 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty of the European Union to leave the EU which triggered the commencement of a negotiation process between the United Kingdom and the EU in respect of the arrangements for the United Kingdom's withdrawal from the EU. On 31 January 2020, the UK ceased to be a Member State of the EU.

Brexit has affected and may continue to affect economic or market conditions in the UK, the EU and worldwide, and could contribute to volatility in the value of the Euro as well as Sterling. Brexit could lead to potentially divergent national laws and regulations as the UK determines which EU laws and regulations to replace, which to retain and, in the case of the latter, what amendments to make to such laws. Any of these effects could adversely affect the Issuer's business and negatively impact the value of the ETP Securities.

9.10 *Disruptions and volatility in the global financial markets may adversely impact the Issuer*

The value of the Reference Assets may be impacted by numerous factors beyond the Issuer's control, including global, regional, political, economic or financial events and situations. Such events may include geopolitical conflicts or tensions (including the ongoing conflict in Ukraine and geopolitical tensions and military developments in the Middle East), disruptions to global trade route or supply chains, volatility in energy and commodity markets, inflationary pressures and changes in monetary policies by central banks.

These developments may result in spikes in market volatility, widening credit spreads, reductions in market liquidity and significant movements in equity, commodity and foreign exchange markets. Such disruptions and volatility in global financial markets may affect the value of the Reference Assets and/or the Portfolio Administrator's ability to track an Index or pursue an Investment Strategy, which may ultimately adversely impact the value of the ETP Securities.

Periods of heightened market volatility may also result in reduced liquidity in the relevant markets, increased bid-offer spreads, temporary trading halts or market closures. Any such developments could negatively impact the market price of the ETP Securities.

9.11 Risks relating to the suspension of further tranche issuances

It is possible that the creation of further Tranches of a Series of ETP Securities may be suspended for a period of time due to legal, regulatory or other reasons. The suspension of the creation of further Tranches may significantly impact liquidity in the secondary market and the market makers ability to make a market with respect to such ETP Securities. If there is demand for a Series of ETP Securities and the Issuer cannot create further Tranches to satisfy such demand, the ETP Securities may trade at a premium over their ETP Security Value. As unmet demand for the ETP Securities accumulates, buying pressure may continue to increase in the secondary market, further disrupting the normal relationship between the price of the Collateral Assets underlying such Series of ETP Securities and the ETP Securities. If the suspension is prolonged, market liquidity could also decrease, making it harder for investors to buy or sell large volumes without impacting the price. This may negatively impact the price at which such ETP Securities may be bought and sold on an exchange"

9.12 Risks relating to the suspension of trading

It is possible that trading of the ETP Securities may be suspended on an exchange on which they are listed for a period of time due to legal, regulatory or other reasons, such as extraordinary corporate actions, breach of the listing rules of the relevant exchange or regulatory action to protect market integrity. During the suspension period, ETP Securityholders would not be able to buy or sell the ETP Securities on such exchange. In particular, individual investors seeking to sell ETP Securities may suffer significant losses if the price of the ETP Securities decreases rapidly while trading on exchange is suspended, as they would be unable to redeem their ETP Securities directly with the Issuer or sell on exchange.

10. **Risk factors relating to the Programme Parties**

10.1 *Risks relating to the Margin Loan Provider*

(i) Creditworthiness of the Margin Loan Provider

In the case of Series of ETP Securities providing Leveraged Exposures where the Reference Assets are Physical Assets, under the terms of the LS Margin Account Agreement entered into by the Issuer in connection with a Series of ETP Securities, the Issuer will pay the entire proceeds from the issue of such Series of ETP Securities to the Margin Loan Provider upon receipt and the Margin Loan Provider will extend moneys by way of credit to the Issuer which will be invested, in accordance with the Portfolio Administration Agreement, in Reference Assets which will be held in the Margin Account in order to replicate (to the degree practicable) the return on the Index referenced by such Series or to pursue the Investment Strategy of such Series. At the end of each Rebalance Period the Margin Account will be reconstituted in order to track the performance of the Index or to pursue the Investment Strategy, by the purchase of additional Reference Assets or the sale of existing Reference Assets held in the Margin Account. If additional Reference Assets are required to be purchased, the Margin Loan Provider will extend moneys by way of credit to the Issuer in order to fund such, purchases. The Issuer's ability to issue new ETP Securities of a Series or the successful tracking of the Index or compliance with the Investment Strategy will therefore be dependent upon the Margin Loan Provider's ability to increase the amount of margin provided under the LS Margin Account Agreement. In such a scenario the return on the ETP Securities may differ materially from the Leverage Factor times the daily return of the Reference Asset.

In the case of Series of ETP Securities providing Short Exposures where the Reference Assets are Physical Assets, the Issuer's ability to issue new ETP Securities of a Series or the successful tracking of the Index or compliance with the Investment Strategy will be dependent on the Margin Loan Provider's ability to facilitate short sales of the Reference Assets by the Issuer and to maintain such short positions.

Collateral Assets in the form of cash or transferable securities will be held in an account of the Margin Loan Provider in the name of the Issuer. Where the Collateral Assets consist of assets other than cash or transferable securities, it may be held in the name of the Issuer or under the control of the Margin Loan Provider.

The ability of the Issuer to meet its obligations with respect to the ETP Securities may be dependent upon receipt by the Issuer of payments from the Margin Loan Provider for the Series (if the Collateral Assets are so held). Consequently, the ETP Securityholders are relying not only on the creditworthiness of the Collateral Assets, but also on the creditworthiness of the Margin Loan Provider in respect of the performance of its obligations for such Series of ETP Securities.

(ii) Change of Law

If, due to a change of applicable law or regulation, it becomes illegal for the Margin Loan Provider to perform its obligations under the LS Margin Account Agreement, the LS Margin Account Agreement will terminate. There is therefore a risk that if the Issuer is unable to find a replacement Margin Loan Provider the ETP Securities of the relevant Series will fall for mandatory early redemption. In such a situation the relevant ETP Securities will be redeemed at the Mandatory Redemption Amount. It is possible that such amount may be less than an investor's initial investment.

(iii) Provision of information

None of the Issuer, any Programme Party or any Affiliate of any such persons makes any representation as to the credit quality of the Margin Loan Provider or any Collateral Assets. Any of such persons may have acquired, or during the term of the ETP Securities may acquire, non-public information in relation to the Margin Loan Provider and/or the Collateral Assets which could have an adverse effect on the value of the ETP Securities. None of such persons are under any obligation to make such information directly available to ETP Securityholders. None of the Issuer, any Programme Party or any Affiliate of any such persons are under any obligation to make available any information relating to, or keep under review on the ETP Securityholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Margin Loan Provider or any issuer/obligor in relation to any Collateral Assets or conduct any investigation or due diligence thereon or to monitor such Margin Loan Provider.

(iv) Business relationships and capacity of the Margin Loan Provider

The Margin Loan Provider and any of its Affiliates may have existing or future business relationships with any Authorised Participant (including, but not limited to, lending, depository, risk management, advisory and banking relationships) and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for an ETP Securityholder. In addition, the Margin Loan Provider and any of its Affiliates may make a market or hold positions in respect of any of the ETP Securities. From time to time, the Margin Loan Provider and its Affiliates may own significant amounts of ETP Securities issued under the Programme.

There are no restrictions on the future business operations or activities of the Margin Loan Provider, and, accordingly, the ability of the Margin Loan Provider to meet its obligations under the LS Margin Account Agreement may be adversely affected depending on such future business operations or activities (the "**Business Changes**"). The Arranger will not be responsible for updating any Programme Party, including the Portfolio Administrator, of any Business Changes and shall not be responsible for any adverse effects of such Business Changes on the ETP Securities.

The Margin Loan Provider and/or any of its Affiliates may engage in trading for their proprietary accounts, for other accounts under their management or to facilitate transactions, including block transactions, on behalf of customers relating to one or more assets that underlie the Index or Investment Strategy to which a Series of ETP Securities is linked. Any of these activities in which the Margin Loan Provider and/or its Affiliates engage could have an adverse impact on the value of the ETP Securities by affecting the price of such constituent assets(s).

The Margin Loan Provider and its Affiliates may actively trade futures contracts and options on assets that underlie the Index or Investment Strategy linked to Series of ETP Securities, over-the-counter contracts on those assets and other instruments and derivative products based on such assets. Any such trading by the Margin Loan Provider and its Affiliates and unaffiliated third parties could adversely affect the value of the Reference Assets to which certain Series of ETP Securities are linked, which could in turn affect the return on, and the value of, such Series of ETP Securities.

The Margin Loan Provider and/or its Affiliates may also issue or underwrite other securities or financial or derivative instruments linked to the commodity indices or equity indices referenced by certain Series of ETP Securities, which might compete with the ETP Securities of such Series. By introducing competing products into the marketplace in this manner, the Margin Loan Provider and/or its Affiliates could adversely affect the market value of certain ETP Securities, and therefore the amount payable on such ETP Securities on the stated maturity date or any early redemption date, as applicable, and the value of such ETP Securities before that date. To the extent that the Margin Loan Provider and/or its Affiliates serve as issuer, agent or underwriter of, or as margin loan providers in relation to, those securities or other similar instruments, their interests with respect to those products may be adverse to the interests of an ETP Securityholder.

The Margin Loan Provider and its Affiliates may in the future publish research reports with respect to some or all of the Indices linked to certain Series of ETP Securities or the assets underlying such Indices. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the ETP Securities. The research should not be viewed as a recommendation or endorsement of the ETP Securities in any way and investors must make their own independent investigation of the merits of this investment. Any of these activities by the Margin Loan Provider or any of its Affiliates may affect the market price of the Indices to which certain Series of ETP Securities are linked or their components and the value of such commodity indices or such equity indices and, therefore, the market value of such ETP Securities.

The Margin Loan Provider and its Affiliates may act in a number of capacities in respect of ETP Securities issued under the Programme including, without limitation, Portfolio Administrator. The Margin Loan Provider and its Affiliates acting in such capacities in connection with such ETP Securities will have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and will not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. The Margin Loan Provider and its Affiliates in their various capacities in connection with the ETP Securities may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

10.2 *Other business activities of Authorised Participants*

The Authorised Participants and/or their respective Affiliates may be active traders in equities and/or commodities markets, including in the physical markets for commodities, in the futures markets and the over-the-counter markets. These trading activities may present a conflict between the interests of holders of the ETP Securities and the interests of the Authorised Participants and their respective Affiliates may have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the value of an Index or Investment Strategy to which a Series of ETP Securities is linked, could be adverse to the interests of the ETP Securityholders. The Authorised Participants and their respective Affiliates may also issue or underwrite additional securities or trade other products the return on which is linked to the value of an Index or Investment Strategy linked to a Series of ETP Securities or other similar strategies. An increased level of investment in these products may negatively affect the level of an Index or Investment Strategy to which a Series of ETP Securities is linked and therefore the amount payable in respect of such Series of ETP Securities on their stated maturity date or any prior redemption date, as applicable, and the market value of such ETP Securities.

These activities could give rise to conflicts of interest which are adverse to the interests of the ETP Securityholders and could adversely affect the market value of such ETP Securities. With respect to any of the activities described above, none of the Authorised Participants or any of their respective Affiliates has any obligation to the Issuer to take the needs of any buyers, sellers or holders of the ETP Securities into consideration at any time.

10.3 *Flexinvest Limited*

Flexinvest Limited may act in a number of capacities in respect of ETP Securities issued under the Programme including, without limitation, Broker Dealer and Record and Portfolio Administrator. Flexinvest Limited acting in such capacities in connection with the ETP Securities will have only the duties and

responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Flexinvest Limited in its various capacities in connection with the ETP Securities may enter into business dealings, from which it may derive revenues and profits in addition to any fees, without any duty to account therefor.

10.4 *Determination Agent*

Calculation Agent Services LLC will act as Determination Agent. The Determination Agent will, pursuant to the provisions of the Determination Agency Agreement, the LS Operating Procedures Agreement and the Conditions, make various non-discretionary calculations, that affect the ETP Securities, including calculating, among other things, the ETP Security Value and the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount. The value of the ETP Securities could be adversely affected by such calculations. In making such calculations the Determination Agent will depend upon timely and accurate provision of information and certain constituent values of the relevant formulae which are provided to the Determination Agent by various parties, including, but not limited to, the Margin Loan Provider, the relevant Index Sponsor and the Issuer. Any consequent variation in the value of the amounts required to be calculated by the Determination Agent could result in a change to value of the ETP Securities.

10.5 *Trustee*

In connection with the exercise of its functions, the Trustee will have regard to the interests of the ETP Securityholders as a class and will not have regard to the consequences of such exercise for individual ETP Securityholders and the Trustee will not be entitled to require, nor will any ETP Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual ETP Securityholders.

Accordingly, a situation would potentially arise whereby the Trustee takes a certain action and in doing so will have regard to the interests of the ETP Securityholders as a class, however such action may not be in the best interests of a particular individual ETP Securityholder, for example such action may have an adverse tax consequence for such individual ETP Securityholder.

10.6 Common Ownership of Portfolio Administrator, Determination Agent, Broker Dealer of Record, the Eighth Authorised Participant, and Themes Management Company LLC

Prospective investors should note that, although each of the following entities is separately staffed and operates as an independent company, each of Flexinvest Limited (which may act as the Broker Dealer of Record and Portfolio Administrator in respect of certain Series of ETP Securities), FlexAdvisor Limited (which may act as Portfolio Administrator in respect of certain Series of ETP Securities), the Determination Agent, Investium Limited (which may act as the Seventh Authorised Participant) and Themes Management Company LLC (which acts as investment advisor to the Themes ETFs which may comprise the Reference Assets for certain Series of ETP Securities) are under the ultimate common ownership of Jose Gonzalez who is also a director and ultimate majority shareholder of the Arranger. This common ownership structure gives rise to potential conflicts of interest.

The following measures apply to manage or mitigate such conflicts:

(i) Each of the entities referred to above is separately staffed and operates independently of the other entities, notwithstanding their common ultimate ownership.

(ii) The Issuer has the right to replace any entity referred to above, without requiring the consent of that entity or any other party referred to above.

(iii) Flexinvest Limited, FlexAdvisor Limited and Themes Management Company LLC are each separately regulated and authorised in their respective jurisdictions.

Notwithstanding the foregoing, each such party will have only the duties and responsibilities expressly agreed to by it in the relevant capacity and will not, by virtue of being related to an entity acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

For example, Flexinvest Limited will not be responsible for the liabilities of Calculation Agent Services LLC, despite the fact that both entities are under common ownership. Therefore if the Issuer has a claim against the Determination Agent and the Determination Agent cannot satisfy such claim in full, the Issuer shall have no recourse against Flexinvest Limited in its capacity as Broker Dealer of Record in respect of such claim. The value of the ETP Securities may be negatively impacted in such circumstances.

10.7 *Issuer's right to replace agents and providers*

The Issuer reserves the right to replace the Margin Loan Provider, the Portfolio Administrator, the Trustee, the Issuing and Paying Agent, the Registrar, the Determination Agent, the Broker Dealer of Record and any other agents or providers herein at its sole discretion, without the consent of the Trustee or the ETP Securityholders, in order to ensure the efficient operation of the Programme. Accordingly, a situation could arise whereby an agent or service provider is appointed by the Issuer, however such appointment would not otherwise have taken place if the consent of the Trustee or the ETP Securityholders was required (as the Trustee or ETP Securityholders would not have consented to such appointment).

For example, the Issuer may, without the consent of the Trustee or the ETP Securityholders, appoint a replacement margin loan provider (the "**Replacement Margin Loan Provider**"). The Replacement Margin Loan Provider may engage in trading for their proprietary accounts or for other accounts under their management in relation to one or more assets that underlie the Index or Investment Strategy to which a Series of ETP Securities is linked. Any of these activities in which the Replacement Margin Loan Provider engages could have an adverse impact on the value of the ETP Securities by affecting the price of such constituent assets.

10.8 *Reliance on Third Party Information*

This Base Prospectus contains certain information in relation to the business of the Programme Parties which has been sourced from publicly available information and has been accurately reproduced by the Issuer so far as the Issuer is aware and/or able to ascertain from information published by the relevant entities.

There is a risk that such information is not accurate or up to date and a situation could arise whereby an investor would not have otherwise invested in the relevant ETP Security if such information was accurate or up to date, as applicable. In addition, if such information is not accurate or up to date, it could have an adverse impact on the Issuer's engagement with the relevant Programme Party, which could in certain circumstances negatively impact the value of the ETP Securities.

For example, the Issuer has relied on certain publicly available information in relation to its due diligence on the suitability of the Programme Parties to carry out their various functions with respect to the Programme. If such information is not accurate or up to date (for example if the Issuer is relying on a Programme Party to have a certain regulatory status, and such status has not been accurately reflected in public records), this could impact the Issuer's engagement with the Programme Party and could in certain circumstances, also negatively impact the value of the ETP Securities.

11. Risk factors relating to Samsung Electronics Co., Ltd, SK hynix Inc., MediaTek Inc., Alchip Technologies, Limited, Nanya Technology Corporation, Winbond Electronics Corporation, Kioxia Holdings Corporation, Tokyo Electron Limited, Anthropic, PBC and iShares $ Treasury Bond 1-3yr UCITS ETF

Samsung Electronics Co. Ltd ("**Samsung Electronics**") and SK hynix Inc ("**SK hynix**") are equity security Reference Assets listed on Korea Exchange Inc ("**KRX**"), which is not a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. MediaTek Inc. ("**MediaTek**"), Alchip Technologies, Limited ("**Alchip**"), Nanya Technology Corporation ("**Nanya Technology**") and Winbond Electronics Corporation ("**Winbond**") are equity security Reference Assets listed on the Taiwan Stock Exchange ("**TWSE**"), which is not a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. Kioxia Holdings Corporation ("**Kioxia**") and Tokyo Electron Limited ("**Tokyo Electron**") are equity security Reference Assets listed on the Tokyo Stock Exchange ("**TSE**"), which is not a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. Anthropic, PBC ("**Anthropic**"), as at the date of this Base Prospectus, is a private company not listed on a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. The

Issuer has therefore provided extensive disclosure in this Base Prospectus on Samsung Electronics, SK hynix, MediaTek, Alchip, Nanya Technology, Winbond, Kioxia, Tokyo Electron and Anthropic in accordance with the requirements of the Prospectus Regulation. Please refer to the section headed "Equity Securities" on page 113 of this Base Prospectus for further disclosure on Samsung Electronics, SK hynix, MediaTek, Alchip, Nanya Technology, Winbond, Kioxia, Tokyo Electron and Anthropic.

The iShares $ Treasury Bond 1-3yr UCITS ETF, is a sub-fund of iShares plc. The U.S. Dollar (Accumulating) share class of the iShares $ Treasury Bond 1-3yr UCITS ETF is an exchange traded fund Reference Asset admitted to trading on the SIX Swiss Exchange, which is not a regulated market or an equivalent third country market for the purposes of the Prospectus Regulation. The Issuer has therefore provided extensive disclosure in this Base Prospectus on the iShares $ Treasury Bond 1-3yr UCITS ETF in accordance with the requirements of the Prospectus Regulation. Please refer to the section headed "Exchange Traded Funds" on page 202 of this Base Prospectus.

11.1 Risk Factors relevant to Samsung Electronics Co., Ltd

The risk factors which the Issuer considers could materially impact the business of Samsung Electronics and the value of an investment linked to Samsung Electronics' shares, are set out below and have been sourced from public information, including the Samsung Electronics Annual Reports (as defined in the section of this Base Prospectus headed "Samsung Electronics Co., Ltd."), the credit rating agency reports referenced therein, and other information and documentation available on Samsung Electronics' website at https://www.samsung.com/global/ir/. Such information has been accurately reproduced by the Issuer so far as the Issuer is aware and/or able to ascertain from such information. Samsung Electronics' website does not form part of this Base Prospectus.

Industry and Market Risks

- Samsung Electronics’ performance is significantly driven by demand and pricing in DRAM and NAND memory markets, which are highly cyclical and subject to volatility driven by global technology demand, inventory cycles, and supply expansions.

- Samsung Electronics faces strong competition in semiconductors, smartphones, displays, and consumer electronics, particularly from Chinese manufacturers and global peers, which may pressure pricing and margins.

- Demand for Samsung Electronics’ products is sensitive to global economic conditions, inflation, interest rates, and consumer and enterprise technology spending.

Operational and Supply Chain Risks

- Key production facilities are concentrated in South Korea, China, and the United States. Disruption at any major site could materially impact output and profitability.

- Samsung Electronics relies on a global network of suppliers for semiconductor equipment and materials, which may be affected by export controls, sanctions, or logistical disruptions.

- Samsung Electronics is exposed to cyber threats that could result in data breaches, production disruption, or reputational damage.

- Failure to successfully develop or commercialise next-generation semiconductor, foundry, or display technologies could adversely affect competitiveness.

Financial Risks

- Earnings and cash flows are exposed to fluctuations in exchange rates, particularly between the Korean won and major currencies such as the US dollar.

- Samsung Electronics is exposed to fluctuations in raw material, energy, and component prices.
- A downgrade in credit ratings could increase funding costs and restrict access to capital markets.

Legal, Regulatory and Governance Risks

- Samsung Electronics operates under multiple regulatory regimes covering competition, data protection, environmental standards, trade controls, and taxation, non-compliance or changes in which could adversely affect operations.
- Samsung Electronics is subject to ongoing patent litigation and IP disputes, particularly in semiconductors and mobile devices.
- The group is involved in litigation and regulatory investigations across jurisdictions, the outcome of which may be uncertain.
- Transactions with affiliated Samsung group companies are subject to regulatory oversight and may attract governance or regulatory risk.

Geopolitical and Country Risks

- Escalation of tensions in the region could cause market volatility or operational disruption.
- Due to US–China trade tensions restrictions on semiconductor exports, technology transfer, or supply chain participation may materially affect operations.
- Performance is highly correlated with global demand for advanced computing, AI infrastructure, and memory-intensive applications.

Personnel and Strategic Risks

- The company's performance depends on its senior leadership and succession planning; changes in executive management may impact strategy execution and operational continuity.
- Samsung Electronics' workforce is partially unionised, and labour disputes, strikes or threatened industrial action could disrupt production (including semiconductor manufacturing), increase labour costs, and cause share price volatility. Wage and bonus arrangements linked to divisional profitability may increase costs in periods of strong semiconductor earnings.

Risks relating to 100% exposure to a single Reference Asset listed on KRX

Single-Name Concentration Risk

- A 100% exposure to Samsung Electronics results in full dependency on the share price performance of a single issuer.
- Investors are exposed to all issuer-specific risks, including those set out in section 11.1, and may lose all or substantially all of their investment.

Market Infrastructure and Trading Risks

- Korea Exchange operates under different trading rules, including price limits, circuit breakers, and short-selling restrictions, which may affect liquidity and price formation.

- Settlement is conducted via the Korea Securities Depository, and operational disruption could impact valuation or execution timing.

- Trading hours, holidays, and market closures differ from UK markets, creating timing mismatches in valuation and execution.

Foreign Investment and Taxation Risks

- Korean regulatory requirements govern foreign ownership and trading of listed shares, which may affect the Issuer's ability to acquire or dispose of shares.

- Korean withholding tax and capital gains tax may apply, and changes in tax law could affect returns.

Currency Risk

- Samsung Electronics shares are denominated in Korean won. Investors are exposed to FX fluctuations between the Korean won and the relevant currency of the ETP Securities.

Information Asymmetry

- Samsung Electronics is not subject to UK or EU disclosure frameworks.

- Disclosures may be published in Korean and may be subject to translation delays or reduced comparability with EU-listed issuers.

Corporate Actions Risk

- Corporate actions are governed by Korean law and may differ in timing and structure from EU market practice.

As a consequence of the risks set out in this risk factor 11.1, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.2 Risks relevant to SK hynix Inc.

The risk factors which the Issuer considers could materially impact the business of SK hynix, and the value of an investment linked to SK hynix's shares, are set out below and have been sourced from public information, including the SK hynix Annual Reports (as defined in the section of this Base Prospectus headed "SK hynix Inc."), the credit rating agency reports referenced therein, and other information and documentation available on SK hynix's investor relations website at https://www.skhynix.com/ and on DART at https://dart.fss.or.kr/. Such information has been accurately reproduced by the Issuer so far as the Issuer is aware and/or able to ascertain from such information. SK hynix's website does not form part of this Base Prospectus.

Industry and Market Risks

- SK hynix is highly dependent on DRAM, NAND flash and related memory products, and is therefore particularly exposed to volatility in memory pricing, demand cycles and semiconductor market conditions.

- Recent growth has been significantly driven by demand for high-bandwidth memory products used in artificial intelligence infrastructure. A slowdown in AI-related demand, loss of key customers or increased competition could adversely affect SK hynix's performance.

- SK hynix faces intense competition from global semiconductor manufacturers in DRAM, NAND and advanced memory technologies, which may adversely affect margins and market share.

- SK hynix is exposed to global economic conditions, technology spending cycles, tariffs, export controls and trade tensions, particularly between the United States and China.

Operational and Supply Chain Risks

- SK hynix's production is concentrated in a limited number of fabrication and packaging facilities in the Republic of Korea, China and the United States. Any disruption to these facilities, including from natural disasters, utility failures, cyber incidents or geopolitical events, could materially adversely affect production and financial performance.

- SK hynix's operations, particularly in China, are exposed to US and other export control regimes relating to semiconductor equipment, materials and technology. Changes in such regimes or licensing arrangements could restrict SK hynix's ability to operate, upgrade or expand its facilities.

- SK hynix is undertaking significant capital investment in new manufacturing and packaging capacity, including in the United States. Such investments may depend on government incentives or policy support, which may be conditional, delayed, reduced or withdrawn, and project execution risks such as cost overruns or delays may adversely affect returns.

- SK hynix's NAND and SSD operations include assets acquired through strategic transactions. The integration of these businesses and the realisation of expected synergies are subject to execution risk and may not achieve anticipated benefits.

- SK hynix depends on successful development and commercialisation of advanced semiconductor technologies, including next-generation DRAM, NAND and high-bandwidth memory products. Failure to develop or scale such technologies on a timely and commercially viable basis could adversely affect competitiveness and market position.

- SK hynix is exposed to increasing cybersecurity threats which could result in operational disruption, data loss, intellectual property theft, regulatory penalties and reputational damage.

Financial Risks

- SK hynix's profitability and balance sheet are sensitive to downturns in the memory semiconductor cycle. Any deterioration in operating performance, over-extension of capital expenditure, or rating downgrade could increase funding costs and reduce access to debt capital markets.

- SK hynix's business is highly capital-intensive and requires significant ongoing investment in fabrication capacity and advanced technologies.

- SK hynix is exposed to fluctuations in foreign exchange rates, particularly between the Korean won and currencies such as the US dollar and Chinese renminbi. Adverse currency movements may impact revenue, margins and balance sheet results.

- SK hynix is exposed to interest rate risk on its borrowings and credit risk arising from receivables from customers, including exposures to a limited number of large counterparties, as well as financial institutions and derivatives counterparties.

- SK hynix is exposed to fluctuations in the price of key raw materials and inputs used in semiconductor manufacturing, including silicon wafers, gases, chemicals, photoresists, copper and gold, which may impact production costs and profitability.

Legal, Regulatory and Governance Risks

- SK hynix operates in multiple jurisdictions and is subject to extensive regulation relating to trade controls, competition, environmental protection, taxation, labour laws and data protection.
- SK hynix is exposed to patent disputes, trade secret claims and other intellectual property litigation risks common to the semiconductor industry.
- SK hynix may be subject to litigation, regulatory investigations and enforcement proceedings, the outcome of which may be uncertain.
- SK hynix is part of the broader SK Group and engages in transactions with affiliated entities, which may give rise to conflicts of interest or governance concerns.

Geopolitical and Country Risks

- SK hynix is exposed to geopolitical tensions affecting the Republic of Korea and the broader region.
- SK hynix has substantial operations in China and is exposed to US–China trade tensions, export controls and other restrictions relating to semiconductor technology, equipment, materials and software. Following the revocation of its validated end-user authorisations with effect from 31 December 2025, shipments of US-origin semiconductor manufacturing equipment to SK hynix's Chinese facilities require US export licences granted under an annual approval system, which do not permit capacity expansion or technology upgrades. Any failure to obtain or renew such licences, or further tightening of the applicable export control regime, could materially adversely affect production at these facilities, which account for a significant proportion of SK hynix's DRAM and NAND output.
- SK hynix's performance is closely linked to global demand for semiconductors and AI-related infrastructure.

Personnel and Strategic Risks

- SK hynix depends on senior management and technical personnel, and changes in leadership or succession planning may adversely affect operations and strategy execution.
- SK hynix's workforce is partially unionised, and labour disputes, strikes or threatened industrial action could disrupt production and increase labour costs. Wage and bonus arrangements linked to operating profit may increase labour costs in periods of strong earnings.

Risks relating to 100% exposure to a single Reference Asset listed on KRX

The risks set out at risk factor 11.5 above under the heading "Risks relating to a 100% exposure to a single Reference Asset listed on KRX" apply equally to any Series of ETP Securities linked to SK hynix shares.

In addition:

Higher Volatility Risk

- SK hynix's share price has historically exhibited higher volatility than more diversified technology issuers due to its concentrated exposure to memory semiconductors and AI-related demand cycles.

Credit and Concentration Risk

- SK hynix has a less diversified business profile and lower credit ratings than certain larger semiconductor peers, including Samsung Electronics, which may result in greater sensitivity to industry downturns.

US Listing and Dual-Listing Risks

- On 10 July 2026, American depositary shares representing newly issued common shares of SK hynix commenced trading on Nasdaq. The issuance of new common shares diluted existing holders of SK hynix's common shares, and the dual-listing structure may affect the liquidity, price formation and trading dynamics of the KRX-listed common shares.

As a consequence of the risks set out in this risk factor 11.2, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.3 Risks relevant to MediaTek Inc.

MediaTek's annual report for the year ended 31 December 2025 (the "**MediaTek Annual Report**") contains detailed risk factors which MediaTek believes could materially impact its business (the "**MediaTek Risk Factors**"), as set out on pages 100 to 105 of the MediaTek Annual Report. The MediaTek Risk Factors are incorporated by reference into, and form part of, this Base Prospectus. Only the MediaTek Risk Factors are incorporated by reference herein. All other parts of the MediaTek Annual Report are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The MediaTek Risk Factors have been sourced from the MediaTek Annual Report which was prepared by MediaTek, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by MediaTek, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As a consequence of the risks set out in this risk factor 11.3, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.4 Risks relevant to Alchip Technologies, Limited

Alchip's annual report for the year ended 31 December 2025 (the "**Alchip Annual Report**") contains detailed risk factors which Alchip believes could materially impact its business (the "**Alchip Risk Factors**"), as set out on pages 118 to 122 of the Alchip Annual Report. The Alchip Risk Factors are incorporated by reference into, and form part of, this Base Prospectus. Only the Alchip Risk Factors are incorporated by reference herein. All other parts of the Alchip Annual Report are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The Alchip Risk Factors have been sourced from the Alchip Annual Report which was prepared by Alchip, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Alchip, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As a consequence of the risks set out in this risk factor 11.4, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.5 Risks relevant to Nanya Technology Corporation

Nanya Technology's annual report for the year ended 31 December 2025 (the "**Nanya Technology Annual Report**") contains detailed risk factors which Nanya Technology believes could materially impact its business (the "**Nanya Technology Risk Factors**"), as set out on pages 168 to 178 of the Nanya Technology Annual Report. The Nanya Technology Risk Factors are incorporated by reference into, and form part of, this Base Prospectus. Only the Nanya Technology Risk Factors are incorporated by reference herein. All other parts of the Nanya Technology Annual Report are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The Nanya Technology Risk Factors have been sourced from the Nanya Technology Annual Report which was prepared by Nanya Technology, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Nanya Technology, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As a consequence of the risks set out in this risk factor 11.5, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.6 Risks relevant to Winbond Electronics Corporation

Winbond's annual report for the year ended 31 December 2025 (the "**Winbond Annual Report**") contains detailed risk factors which Winbond believes could materially impact its business (the "**Winbond Risk Factors**"), as set out on pages 109 to 113 of the Winbond Annual Report. The Winbond Risk Factors are incorporated by reference into, and form part of, this Base Prospectus. Only the Winbond Risk Factors are incorporated by reference herein. All other parts of the Winbond Annual Report are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The Winbond Risk Factors have been sourced from the Winbond Annual Report which was prepared by Winbond, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Winbond, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Risks relating to 100% exposure to a single Reference Asset listed on TWSE

Single-Name Concentration Risk

- A 100% exposure to MediaTek, Alchip, Nanya Technology or Winbond results in full dependency on the share price performance of a single issuer.
- Investors are exposed to all issuer-specific risks, including those set out in sections 11.3 to 11.6, and may lose all or substantially all of their investment.

Market Infrastructure and Trading Risks

- The Taiwan Stock Exchange operates under different trading rules, including daily price fluctuation limits, intraday volatility interruption measures, the designation of securities as attention or disposition securities, and restrictions on short selling and securities borrowing, which may affect liquidity and price formation and may prevent or delay the execution of transactions in the Reference Asset.
- Settlement is conducted via the Taiwan Depository & Clearing Corporation, and operational disruption could impact valuation or execution timing.
- Trading hours, holidays and market closures differ from UK markets, creating timing mismatches in valuation and execution. In particular, the Taiwan market observes an extended Lunar New Year closure and may close at short notice on account of typhoons or other severe weather.

Foreign Investment and Taxation Risks

- Taiwanese regulatory requirements govern investment in listed shares by non-resident investors, including registration and investor identification requirements and requirements as to custody and the remittance of funds, which may affect the Issuer's ability to acquire or dispose of shares.
- Taiwanese withholding tax on dividends and securities transaction tax on disposals may apply, and changes in tax law could affect returns.

Currency Risk

- MediaTek, Alchip, Nanya Technology and Winbond shares are denominated in New Taiwan dollars. Investors are exposed to FX fluctuations between the New Taiwan dollar and the relevant currency of the ETP Securities.
- The New Taiwan dollar is not a fully freely convertible currency and is subject to oversight by the Central Bank of the Republic of China (Taiwan), including in relation to the remittance of funds into

and out of Taiwan.

Information Asymmetry

- None of MediaTek, Alchip, Nanya Technology or Winbond is subject to UK or EU disclosure frameworks.

- Disclosures are made principally through the Market Observation Post System and may be published in Chinese in the first instance, and may therefore be subject to translation delays or reduced comparability with UK-listed issuers.

Corporate Actions Risk

- Corporate actions are governed by Taiwanese law and may differ in timing and structure from UK market practice. In particular, distributions by way of stock dividend and capitalisation issues out of retained earnings or capital surplus are common among Taiwanese listed issuers and give rise to ex-rights adjustments which may not correspond to UK market practice.

As a consequence of the risks set out in this risk factor 11.6, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.7 Risks relevant to Kioxia

The Kioxia Annual Reports (as defined in the section headed "*Equity Securities*" on page 113 of this Base Prospectus) are incorporated by reference into, and form part of, this Base Prospectus. The Kioxia annual report for the year ended 31 March 2026 contains detailed risk factors which Kioxia believes could materially impact its business, as set out on pages 88 to 101 thereof (the "**Kioxia Risk Factors**"). The Kioxia Risk Factors have been sourced from the Kioxia annual report for the year ended 31 March 2026 which was prepared by Kioxia, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Kioxia, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As a consequence of the risks set out in this risk factor 11.7, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.8 Risks relevant to Tokyo Electron Limited

The Tokyo Electron annual report for the year ended 31 March 2026 (the "**Tokyo Electron Annual Report**") contains detailed risk factors which Tokyo Electron believes could materially impact its business (the "**Tokyo Electron Risk Factors**"), as set out on pages 65 to 66 of the Tokyo Electron Annual Report. The Tokyo Electron Risk Factors are incorporated by reference into, and form part of, this Base Prospectus. Only the Tokyo Electron Risk Factors are incorporated by reference herein. All other parts of the Tokyo Electron Annual Report are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The Tokyo Electron Risk Factors have been sourced from the Tokyo Electron Annual Report which was prepared by Tokyo Electron, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Tokyo Electron, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Risks relating to 100% exposure to a single Reference Asset listed on the TSE

Single-Name Concentration Risk

- A 100% exposure to Kioxia or Tokyo Electron makes the ETP Securities fully dependent on the share price performance of a single issuer.

- Investors are exposed to all issuer-specific risks, including those set out in sections 11.7 to 11.8, and may lose all or substantially all of their investment.

Market Infrastructure and Trading Risks

- The TSE operates under different trading rules, including:
    - daily price limits based on the previous day's closing price;
    - the use of special quotes and sequential trade quotes, which can delay or suspend the matching of orders during sharp price movements;
    - restrictions on short selling, including price restrictions on short sales after a significant price fall;
    - minimum trading units, and the designation of securities as "Securities on Alert" or "Securities under Supervision".

  These rules may affect liquidity and price formation, and may prevent or delay transactions in the Reference Asset.
- Trades are cleared through the Japan Securities Clearing Corporation and settled by book entry through the Japan Securities Depository Centre. Operational disruption at either of them, or at the TSE's trading systems, could affect valuation or execution timing.
- Trading hours, holidays and market closures differ from those of UK and European markets, creating timing mismatches in valuation and execution:
    - The TSE trading session closes before UK and European markets open.
    - The exchange closes for the New Year holiday period and for public holidays, including the Golden Week holidays in late April and early May.
    - Earthquakes and other natural disasters may cause market disruption or closures at short notice.

Foreign Investment and Taxation Risks

- Japan's Foreign Exchange and Foreign Trade Act regulates investment in listed shares by non-resident investors. Acquisitions of shares in companies in designated sectors, which include semiconductors, may require prior notification or post-acquisition reporting once certain shareholding thresholds are reached. These requirements could affect the Issuer's ability to acquire or hold shares.
- Holdings above certain thresholds are also subject to the large shareholding reporting regime under the Financial Instruments and Exchange Act.
- Japanese withholding tax on dividends may apply to non-resident holders, subject to any reduction available under an applicable double taxation treaty. Changes in Japanese tax law or treaty relief could affect returns.

Currency Risk

- Kioxia and Tokyo Electron shares are denominated in Japanese yen. Investors are exposed to exchange rate movements between the Japanese yen and the relevant currency of the ETP Securities.
- The value of the Japanese yen may be significantly affected by the monetary policy of the Bank of Japan and by foreign exchange intervention by the Japanese authorities, which may cause sudden and significant exchange rate movements.

Information Asymmetry

- Neither Kioxia nor Tokyo Electron is subject to UK or EU disclosure frameworks.

- Disclosures are made mainly through the Timely Disclosure network (TDnet) operated by the TSE and through the Financial Services Agency's EDINET system. They may be published in Japanese first, and English translations may be partial, published later or not published at all.

- Financial statements may be prepared under accounting standards that differ from those used by UK-listed issuers, which may reduce comparability.

Corporate Actions Risk

- Corporate actions are governed by the Japanese Companies Act and Tokyo Stock Exchange rules, and their timing and structure may differ from UK market practice.

- Stock splits are relatively common among Japanese listed issuers and give rise to adjustments which may not correspond to UK market practice.

- Japanese issuers often finalise dividend amounts only after the record date. Ex-dividend adjustments may therefore be made before the final dividend amount is known.

- Annual general meetings of Japanese issuers are concentrated within a short period. For issuers with a 31 March financial year-end, such as Kioxia and Tokyo Electron, this is in June.

As a consequence of the risks set out in this risk factor 11.8, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.9 Risks relevant to Anthropic

The risk factors applicable to Anthropic are attached as Appendix 1 to this Base Prospectus (the "**Anthropic Risk Factors**"). The Anthropic Risk Factors and the Anthropic Financial Statements (as defined in the "Description of the Reference Assets" section beginning on page 112 of this Base Prospectus) have been sourced from the Anthropic Form S-1 Registration Statement (the "**Anthropic S-1**") which was prepared by Anthropic, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Anthropic, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As a consequence of the risks set out in this risk factor 11.9, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.10 Risks relevant to the iShares $ Treasury Bond 1-3yr UCITS ETF

The prospectus of iShares plc dated 21 September 2026 (the "**iShares plc Prospectus**") contains detailed risk factors which iShares plc believes could materially impact its sub-funds, including the iShares $ Treasury Bond 1-3yr UCITS ETF, as set out on pages 57 to 87 of the iShares plc Prospectus (the "**iShares Risk Factors**"). The iShares Risk Factors are incorporated by reference into, and form part of, this Base Prospectus. Only the iShares Risk Factors are incorporated by reference herein. All other parts of the iShares plc Prospectus are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. The iShares Risk Factors have been sourced from the iShares plc Prospectus which was prepared by iShares plc, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by iShares plc, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As a consequence of the risks set out in this risk factor 11.10, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

11.11 Reliance on Third Party Information

This Base Prospectus contains certain information in relation to the business of Samsung Electronics, SK hynix, MediaTek, Alchip, Nanya Technology, Winbond, Kioxia and Tokyo Electron which has been sourced from publicly available information and the Issuer accepts responsibility for such information so far as the Issuer is aware and/or able to ascertain from such publicly available information.

There is a risk that such information is not accurate or up to date and a situation could arise whereby an investor would not have otherwise invested in the relevant ETP Security if such information was accurate or up to date, as applicable.

As a consequence of the risks set out in this risk factor 11.11, the ETP Securityholders may lose some or all of their investment in the ETP Securities.

ECONOMIC OVERVIEW OF THE ETP SECURITIES

Overview of the ETP Securities

The Issuer may from time to time issue collateralised exchange traded securities under the Programme, that seek to either track an Index providing exposure to one or more Reference Assets or pursue an Investment Strategy which will reference one or more Reference Assets on the terms set out in this Base Prospectus in the section headed "*Terms and Conditions of the ETP Securities*", as completed in respect of each Series of ETP Securities by the Final Terms relating to such ETP Securities.

The Index-linked Series of ETP Securities will track the performance of the Index referenced by that Series, as the ETP Security Value will reflect the value of the Collateral Assets which will be selected in order to replicate (to the degree practicable) the return of the Index referenced by such Series in accordance with the Leverage Factor of such Series of ETP Securities.

With respect to Series of ETP Securities which pursue an Investment Strategy, the ETP Security Value will reflect the value of the Collateral Assets which will be selected in accordance with the Investment Strategy and, where applicable, taking into account the applicable Leverage Factor (as defined below).

Post issuance information in relation to composition of the Collateral Assets of each Series of ETP Securities will be detailed daily on the Issuer's website www.leverageshares.com.

Series of ETP Securities can offer leveraged long exposure ("**Leveraged Exposures**"), short inverse exposure ("**Short Exposures**") or +1x exposure ("**Normal Exposures**") to the Reference Assets. For the Leveraged Exposures and the Short Exposures, the degree of leverage or inverse leverage will be either embedded (i) in the Index or the Investment Strategy; or (ii) directly in the ETP Securities. The degree of leverage provided by such a Series of ETP Securities will be reflected in a leverage factor which shall be specified in the Final Terms (the "**Leverage Factor**"). In addition to offering the type of exposures described above, Series of ETP Securities can also pursue Investment Strategies where the objective is to generate income to fund periodic interest payments ("**Income Series**"). The Investment Strategy for an Income Series may also provide for a Leveraged Exposure to the Reference Assets, details of which will be included in the description of the Investment Strategy.

The features of Series of ETP Securities offering Leveraged Exposures (including Income Series which offer a Leveraged Exposure), Short Exposures and Normal Exposures are described in Part A below. The features of Income Series which pursue an Options-Based Income Strategy and a Multiple Income Strategy are described in Part B below. Part C below discusses matters which are potentially relevant to all Series of ETP Securities such as the ETP Security Value. Part C also discusses the payment of Interest Amounts which is relevant to Income Series.

Part A

Leveraged Exposures, Short Exposures and Normal Exposures

Where the Series of ETP Securities provides a Leveraged Exposure or Normal Exposure, this means that the ETP Security Value will increase on any day on which the value of the Reference Assets increases, and will decrease if the value of the Reference Assets falls on such day (in each case excluding the effects of any applicable fees and adjustments).

Where the Series of ETP Securities provides a Short Exposure, this means that the ETP Security Value will increase on any day on which the value of the Reference Assets decreases, and will decrease if the value of the Reference Assets increases on such day (in each case excluding the effects of any applicable fees and adjustments).

Exposure to the Reference Assets

For Index-linked Series of ETP Securities, the Issuer will seek to replicate the performance of the Index by generating an equivalent exposure to the Reference Assets while also taking into account the Leverage Factor. For Series of ETP Securities which pursue an Investment Strategy, the net proceeds of issuance shall be invested in the Reference Assets referenced by such Investment Strategy taking into account the applicable Leverage Factor.

The following is a description of the manner in which the exposure to the relevant Reference Assets will be generated when the ETP Securities provide a Leveraged Exposure and Short Exposure to Physical Assets and futures contracts.

Leveraged Exposures where the Reference Assets are Physical Assets

For Series which offer leveraged exposures, the leverage is achieved by borrowing from the Margin Loan Provider.

The Portfolio Administrator will instruct the Margin Loan Provider, on behalf of the Issuer, to invest the net proceeds of issuance and the Leveraged Investment Amount in the Reference Asset of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

Short Exposures where the Reference Assets are Physical Assets

The Issuer will seek to replicate the performance of the Index or pursue the Investment Strategy by taking short positions through engaging in short selling transactions with respect to the Reference Assets. The Issuer will take short positions by borrowing the Reference Assets, at a cost, from the Margin Loan Provider and selling such Reference Assets at the current market price. The proceeds of the sale (the "**Sale Price**") will be deposited into the Margin Account.

The Issuer will profit from such short selling transaction if it can re-purchase the Reference Assets at a lower price in the future and return the borrowed Reference Asset to the Margin Loan Provider. The Issuer will suffer a loss if the re-purchase price costs more than the Sale Price.

The net proceeds of the issue of such Series will be held in the Margin Account to satisfy the initial margin requirements of the Margin Loan Provider.

The Issuer must maintain the initial margin and maintenance margin requirements of the Margin Loan Provider. The initial margin is the amount of money that needs to be held in the Margin Account at the time the short selling transaction is entered into, and the maintenance margin is the amount that must be in the account at any point after the initial transaction.

The net proceeds of the issue of the relevant Series will constitute the initial margin and the proceeds of the sale of the Reference Assets will also be held in the Margin Account to satisfy the maintenance margin requirements.

Leveraged Exposures where the Reference Assets are Futures Contracts

The Issuer will seek to replicate the performance of the Index or pursue the Investment Strategy by taking long positions in the futures contract. The Issuer will take long positions by acting as the buyer of the futures contract.

By taking a long position, the value of the Issuer's position in the futures contract will increase if the price of the underlying asset increases. Conversely, the Issuer will be required to make payments to the extent that the price of underlying asset decreases over the term of the futures contract. The potential loss of the Issuer in respect of any long position is limited to the amount of the contract settlement price.

Short Exposures where the Reference Assets are Futures Contracts

The Issuer will seek to replicate the performance of the Index or pursue the Investment Strategy by taking short positions in the futures contracts. The Issuer will take short positions by acting as the seller of futures contracts.

By taking a short position, the value of the Issuer's position in the futures contract will increase if the price of the underlying asset decreases. Conversely, the Issuer will be required to make payments to the extent that the price of underlying asset increases over the term of the futures contract.

Limiting Losses on Leveraged and Short Exposures

Any losses incurred on the Leveraged Exposures and Short Exposures will lead to a reduction in the amount of Collateral Assets. The Portfolio Administrator will be responsible for monitoring the potential losses on the Leveraged Exposures and Short Exposures to ensure that they do not exceed the amount of the Collateral Assets.

At the end of each Rebalance Period, each Margin Account will be reconstituted, in accordance with the Portfolio Administration Agreement, in order to track the performance of the relevant Index or to ensure leverage levels are in line with the relevant Investment Strategy. This will be achieved (i) where the Reference Assets are Physical Assets, by the purchase of additional Reference Assets or the sale of the existing Reference Assets of such Index or Investment Strategy; and (ii) where the Reference Assets are futures contracts, by rolling them forward before their expiry.

In addition, as defined in the Index or Investment Strategy methodology in respect of a Series of ETP Securities, there is a possibility of the occurrence of an Unscheduled Rebalance (as defined below). During a Rebalance Period in which an Unscheduled Rebalance is triggered, the Rebalance Period return of the relevant Series of ETP Securities will not be equal to the Leverage Factor of such Series multiplied by the Rebalance Period price change of the respective Reference Assets. Such unscheduled adjustment seeks to protect the holder of ETP Securities providing Leveraged Exposure or Short Exposure in the event of extreme market movements during Rebalance Periods by crystallising the losses incurred up to that point.

"**Unscheduled Rebalance**" means an (i) unscheduled rebalance occurring on a Valuation Date on which the rebalancing mechanism built in the relevant Index or Investment Strategy in respect of a Series of ETP Securities has been triggered by a change in the price of the corresponding Reference Asset(s) of such Index or Investment Strategy by more than the relevant trigger level for the Index or Investment Strategy in accordance with its methodology; and (ii) where provided for in the Terms and Conditions or Investment Strategy appliable to a Series of ETP Securities, an unscheduled rebalance carried out at the discretion of the Portfolio Administrator, when the price of the relevant Reference Asset(s) increases (in the case of Short Exposures) or decreases (in the case of Leveraged Exposures) by more than the relevant trigger level for the relevant Index or Investment Strategy with respect to their closing prices on the previous trading day at any time outside the regular trading session of the exchanges where the Reference Asset(s) trade using prices that are made available to it at such time by the Margin Loan Providers.

Rebalance Period return

Each ETP Security offering Leveraged Exposure or Short Exposure has a Rebalance Period as set out in the Final Terms. At the end of such Rebalance Period, the Portfolio Administrator will instruct the Margin Loan Provider to buy or sell Reference Assets in such amounts as may be required so that, at the beginning of the immediately following Rebalancing Period, the ETP Securities offer their Leveraged Exposure or Short Exposure to the Reference Assets determined by their stated Leverage Factor. If the Rebalance Period is longer than a day, the exposure of such ETP Securities to their Reference Assets will not be rebalanced daily to maintain such exposure constant by reference to the Leverage Factor. As such, the effective level of Leveraged Exposure or Short Exposure offered by such ETP Securities, as the case may be, will vary on each day of the Rebalance Period as prices of the Reference Assets fluctuate and subscriptions and redemptions are fulfilled by the Issuer on a daily basis.

Recommended Holding Period

Investors should note that the recommended holding period for the Series offering a Leveraged Exposure or Short Exposure is one day. The return on the ETP Securities of such Series over a period longer than one day is the result of the return for each day compounded over all days in that period, meaning that returns accrued over the preceding investment days are taken into account when calculating the returns for the relevant day. As a consequence of the daily leverage exposure of such ETP Securities, holding such ETP Securities over periods longer than one day (excluding the effects of any applicable fees and/or adjustments), is likely to result in a return which is different to multiplying their Leverage Factor by the return of their Reference Asset over that holding period. This difference, called the "Compounding Effect", is magnified by higher Leverage Factors and longer holding periods. Compounding may have a positive or negative impact on the ETP Securities' return, but tends to have a negative impact the higher the volatility of the Reference Asset. Investors should also note that applicable fees and/or adjustments are deducted daily and can vary greatly between relevant Series of ETP Securities. Where an investor holds such ETP Securities for a period of more than one day, the fees and/or adjustments applied may act to significantly reduce their return on investment.

Simulated Examples

For the purposes of this sub-section and the simulated examples below, "ETP Security" will refer to ETP Securities offering Leveraged Exposure or Short Exposure with a Rebalance Period of one day.

Each ETP Security is "daily leveraged" in that on any given day, the change in the ETP Security Value (excluding the effects of any applicable fees and adjustments) will reflect the performance of the relevant Index or Investment Strategy on that day. The ETP Securities seek to track the relevant Index's return or pursue the relevant Investment Strategy for a single Valuation Date only, as measured from the closing price on that Valuation Date to the closing price on the immediately following Valuation Date, and not for any other period. The return of ETP Securities for a period longer than one day is the result of its return for each day compounded over all days in that period.

The simulated returns included in the charts set out below are included merely as examples of possible eventualities in order to demonstrate the relationship between the price of ETP Securities (in each case excluding the effects of any applicable fees, adjustments and the principal protection component, and assuming that no Disruption Event or Adjustment Event occurs) and the performance of the relevant Reference Asset.

The charts below illustrate, for a simulated Series of ETP Securities with Leverage Factors of 3x, -1x, 5x and -5x which reference hypothetical daily returns for the same Index or Investment Strategy; (i) how daily returns are calculated on each Valuation Date (Chart 1) and (ii) how the ETP Security Value can develop over periods of more than one Valuation Date (Chart 2). For comparison purposes, the simulated examples below exclude the effects of any applicable fees and adjustments.

Chart 1 – Daily Return of Simulated ETP Securities

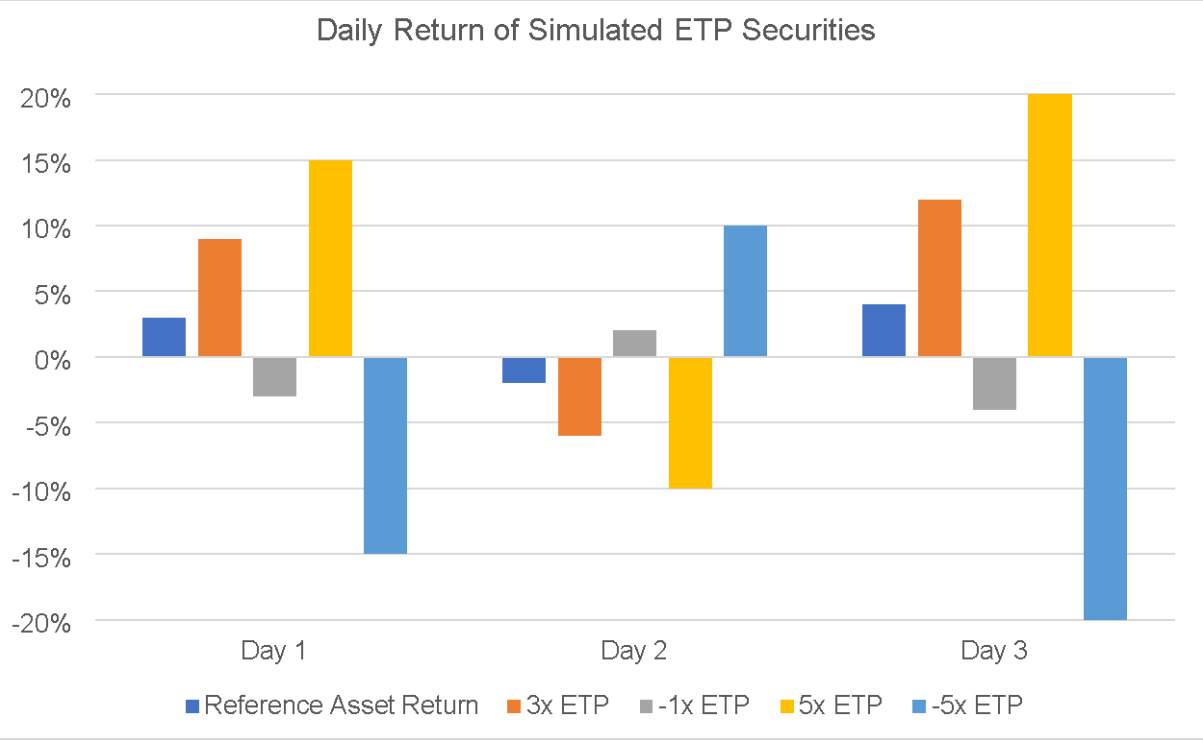


Chart 2 – Price of Simulated ETP Securities

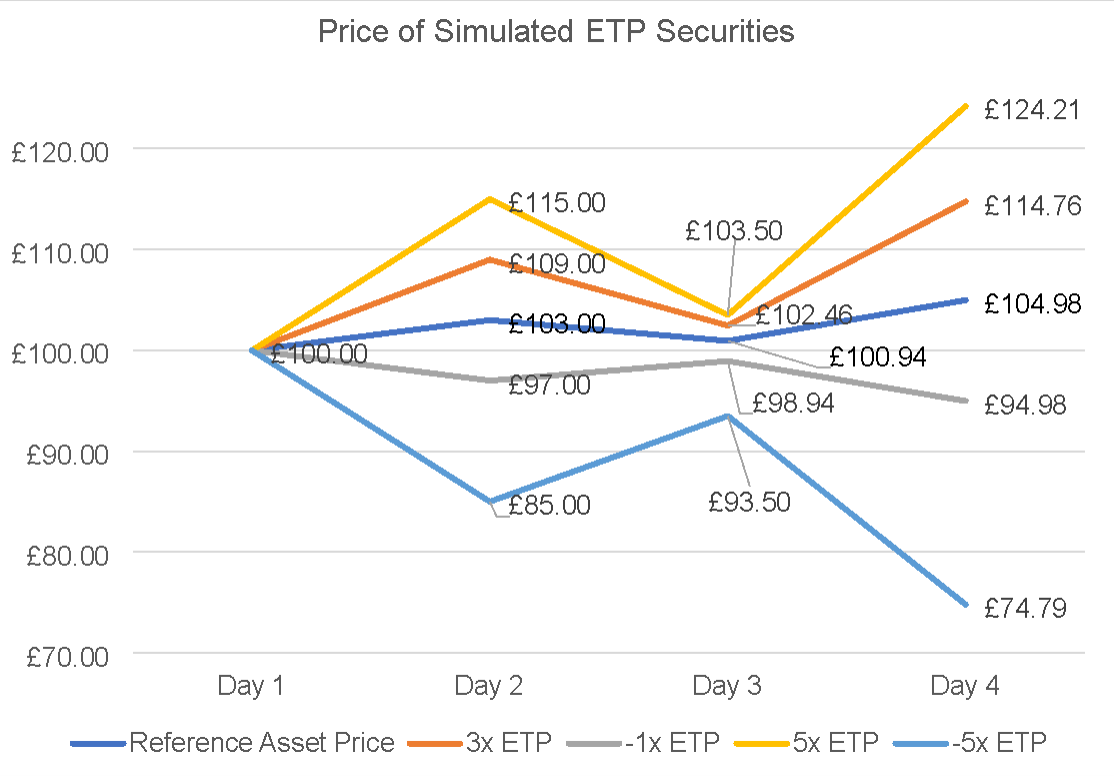
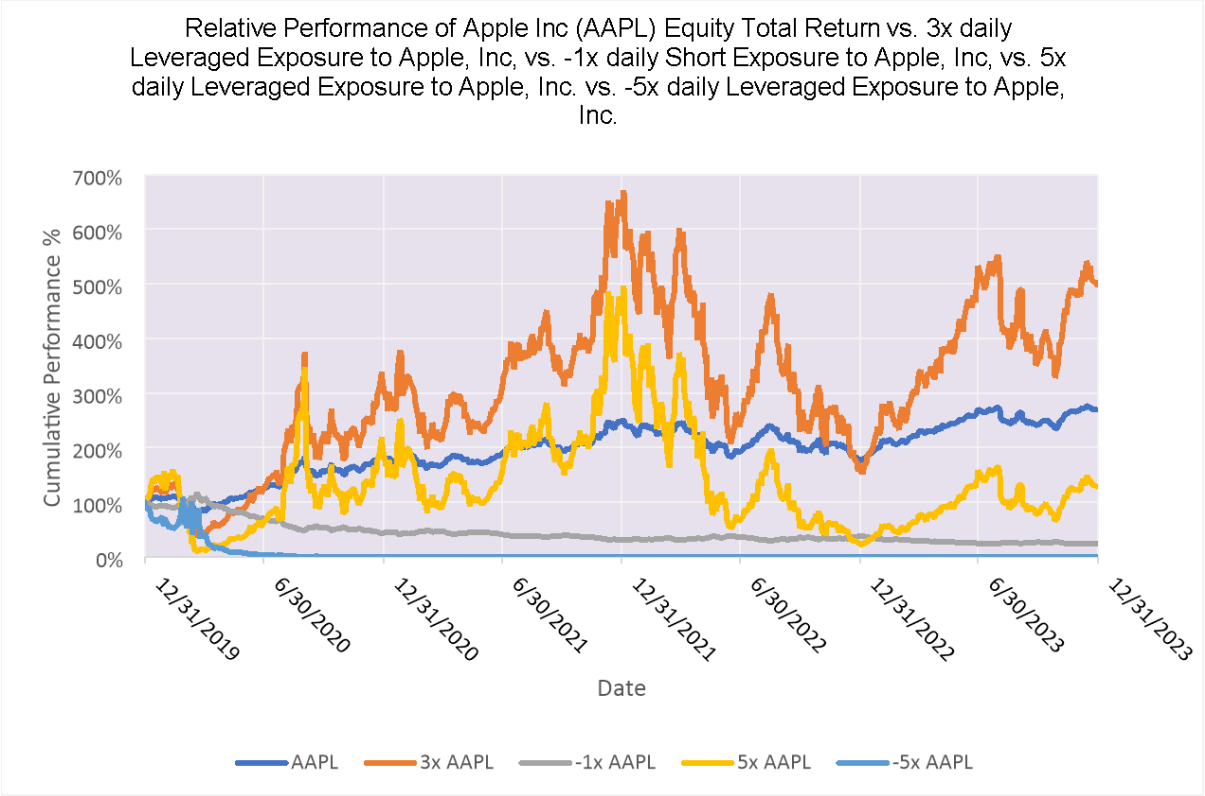


Chart 3

Chart 3 shows how the stock of Apple, Inc., performed between 31 December 2019 and 31 December 2023. It also shows the performance of a simulated 3x Leveraged Exposure, -1x Short Exposure, 5x Leveraged Exposure and -5x Short Exposure to Apple Inc. over the same period (which for comparison purposes excludes the effects of applicable fees and adjustments).



Charts 4.a and 4.b show the impact of an Unscheduled Rebalance of the ETP Securities in two hypothetical scenarios. The Unscheduled Rebalance is a mechanism which only occurs in the event of an extreme price movement in the Reference Asset, as defined in the Index or Investment Strategy methodology for the relevant Series of ETP Securities. In this scenario, the relevant Series of ETP Securities undergoes an Unscheduled Rebalance when the Reference Asset experiences a specified percentage decline in price on an intraday basis. This Unscheduled Rebalance follows the same mechanics as the standard end of day rebalance, effectively "resetting" the ETP Security's leveraged exposure back to the Leverage Factor applicable to such Series of ETP Securities. In the event that an Unscheduled Rebalance is triggered, the return of the ETP Security on the day in which the Unscheduled Rebalance occurred is expected to differ from the daily performance of the Reference Asset multiplied by the Leverage Factor, more so than it would on a day in which no Unscheduled Rebalance occurred. This performance difference is illustrated in Charts 4.a and 4.b below.

Chart 4.a

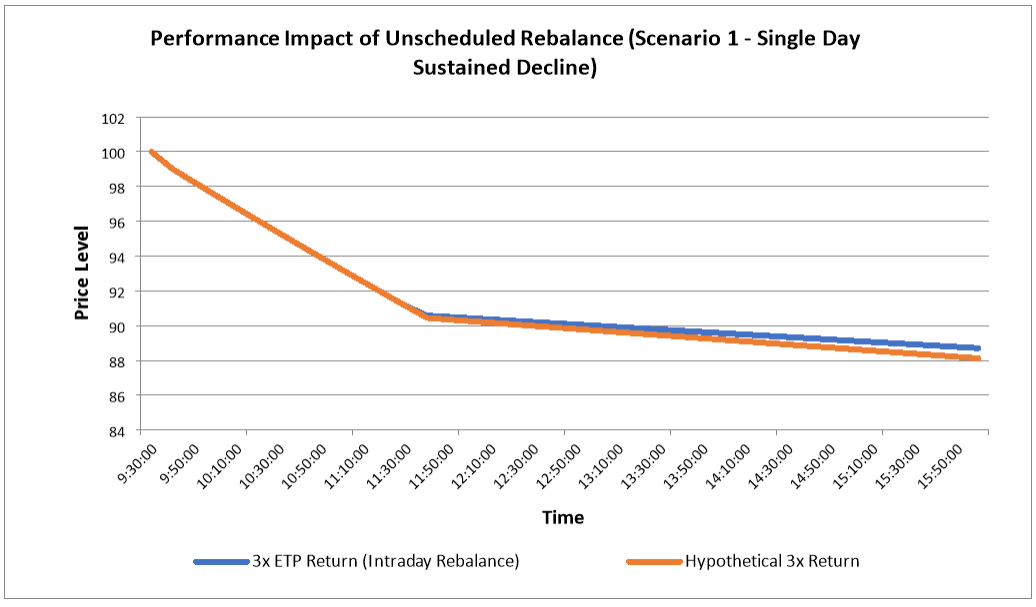
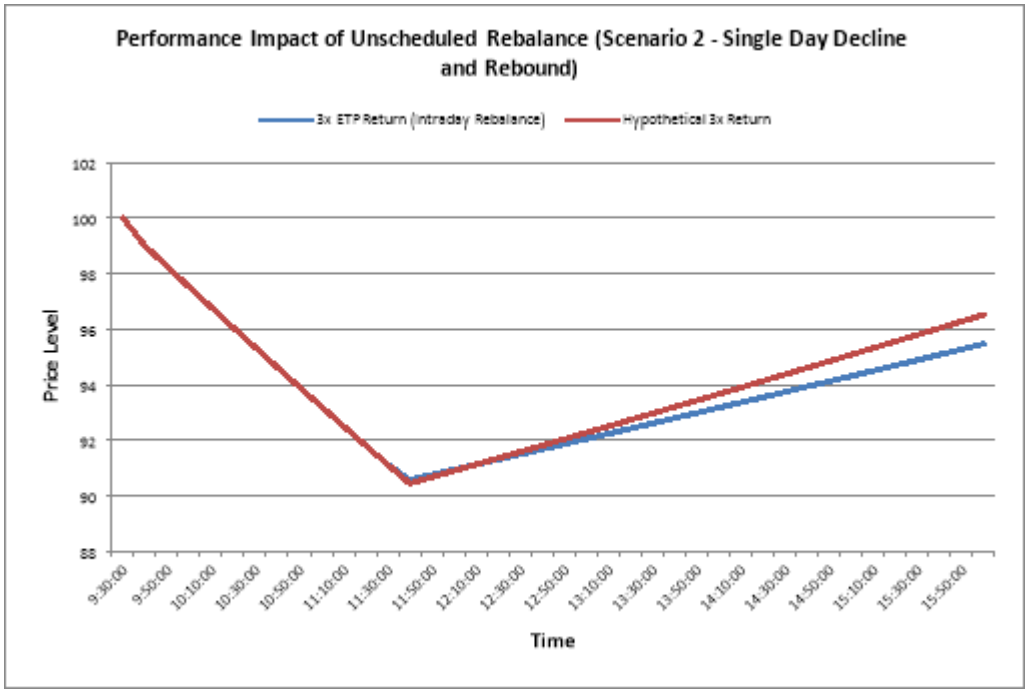


Chart 4.b



As a consequence of the leveraged returns over periods longer than one day (excluding the effects of any applicable fees and adjustments):

(a) the return of such ETP Securities will likely differ from the product of the Reference Asset return and the Leverage Factor; and

(b) an ETP Security will lose value if the relevant Reference Asset's performance is flat (i.e. has a zero or close to zero return); and

(c) it is possible for an ETP Security with Leveraged Exposure to the relevant Reference Asset to lose value even if the relevant Reference Asset's return is positive. Similarly it is possible for an ETP Security with a Short Exposure to the relevant Reference Asset to lose value even if the relevant Reference Asset's return is negative; and

(d) the risks in (a) to (c) will be magnified for longer holding periods, higher Reference Asset volatility and higher leverage.

The examples below (which for comparison exclude the effects of any applicable fees and adjustments) illustrate how simulated ETP Securities, which track hypothetical daily returns of a Reference Asset, can behave over periods longer than one day. Each example shows simulated ETP Securities with Leverage Factors of 2x, 3x, 5x and -1x and -5x tracking the same hypothetical Reference Asset. In each example, the return on the ETP Securities for each day is equal to the product of the return of the Reference Asset for that day and the relevant Leverage Factor.

Examples of the return of such ETP Securities differing from the product of the Reference Asset's return and the Leverage Factor

Example (a.1) below shows a hypothetical scenario of a sideways trending market, which corresponds to a pattern in which the market moves in a relatively narrow range and where the initial level and final level of the market over the relevant period is similar. The bottom two rows in the table show (1) the cumulative return of the simulated ETP Securities and the hypothetical Reference Asset measured over a five-day period, and (2) the cumulative return of the Reference Asset over that five-day period multiplied by the Leverage Factor of each such ETP Securities (the "**Reference Asset Leveraged Return**").

Although the simulated daily return on the ETP Securities for each of the five days is equal to the product of the return of the Reference Asset for that day and the applicable Leverage Factor, over the entire five-day period the cumulative return of each simulated ETP Security is different to the Reference Asset Leveraged Return. Due to the nature of compounded daily leveraged returns over more than one day, this result is typical of a flat or sideways trending market.

Example (a.1)

Period	**Leverage Factor**	**Reference Asset**	**ETP Security**				
		1x	**2x**	**3x**	**-1x**	**5x**	**-5x**
Day 1	**Beginning Value**	**£100.00**	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	**4.00%**	8.00%	12.00%	-4.00%	20.00%	-20.00%
	Ending Value	**£104.00**	£108.00	£112.00	£96.00	£120.00	£80.00
Day 2	**Return**	**-5.00%**	-10.00%	-15.00%	5.00%	-25.00%	25.00%
	Ending Value	**£98.80**	£97.20	£95.20	£100.80	£90.00	£100.00
Day 3	**Return**	**3.00%**	6.00%	9.00%	-3.00%	15.00%	-15.00%
	Ending Value	**£101.76**	£103.03	£103.77	£97.78	£103.50	£85.00
Day 4	**Return**	**5.00%**	10.00%	15.00%	-5.00%	25.00%	-25.00%
	Ending Value	**£106.85**	£113.34	£119.33	£92.89	£129.38	£63.75
Day 5	**Return**	**-4.00%**	-8.00%	-12.00%	4.00%	-20.00%	20.00%
	Ending Value	**£102.58**	£104.27	£105.01	£96.60	£103.50	£76.50
Entire 5-day period	**Cumulative Return**	**2.58%**	4.27%	5.01%	-3.40%	3.50%	-23.50%

	Theoretical Return = Cumulative Return of Reference Asset x Product Leverage Factor	**2.58%**	5.16%	7.73%	-2.58%	12.89%	-12.89%
	Difference Cumulative Return - Theoretical Return	**0.00%**	-0.89%	-2.72%	-0.82%	-9.39%	-10.61%

Example (a.2) below shows a hypothetical scenario in which the market is trending in one direction (in this case upwards). The five-day cumulative return of the simulated ETP Securities "outperforms" the five-day return of the Reference Asset Leveraged Return. This is seen where the simulated ETP Securities have higher (more positive) returns than the relevant Reference Asset Leveraged Return.

Example (a.2)

Period	**Leverage Factor**	**Reference Asset**	**ETP Security**				
		1x	**2x**	**3x**	**-1x**	**5x**	**-5x**
Day 1	**Beginning Value**	**£100.00**	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	**5.00%**	10.00%	15.00%	-5.00%	25.00%	-25.00%
	Ending Value	**£105.00**	£110.00	£115.00	£95.00	£125.00	£75.00
Day 2	**Return**	**6.00%**	12.00%	18.00%	-6.00%	30.00%	-30.00%
	Ending Value	**£111.30**	£123.20	£135.70	£89.30	£162.50	£52.50
Day 3	**Return**	**-1.00%**	-2.00%	-3.00%	1.00%	-5.00%	5.00%
	Ending Value	**£110.19**	£120.74	£131.63	£90.19	£154.38	£55.13
Day 4	**Return**	**5.00%**	10.00%	15.00%	-5.00%	25.00%	-25.00%
	Ending Value	**£115.70**	£132.81	£151.37	£85.68	£192.97	£41.34
Day 5	**Return**	**7.00%**	14.00%	21.00%	-7.00%	35.00%	-35.00%
	Ending Value	**£123.80**	£151.40	£183.16	£79.69	£260.51	£26.87

	Cumulative Return	**23.80%**	51.40%	83.16%	-20.31%	160.51%	-73.13%
Entire 5-day period	**Theoretical Return = Cumulative Return of Reference Asset x Product Leverage Factor**	**23.80%**	47.59%	71.39%	-23.80%	118.98%	-118.98%
	Difference Cumulative Return - Theoretical Return	**0.00%**	3.81%	11.78%	3.48%	41.53%	45.85%

Example of an ETP Security losing value if the relevant Reference Asset's performance is flat (i.e. has a zero or close to zero return)

Example (b) below demonstrates a hypothetical scenario in which the cumulative return of the Reference Asset over a period longer than one day is flat (i.e. zero or close to zero). The simulated ETP Securities all exhibit negative cumulative returns over the period.

Example (b)

Period	**Leverage Factor**	**Reference Asset**	**ETP Security**				
		1x	**2x**	**3x**	**-1x**	**5x**	**-5x**
Day 1	**Beginning Value**	**£100.00**	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	**-10.00%**	-20.00%	-30.00%	10.00%	-50.00%	50.00%
	Ending Value	**£90.00**	£80.00	£70.00	£110.00	£50.00	£150.00
Day 2	**Return**	**11.11%**	22.22%	33.33%	-11.11%	55.55%	-55.55%
	Ending Value	**£100.00**	£97.78	£93.33	£97.78	£77.78	£66.68
Entire 2-day period	**Cumulative Return**	**0.00%**	-2.22%	-6.67%	-2.22%	-22.23%	-33.33%

Example (c) below demonstrates a hypothetical scenario in which the cumulative return of the Reference Asset over a period longer than one day is positive, but the simulated ETP Securities exhibit a negative return.

Example (c)

Period	Leverage Factor	Reference Asset	ETP Security				
		1x	2x	3x	-1x	5x	-5x
Day 1	Beginning Value	£100.00	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	-10.00%	-20.00%	-30.00%	10.00%	-50.00%	50.00%
	Ending Value	£90.00	£80.00	£70.00	£110.00	£50.00	£150.00
Day 2	Return	12.00%	24.00%	36.00%	-12.00%	60.00%	-60.00%
	Ending Value	£100.80	£99.20	£95.20	£96.80	£80.00	£60.00
Entire 2-day period	Cumulative Return	0.80%	-0.80%	-4.80%	-3.20%	-20.00%	-40.00%

Examples of risks being magnified by longer holding periods, higher Index volatility and higher leverage

The effect of increasing volatility

The charts below show the performance of simulated ETP Securities with Leverage Factors of 5x (chart d.1) and -5x (chart d.2) over one year for a number of combinations of Reference Asset returns (vertical axis) and volatility (horizontal axis). The charts illustrate that for holding periods longer than one day (in this case one year), the return of ETP Securities decreases as the volatility of the Reference Asset increases (looking left to right), for a specified Reference Asset return. The shaded areas indicate combinations where ETP Securities can be expected to return less than the Reference Asset return over the one year holding period.

Chart d.1

1 year return of Reference Asset	Reference Asset Short return (return of the Reference Asset multiplied by 5)	Simulated 1 year returns of ETP with Leverage Factor 5x				
		1 year volatility of the Reference Asset				
		10.0%	20.0%	30.0%	40.0%	50.0%
50.0%	250.0%	583.6%	380.1%	141.3%	6.2%	-66.6%
40.0%	200.0%	370.0%	222.0%	81.8%	-23.7%	-82.2%
30.0%	150.0%	221.2%	118.7%	13.7%	-47.9%	-82.0%
20.0%	100.0%	121.7%	43.6%	-26.4%	-64.5%	-90.8%

10.0%	50.0%	42.9%	-0.4%	-49.5%	-76.6%	-94.1%
0.0%	0.0%	-10.7%	-38.1%	-69.6%	-86.3%	-96.2%
-10.0%	-50.0%	-47.7%	-63.7%	-80.5%	-91.4%	-97.9%
-20.0%	-100.0%	-71.9%	-80.2%	-89.3%	-95.7%	-98.8%
-30.0%	-150.0%	-85.5%	-89.9%	-94.8%	-97.8%	-99.3%
-40.0%	-200.0%	-93.3%	-95.8%	-97.7%	-98.9%	-99.7%
-50.0%	-250.0%	-97.3%	-98.3%	-99.1%	-99.6%	-99.9%

Chart d.2

1 year return of Reference Asset	Reference Asset Short return (return of the Reference Asset multiplied by -5)	Simulated 1 year returns of ETP with Leverage Factor -5x				
		1 year volatility of the Reference Asset				
		10.0%	20.0%	30.0%	40.0%	50.0%
50.0%	-250.0%	-88.8%	-92.8%	-95.6%	-98.5%	-99.5%
40.0%	-200.0%	-83.6%	-88.9%	-94.5%	-97.9%	-99.1%
30.0%	-150.0%	-75.9%	-83.4%	-91.0%	-96.8%	-99.1%
20.0%	-100.0%	-65.0%	-74.9%	-85.8%	-95.2%	-98.4%
10.0%	-50.0%	-45.6%	-63.4%	-79.1%	-91.9%	-97.5%
0.0%	0.0%	-12.7%	-40.8%	-67.8%	-87.6%	-95.9%
-10.0%	50.0%	48.5%	0.3%	-44.3%	-78.7%	-93.2%
-20.0%	100.0%	176.6%	83.5%	-3.4%	-62.9%	-87.8%
-30.0%	150.0%	427.6%	260.8%	96.8%	-24.6%	-80.5%
-40.0%	200.0%	1029.1%	764.0%	322.9%	53.7%	-40.9%
-50.0%	250.0%	2645.5%	1984.4%	938.7%	325.9%	43.3%

The simulation in the charts above assumes a randomly determined daily Reference Asset return ending with the specified cumulative Reference Asset return over one year. For ease of illustration, the returns of the simulated +5x and -5x ETP Securities are calculated excluding the effects of any applicable fees and adjustments.

The effect of longer holding periods

The chart below shows the performance of a simulated Reference Asset with an annualised volatility of 25% and simulated ETP Securities with Leverage Factors of 5x and -5x. For each holding period (horizontal axis) and each cumulative return of the Reference Asset over such holding period (vertical axis), the chart shows the cumulative return of a simulated ETP Security versus the Reference Asset Leveraged Return over that period. The charts below illustrate that, for the same Reference Asset return, the cumulative return of an ETP Security decreases as the holding period increases (looking left to right). The shaded areas indicate combinations where the relevant simulated ETP Securities can be expected to return less than the Reference Asset Leveraged Return over the holding period.

Chart d.3

Return of Reference Asset	Reference Asset Short return (return of the Reference Asset multiplied by 5)	Simulated 1 year returns of ETP with Leverage Factor 5x				
		Length of holding period at 25% volatility				
		3 Months	6 Months	1 Year	2 Years	3 Years
50.0%	250.0%	517.8%	462.9%	250.3%	60.8%	-24.1%
40.0%	200.0%	327.9%	265.9%	143.5%	2.5%	-52.9%
30.0%	150.0%	203.2%	150.7%	78.1%	-24.0%	-65.5%
20.0%	100.0%	104.7%	78.9%	16.4%	-51.8%	-76.7%
10.0%	50.0%	32.8%	14.9%	-27.4%	-66.5%	-85.1%
0.0%	0.0%	-14.9%	-30.4%	-58.2%	-78.6%	-89.9%
-10.0%	-50.0%	-50.5%	-58.2%	-73.4%	-86.6%	-95.0%
-20.0%	-100.0%	-74.7%	-77.8%	-84.1%	-93.7%	-97.0%
-30.0%	-150.0%	-86.5%	-89.2%	-92.3%	-96.8%	-98.5%
-40.0%	-200.0%	-93.8%	-94.9%	-96.5%	-98.3%	-99.2%
-50.0%	-250.0%	-97.7%	-98.0%	-98.6%	-99.4%	-99.7%

Chart d.4

Return of Reference Asset	Reference Asset Short return (return of the Reference Asset multiplied by -5)	Simulated 1 year returns of ETP with Leverage Factor -5x				
		Length of holding period at 25% volatility				
		3 Months	6 Months	1 Year	2 Years	3 Years
50.0%	-250.0%	-89.7%	-92.1%	-94.2%	-97.3%	-98.8%
40.0%	-200.0%	-84.9%	-87.8%	-91.7%	-95.6%	-98.2%
30.0%	-150.0%	-78.0%	-82.0%	-88.2%	-94.4%	-97.3%
20.0%	-100.0%	-68.2%	-75.2%	-82.4%	-91.1%	-96.3%
10.0%	-50.0%	-49.3%	-60.1%	-71.9%	-87.1%	-94.2%
0.0%	0.0%	-20.4%	-35.3%	-50.7%	-81.0%	-90.7%
-10.0%	50.0%	37.0%	10.7%	-20.7%	-68.1%	-82.4%
-20.0%	100.0%	167.1%	104.3%	31.3%	-33.0%	-69.8%
-30.0%	150.0%	369.4%	310.5%	173.1%	31.1%	-38.1%
-40.0%	200.0%	896.0%	742.0%	492.3%	155.0%	9.4%
-50.0%	250.0%	2340.2%	2003.6%	1364.3%	522.3%	228.8%

The simulation in the charts assume a randomly determined daily Reference Asset return ending with the indicated cumulative return over the specified holding period. For ease of illustration, the returns of the simulated +5x ETP Security and -5x ETP Security are calculated excluding the effects of any applicable fees and adjustments.

Worked Examples – Short Contango Long Gold Strategy and Short Contango Long Equity Strategy

The following worked examples are provided for illustrative purposes only, to explain how the value of ETP Securities which pursue the Short Contango Long Gold Strategy or the Short Contango Long Equity Strategy is affected by changes in the value of their Reference Assets, including in the scenarios described in risk factor 5.6 ("Risks relating to Series pursuing an Investment Strategy which may invest in, or take short positions in, Leveraged Reference Assets"). They are hypothetical, are not based on any actual or expected prices of the Reference Assets and are not a forecast or projection of the performance of any Series of ETP Securities. Some of the price movements used are extreme. They have been chosen to illustrate how the Investment Strategies behave, and not because they are expected to occur. The actual composition of each Investment Strategy will depend on the exercise of the Portfolio Administrator's discretion and may differ materially from the composition assumed below, and actual outcomes will differ.

Both Investment Strategies hold a long position (the Gold Exposure or the Equity Exposure, as applicable, referred to in these examples as the "Long Exposure") and short positions in exchange traded products which provide exposure to futures on asset classes that have historically experienced contango. Certain of those products are Leveraged Reference Assets within the meaning of risk factor 5.6. As the two Investment Strategies may hold the same short positions, the examples apply to both of them. A separate figure is shown for each Investment Strategy where the result depends on the Long Exposure or on the applicable fees.

Assumptions

Assumption	Illustrative value
ETP Security Value at the start of each example	USD 100.00 per ETP Security
Portfolio at the start of each example (per ETP Security)	• Long Exposure: USD 100.00. • Short position in ProShares Ultra Bloomberg Natural Gas (the "**2x Natural Gas ETF**") with a market value of USD 16.50. • Short position in the 2x Long VIX Futures ETF (the "**2x VIX ETF**") with a market value of USD 12.50. • Cash of USD 29.00, being the proceeds of the short sales, held in the Margin Account
Leveraged Reference Assets	The 2x Natural Gas ETF and the 2x VIX ETF aim to deliver two times the daily return of an index of natural gas futures (the "**Natural Gas Futures Index**") and an index of short-term VIX futures (the "**VIX Futures Index**") respectively, with no tracking error, no fees and no premium or discount to net asset value, unless otherwise stated
Prices at the start of each example	• 2x Natural Gas ETF: USD 50.00, so that USD 16.50 ÷ USD 50.00 = 0.33 units are sold short per ETP Security • 2x VIX ETF: USD 20.00, so that USD 12.50 ÷ USD 20.00 = 0.625 units are sold short per ETP Security
Trading by the Portfolio Administrator	None, unless otherwise stated. The number of units sold short therefore stays the same, and the market value of each short position changes with the price of the relevant Leveraged Reference Asset
Fees and costs	The Arranger Fee, Securities Lending Fees, Return on Collateral, transaction costs and taxes are disregarded
Rounding	Amounts per ETP Security are rounded to two decimal places and percentages to two decimal places

The ETP Security Value is calculated as the value of the Long Exposure plus cash, less the market value of the short positions. The economic exposure to an asset class is the market value of the short position in the relevant Leveraged Reference Asset, multiplied by its leverage (2x), expressed as a percentage of the ETP Security Value. This is the same measure as the "short exposure" referred to in the description of each Investment Strategy. The prices at which the ETP Securities trade on any stock exchange are determined by market participants and may differ from the ETP Security Value.

Example 1 – The starting portfolio and its economic exposure

Component	Market value (USD per ETP Security)	Percentage of ETP Security Value	Leverage of instrument	Economic exposure
Long Exposure	100.00	100.0%	1x	100.0% long
Short position in 2x Natural Gas ETF	(16.50)	-16.5%	2x	33.0% short (natural gas futures)
Short position in 2x VIX ETF	(12.50)	-12.5%	2x	25.0% short (VIX futures)
Cash	29.00	29.0%	–	–
ETP Security Value	**100.00**	**100.0%**		

Only 29% of the ETP Security Value is committed to short positions, but the economic short exposure is 58% (33% to natural gas futures and 25% to VIX futures), because each short position is held in a 2x leveraged product.

Example 2 – The effect of a one-day change in the price of each Reference Asset

Starting from the portfolio in Example 1, the table below shows the effect on the ETP Security Value of a change over one day in the price of each Reference Asset, with all other prices unchanged. The results are the same for both Investment Strategies.

Change over one day	Change in price of 2x ETF	Change in ETP Security Value (USD per ETP Security)	Change in ETP Security Value
Long Exposure rises 1%	–	+1.00	+1.00%
Long Exposure falls 1%	–	(1.00)	-1.00%
Natural Gas Futures Index rises 1%	+2%	(0.33)	-0.33%
Natural Gas Futures Index falls 1%	-2%	+0.33	+0.33%
VIX Futures Index rises 1%	+2%	(0.25)	-0.25%
VIX Futures Index falls 1%	-2%	+0.25	+0.25%
VIX Futures Index rises 10%	+20%	(2.50)	-2.50%
VIX Futures Index rises 50%	+100%	(12.50)	-12.50%
VIX Futures Index rises 100%	+200%	(25.00)	-25.00%

A 1% rise in the Natural Gas Futures Index or the VIX Futures Index reduces the ETP Security Value by 1% of the economic exposure to that index (0.33% and 0.25% respectively), and not by 1% of the market value of the short position. The last row is the example given in risk factor 5.6: a one-day rise of 100% in the VIX Futures Index would cause the 2x VIX ETF to rise by approximately 200%, so that a short position equal to 12.5% of the ETP Security Value would lose approximately 25% of the ETP Security Value. As there is no limit on how far the price of the 2x VIX ETF may rise, there is no limit on the loss on the short position.

The effects of changes in the prices of different Reference Assets are cumulative. Rises in VIX futures prices have historically tended to coincide with falls in equity markets, and gold prices may rise or fall in such conditions. Assume that, on one day, the VIX Futures Index rises 15% (so that the 2x VIX ETF rises 30%), the Natural Gas Futures Index is unchanged, the Equity Exposure falls 3% and the Gold Exposure rises 0.5%:

USD per ETP Security	Short Contango Long Gold	Short Contango Long Equity
Change in value of Long Exposure	+0.50	(3.00)
Change in value of short position in 2x VIX ETF (USD 12.50 × 30%)	(3.75)	(3.75)
Change in value of short position in 2x Natural Gas ETF	0.00	0.00
ETP Security Value at the end of the day	**96.75**	**93.25**
Change in ETP Security Value	-3.25%	-6.75%

In the Short Contango Long Equity Strategy, the Long Exposure and the short position lose value on the same day. In the Short Contango Long Gold Strategy, the rise in the Gold Exposure offsets only a small part of the loss on the short position, and there is no assurance that the Gold Exposure will rise, rather than fall, in such conditions.

Example 3 – A large one-day rise in VIX futures prices: exposure above the 100% limit and reduction of the short position

Assume that, following a market shock, the VIX Futures Index opens 100% higher and closes at that level, so that the price of the 2x VIX ETF rises from USD 20.00 to USD 60.00. As the move occurs suddenly, the Portfolio Administrator has no opportunity to reduce the short position beforehand. On the same day, the Equity Exposure falls 10% and the Gold Exposure falls 3%. The Natural Gas Futures Index is unchanged.

Day 1 – position at the close

USD per ETP Security	**Short Contango Long Gold**	**Short Contango Long Equity**
Price of 2x VIX ETF (price at start × (1 + 2 × change in VIX Futures Index))	20.00 × (1 + 2 × 100%) = 60.00	20.00 × (1 + 2 × 100%) = 60.00
Long Exposure	100.00 × (1 − 3%) = 97.00	100.00 × (1 − 10%) = 90.00
Cash	29.00	29.00
Short position in 2x VIX ETF (0.625 units × USD 60.00)	0.625 × 60.00 = (37.50)	0.625 × 60.00 = (37.50)
Short position in 2x Natural Gas ETF (0.33 units × USD 50.00)	0.33 × 50.00 = (16.50)	0.33 × 50.00 = (16.50)
ETP Security Value	97.00 + 29.00 − 37.50 − 16.50 =**72.00**	90.00 + 29.00 − 37.50 − 16.50 = **65.00**
Change in ETP Security Value on Day 1	-28.00%	-35.00%
Economic exposure to VIX futures (2 × USD 37.50 ÷ ETP Security Value)	2 × 37.50 ÷ 72.00 = 104.17%	2 × 37.50 ÷ 65.00 = 115.38%
Economic exposure to natural gas futures (2 × USD 16.50 ÷ ETP Security Value)	2 × 16.50 ÷ 72.00 = 45.83%	2 × 16.50 ÷ 65.00 = 50.77%

The economic exposure to VIX futures has risen from 25% to above the 100% limit without any action by the Portfolio Administrator, because the price of the 2x VIX ETF has trebled while the ETP Security Value has fallen. The short economic exposure to natural gas futures has also risen, from -33% to -45.83% (Short Contango Long Gold) and -50.77% (Short Contango Long Equity), although natural gas futures prices have not changed. Changes of this kind occur without prior notice to ETP Securityholders and are not reflected in any Leverage Factor. They can be identified only from the information on the composition of the portfolio published on the Issuer's website.

To bring the economic exposure to VIX futures back to 100%, the market value of the short position must be reduced to one half of the ETP Security Value. The Portfolio Administrator will therefore buy back units of the 2x VIX ETF at USD 60.00, using cash held in the Margin Account:

USD per ETP Security	**Short Contango Long Gold**	**Short Contango Long Equity**
Market value of the short position before the buy-back (units sold short × price of 2x VIX ETF)	0.625 × 60.00 = 37.50	0.625 × 60.00 = 37.50
Target market value of the short position (50% of the ETP Security Value)	72.00 x 50% = 36.00	65.00 x 50% = 32.50
Amount bought back (market value before the buy-back − target market value; units = amount ÷ price)	37.50 − 36.00 = 1.50 (1.50 ÷ 60.00 = 0.0250 units)	37.50 − 32.50 = 5.00 (5.00 ÷ 60.00 = 0.0833 units)
Units of the 2x VIX ETF remaining sold short (units before − units bought back)	0.6250 − 0.0250 = 0.6000	0.6250 − 0.0833 = 0.5417
Cash after the buy-back	29.00 − 1.50 = 27.50	29.00 − 5.00 = 24.00
ETP Security Value after the buy-back	97.00 + 27.50 − 36.00 − 16.50 = **72.00**	90.00 + 24.00 − 32.50 − 16.50 = **65.00**

USD per ETP Security	Short Contango Long Gold	Short Contango Long Equity
Economic exposure to VIX futures after the buy-back (2 × short position ÷ ETP Security Value)	2 × 36.00 ÷ 72.00 = 100.00%	2 × 32.50 ÷ 65.00 = 100.00%

The buy-back does not itself change the ETP Security Value, but it turns part of the loss on the short position into a realised loss. In stressed or illiquid markets, or if trading in the 2x VIX ETF is suspended, the Portfolio Administrator may be unable to buy back units promptly or at USD 60.00, and the economic exposure may remain above 100% for a period.

Day 2 – two alternative outcomes. The table below shows, for each Investment Strategy, the ETP Security Value per ETP Security at the end of Day 2, and the amounts from which it is calculated, under two alternative scenarios for Day 2. In “Outcome A”, the VIX Futures Index falls by 40% on Day 2, so that the price of the 2x VIX ETF falls by 80%, from USD 60.00 to USD 12.00. In “Outcome B”, the VIX Futures Index rises by a further 25% on Day 2, so that the price of the 2x VIX ETF rises by 50%, from USD 60.00 to USD 90.00. In both outcomes, the Long Exposure and the Natural Gas Futures Index are unchanged on Day 2. The columns headed “with reduction” show the position following the buy-back made at the end of Day 1 described above. The columns headed “without reduction” show, for comparison only, the position had no buy-back been made. All amounts are in USD per ETP Security.

USD per ETP Security	Short Contango Long Gold: with reduction	Short Contango Long Gold: without reduction	Short Contango Long Equity: with reduction	Short Contango Long Equity: without reduction
Outcome A: on Day 2, the VIX Futures Index falls 40%				
Price of 2x VIX ETF (60.00 × (1 − 2 × 40%))	12.00	12.00	12.00	12.00
Long Exposure (unchanged from Day 1)	97.00	97.00	90.00	90.00
Cash (after the buy-back, where made)	27.50	29.00	24.00	29.00
Short position in 2x VIX ETF (units sold short × price)	0.6000 × 12.00 = (7.20)	0.6250 × 12.00 = (7.50)	0.5417 × 12.00 = (6.50)	0.6250 × 12.00 = (7.50)
Short position in 2x Natural Gas ETF (unchanged)	(16.50)	(16.50)	(16.50)	(16.50)
ETP Security Value at the end of Day 2 (Long Exposure + cash − short positions)	**97.00 + 27.50 − 7.20 − 16.50 = 100.80**	**97.00 + 29.00 − 7.50 − 16.50 = 102.00**	**90.00 + 24.00 − 6.50 − 16.50 = 91.00**	**90.00 + 29.00 − 7.50 − 16.50 = 95.00**
Effect of the reduction (with reduction − without reduction)	100.80 − 102.00 = (1.20)	–	91.00 − 95.00 = (4.00)	–
Economic exposure to VIX futures (2 × short position in 2x VIX ETF ÷ ETP Security Value)	2 × 7.20 ÷ 100.80 = 14.29%	2 × 7.50 ÷ 102.00 = 14.71%	2 × 6.50 ÷ 91.00 = 14.29%	2 × 7.50 ÷ 95.00 = 15.79%
Outcome B: on Day 2, the VIX Futures Index rises a further 25%				
Price of 2x VIX ETF (60.00 × (1 + 2 × 25%))	90.00	90.00	90.00	90.00
Long Exposure (unchanged from Day 1)	97.00	97.00	90.00	90.00
Cash (after the buy-back, where made)	27.50	29.00	24.00	29.00
Short position in 2x VIX ETF (units sold short × price)	0.6000 × 90.00 = (54.00)	0.6250 × 90.00 = (56.25)	0.5417 × 90.00 = (48.75)	0.6250 × 90.00 = (56.25)
Short position in 2x Natural Gas ETF (unchanged)	(16.50)	(16.50)	(16.50)	(16.50)
ETP Security Value at the end of Day 2 (Long Exposure + cash − short positions)	**97.00 + 27.50 − 54.00 − 16.50 = 54.00**	**97.00 + 29.00 − 56.25 − 16.50 = 53.25**	**90.00 + 24.00 − 48.75 − 16.50 = 48.75**	**90.00 + 29.00 − 56.25 − 16.50 = 46.25**
Effect of the reduction (with reduction − without reduction)	54.00 − 53.25 = +0.75	–	48.75 − 46.25 = +2.50	–
Economic exposure to VIX futures (2 × short position in 2x VIX ETF ÷ ETP Security Value)	2 × 54.00 ÷ 54.00 = 200.00%	2 × 56.25 ÷ 53.25 = 211.27%	2 × 48.75 ÷ 48.75 = 200.00%	2 × 56.25 ÷ 46.25 = 243.24%

In Outcome A, VIX futures prices fall back. Because part of the short position was bought back at USD 60.00, the ETP Securities recover less than they would have done had the position been kept: the ETP Security Value is USD 1.20 (Short Contango Long Gold) or USD 4.00 (Short Contango Long Equity) lower, being the number of units bought back multiplied by the fall in the price of the 2x VIX ETF from USD 60.00 to USD 12.00. With the reduction, the economic exposure to VIX futures also falls to 14.29%, below 15%, the level

at which the Portfolio Administrator will aim to increase it again. In Outcome B, VIX futures prices rise further. The reduction has limited the loss, but after a further 25% rise in the VIX Futures Index the economic exposure is twice the 100% limit, and the Portfolio Administrator would need to buy back further units. Over the two days, the ETP Security Value has fallen by 46.00% (Short Contango Long Gold) and 51.25% (Short Contango Long Equity).

Where economic exposure is high, a single price movement can cause a substantial or total loss. If the economic exposure to VIX futures were at the 100% limit (a short position with a market value of 50% of the ETP Security Value), a one-day rise of 50% in the VIX Futures Index would reduce the ETP Security Value by approximately 50%, and a one-day rise of 100% would reduce it to approximately zero, before taking into account any change in the Long Exposure. As the 100% limit applies separately to each asset class, the combined economic short exposure across asset classes may exceed 100% (and may be up to 300% where short positions in all three permitted asset classes are at the limit), and smaller rises in several futures indices at the same time could have the same effect. A fall in the ETP Security Value of this size may result in the occurrence of a Mandatory Redemption Event.

Interest Amounts

For Income Series which offer a Leveraged Exposure the Conditions will require the Issuer to make periodic payments of Interest Amounts on Interest Payment Dates. See further "*Interest on ETP Securities*" in Part C below.

The Portfolio Administrator intends to use the dividends received by the Issuer from the Reference Assets to fund the payment of Interest Amounts. The level of dividends received by the Issuer will fluctuate and there is no assurance of the level of Interest Amounts, if any that will be paid.

PART B

Income Series which pursue an Options-Based Income Strategy

Income Series may pursue an Options-Based Income Strategy with the objective of generating a recurring income stream.

For such Series, the Issuer will seek to generate income by:

- selling (or "writing") listed call options or put options ("**Options**") on the indices or stocks listed in the relevant Investment Strategy (the "**Option Underlying**"); and

- providing a Return on Collateral (as described in Part C).

Income Series which pursue a Multiple Income Strategy

Income Series may also pursue a Multiple Income Strategy with the objective of generating a recurring income by investing in securities (the "**Multiple Income Underlyings**") which themselves generate a recurring income. The Multiple Income Underlyings will be comprised of ETP Securities issued by the Issuer that employ Options-Based Income Strategies, which themselves seek to generate an income by selling Options on the Option Underlying, as described above.

Overview of Call and Put Options

A call option gives the option buyer (the "**Option Buyer**") the right (but not the obligation) to purchase an asset from the option seller (the "**Option Seller**") at a future date (the "**Exercise Date**") for an agreed price (the "**Strike Price**"), in exchange for the payment of a premium. A put option gives the Option Buyer of the option the right (but not the obligation) to sell an asset to the Option Seller of the put option on the Exercise Date at the agreed Strike Price, in exchange for the payment of a premium.

If the Strike Price of an Option is equal to the current market price of the underlying asset (the "**Spot Price**"), the Option is said to be "at the money" (or "**ATM**"). If the Strike Price of an Option is above the Spot Price (in the case of a put option) or below the Spot Price (in the case of a call option) of its underlying asset, the Option is said to be "in the money" (or "**ITM**"). If the Strike Price of an Option is below (in the case of a put option) or above (in the case of a call option) the Spot Price of the underlying asset it is said to be "out of the money" (or "**OTM**"). The degree of "moneyness" or "intrinsic value" is measured by the difference between the Strike Price of the Option and the Spot Price of the underlying asset (the "**Intrinsic Value**").

Option Underlyings and Reference Assets

For each Income Series, the Issuer will sell put or call options in respect of the relevant assets detailed in the Investment Strategy and the Reference Assets for the Series will be the relevant put or call options. In the case of Income Series employing Investment Strategies providing exposure to put or call options linked to indices, the Portfolio Administrator may trade Options on such indices and/or on futures contracts on such indices and/or on ETFs or ETPs highly correlated to such indices, as set out in the Investment Strategy, with the aim of maximising the Interest Amounts or the liquidity of the ETP Securities pursuing the Investment Strategy.

Exposure to the Option Underlying

As explained below, the extent to which an Income Series pursuing an Options-Based Income Strategy will provide exposure to the Option Underlying will depend upon a number of factors, including but not limited to:

- whether the applicable Investment Strategy involves the use of put options or call options;
- the extent to which the Options are physically settled and the holding period of the Option Underlying by the Issuer;
- in the case of call options the extent to which they are covered; and
- the Strike Prices of the Options.

Use of Put Options

Acting as the Option Seller of a put option will expose the Issuer to the risk that the Strike Price exceeds the Spot Price of the Option Underlying on the Exercise Date. Accordingly, any decrease in the price of the Option Underlying will expose the Issuer to the potential of loss under the put option. Any loss incurred by the Issuer in respect of a put option will result in a corresponding decrease in the ETP Security Value.

Put options may be cash settled such that on the Exercise Date the Issuer may be required to make a payment to the Option Buyer to the extent that the Strike Price exceeds the Spot Price. Additionally, put options may be physically settled such that the Issuer may from time to time be required to take delivery of the underlying assets. To the extent that it owns the underlying assets, the Issuer will be exposed to the risk of the price of the underlying assets decreasing which may result in a decrease of the ETP Security Value. Conversely, any increase in the price of any underlying assets while they are owned by the Issuer may result in a corresponding increase in the ETP Security Value.

Use of Call Options

Acting as the Option Seller of a call option will expose the Issuer to the risk that the Spot Price of the Underlying Asset exceeds the Strike Price on the Exercise Date. Accordingly, any increase in the price of the Option Underlying will expose the Issuer to the potential of loss under the call option.

Call options may be cash settled such that on the Exercise Date the Issuer may be required to make a payment to the Option Buyer to the extent that the Spot Price exceeds the Strike Price. Additionally, call

options may be physically settled such that the Issuer may from time to time be required to make delivery of the underlying assets.

There is no limit on the level to which the price of an underlying asset can increase and there accordingly exists the potential of an unlimited loss. However, for Income Series using call options, the Issuer may enter the call options on a "covered" basis whereby it will acquire the relevant Underlying Asset to which the call option relates. Accordingly, any loss experienced on the call option will be offset by an equivalent gain on the Underlying Asset owned by the Issuer. However, it may not be possible for the Issuer to fully cover all of its exposure under the related call options and a portion of its position may remain uncovered. Any loss incurred in respect of an uncovered exposure in respect of a call option will result in a corresponding decrease in the ETP Security Value. Additionally, to the extent that it owns the underlying assets, the Issuer will be exposed to the risk of the price of the underlying assets decreasing which may result in a decrease of the ETP Security Value.

There may also be occasions when the Issuer is unable to sell call options in respect of all underlying assets which it owns. If that occurs, any increase in the value of the underlying assets which are not the subject of a call option will result in an increase in the ETP Security Value. Furthermore, to the extent that on the date a call option is sold by the Issuer, the Strike Price exceeds the Spot Price of any underlying assets held by the Issuer to cover its exposure under that call option, any increase in the market price between the Spot Price and the Strike Price will result in a corresponding increase in the ETP Security Value.

Interest Amounts

For each Income Series pursuing an Options-Based Income Strategy or a Multiple Income Strategy, the Conditions will require the Issuer to make periodic payments of Interest Amounts on Interest Payment Dates. See further "*Interest on ETP Securities*" in Part C below.

The Portfolio Administrator intends to use the premiums received by the Issuer as Option Seller of the Options to fund the payment of Interest Amounts.

The level of premiums received by the Issuer will be primarily influenced by the volatility of the Option Underlyings' value and the Intrinsic Value of the Options, although other factors, including interest rates and the time remaining to expiration of the Option (the "**Option Expiry**") will also impact the level of income.

Option Expiry

Options sold by the Issuer will have either a "Daily Option Expiry", a "Weekly Option Expiry" or a "Monthly Option Expiry" as detailed in the relevant Investment Strategy. The expiration period of an Option describes the period of time between the date on which the Option becomes effective and the Exercise Date of the Option. For Options which are expressed to have a Daily Option Expiry, the Options will expire at the end of the day on which they become effective. For Options which are expressed to have a Weekly or Monthly Option Expiry, the Option will expire approximately one week or one month, respectively after the date on which the Option becomes effective, as determined by the exchange where the relevant Option is traded.

Strike Prices of Options

As described above, the Intrinsic Value of Options sold by the Issuer (which as discussed above will be influenced by their Strike Prices) will influence the level of premiums received by the Issuer and will also influence the potential loss that may be incurred by the Issuer.

The Investment Strategy of each Income Series will indicate the range of Strike Prices at which the Portfolio Administrator will aim to sell the relevant Options. Unless otherwise specified in the Investment Strategy, while aiming to trade the Options within the applicable range of Strike Prices, the Portfolio Administrator will have discretion to sell Options with different Strike Prices to optimise the liquidity and income, as well as to deal with market events impacting the Options or the Option Underlying.

The chart below illustrates the performance of put options contracts, and the corresponding impact on the ETP Security Value over a 5 day period:

0DTE INDEX PUT EXAMPLE				
PERIOD	**NEXT STRIKE SELECTION**		**REFERENCE ASSET**	**ETP SECURITY**
DAY 0	0DTE PUT	TODAY CLOSE	$10,000	$100
	STRIKE: 10080			
	PRICE: 78.07			
DAY 1	0DTE PUT	YESTERDAY CLOSE	10000.0	100.00
	STRIKE: 10220	TODAY CLOSE	10109.5	100.78
	PRICE: 114.82	RETURN	1.10%	0.78%
DAY 2	0DTE PUT	YESTERDAY CLOSE	10109.0	100.78
	STRIKE: 10170	TODAY CLOSE	10111.1	100.84
	PRICE: 59.70	RETURN	0.02%	0.06%
DAY 3	0DTE PUT	YESTERDAY CLOSE	10111.1	100.84
	STRIKE: 10195	TODAY CLOSE	10105.2	100.79
	PRICE: 87.72	RETURN	-0.06%	-0.05%
DAY 4	0DTE PUT	YESTERDAY CLOSE	10105.2	100.79
	STRIKE: 10170	TODAY CLOSE	10127.2	100.99
	PRICE: 47.07	RETURN	0.22%	0.20%
DAY 5	0DTE PUT	YESTERDAY CLOSE	10127.2	100.99
	STRIKE: 10220	TODAY CLOSE	10151.1	101.27
	PRICE: 114.82	RETURN	0.24%	0.28%

PART C

Factors applicable to all Series of ETP Securities

ETP Security Value

The ETP Security Value is calculated daily to reflect the value of the Collateral Assets in respect of a Series of ETP Securities and will take into account all applicable fees and expenses. On the Issue Date of the Tranche, the ETP Security Value will be equal to its Issue Price. On any Valuation Date thereafter (which is not a Disrupted Day and on which an Unscheduled Rebalance does not occur), the ETP Security Value is calculated as the ETP Security Value on the immediately preceding Valuation Date adjusted by (i) the change in the value of the Collateral Assets since such preceding Valuation Date, minus (ii) the applicable Funding and Brokerage Fees, minus (iii) any Interest Amounts not yet paid but in respect of which the Interest Ex Date of the relevant Interest Payment Date has passed, minus (iv) the Arranger Fee, plus (v) Value Adjustments (as defined below).

"Value Adjustments" reflect any cash lending revenues and other revenues on collateral in respect of a Series of ETP Securities.

The Funding and Brokerage Fees reflect costs that would be incurred by a hypothetical investor seeking to gain the exposure offered by the relevant Series of ETP Securities. For example:

- In order to achieve a Leveraged Exposure in a Reference Asset, a hypothetical investor must borrow funds at a cost in order to finance the additional investment in the Reference Asset to gain the desired leverage.

- To rebalance a Leveraged Exposure, a hypothetical investor needs to either sell or buy the Reference Asset. In markets where transaction taxes apply on the sale or purchase of securities, such investor will incur the cost of the transaction taxes.

- In order to achieve a Short Exposure in a Reference Asset, a hypothetical investor taking such Short Exposure must borrow the Reference Asset at a cost in order to sell it and gain the desired Short Exposure.

- In order to achieve a Normal Exposure, Leveraged Exposure or Short Exposure to a Reference Asset consisting of a futures contract, a hypothetical investor would incur brokerage costs in opening or closing positions in such futures contract in order to gain the desired exposure to such Reference Asset.

- In the case of an Income Series pursuing an Options-Based Income Strategy, in order to invest in a Reference Asset consisting of a put or call option contract, a hypothetical investor would incur brokerage costs in opening or closing positions in such option contracts in order to gain the desired exposure to such Reference Asset.

Factors affecting the ETP Security Value and the market value of the ETP Securities

The ETP Security Value may be affected by a number of factors, including:

i. the performance of the Index or Investment Strategy referenced by that Series. The performance of the Index or Investment Strategy referenced by a Series is affected by the following (where relevant): value of the Reference Assets for that Index or Investment Strategy, the level of any interest rates employed in the calculation of that Index or Investment Strategy, any transaction tax accounted for in the calculation of that Index and the degree of leverage applied under the methodology of that Index or Investment Strategy. The value of the Reference Assets for the Index or Investment Strategy will vary depending on global and regional economic performance, market sentiment, borrowing and lending rates, the liquidity of the Reference Assets and any other factors that may affect the ability of a holder of such security to value or sell their holding, including geopolitical developments, disruptions to global supply chains or trade routes and volatility in global equity, commodity, energy and foreign exchange markets;

ii. the level of the fees (including Arranger Fees) and funding and borrowing adjustments applied in calculating the ETP Security Value, which may be varied by agreement between the Issuer and the relevant Programme Party;

iii. the occurrence of a Disruption Event, an Adjustment Event or a change in law;

iv. the occurrence of unscheduled rebalancing; and

v. the payment of any Interest Amounts.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the ETP Securities. The market price of the ETP Securities may also be affected by a number of factors, including, but not limited to:

i. with respect to Index-linked Series, the value and volatility of the Index referenced by such Series of ETP Securities and the assets underlying that Index;

ii. with respect to Series which pursue an Investment Strategy, the value of the Reference Assets referenced by such Investment Strategy;

iii. the degree of leverage applicable to such Series of ETP Securities;

iv. market perception, interest rates, yields and foreign exchange rates;

v. whether or not any market disruption is subsisting;

vi. the nature and value of any Collateral Assets relating to such Series of ETP Securities;

vii. the creditworthiness of the Margin Loan Provider, Portfolio Administrator and the Authorised Participants;

viii. any fees or execution costs applicable to subscriptions for or redemptions of the ETP Securities; and

ix. the liquidity in the ETP Securities.

The ETP Security Value and the secondary market price of the ETP Securities can go down as well as up throughout the term of the ETP Securities. Individual equity securities are generally more volatile than prices in other asset classes and the secondary market price per ETP Securities which provide for Leveraged Exposure or Short Exposure to a Reference Asset is expected to demonstrate higher volatility than the non-leveraged price movements of the Reference Asset. The ETP Security Value and market price of the ETP Securities on any Valuation Date may not reflect their prior or future performance. There can be no assurance as to the future value and market price of the ETP Securities. See the section of this Base Prospectus headed "Risk Factors" for a description of certain of the risks associated with an investment in ETP Securities.

Issue Price

The Issue Price in respect of a Tranche of ETP Securities will be specified in the Final Terms relating to such Tranche.

Use of issue proceeds

The net proceeds of issuance of each Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of any Series, will be paid to the Margin Loan Provider on behalf of the Issuer, and invested as follows:

(a) in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, taking into account the applicable Leverage Factor, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

(b) in the case of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

(c) in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested, at the discretion of the Portfolio Administrator in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling the Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor, will be held in the relevant Margin Account with the Margin Loan Provider; and

(d) in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index or to pursue the Investment Strategy referenced by such Series taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

(e) in the case of Income Series where the Reference Assets are put options, the net proceeds of issuance of such Series of ETP Securities will be used to fund the related Margin Accounts as may be required to maintain positions in the put options in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor;

(f) in the case of Income Series where the Reference Assets are call options, the net proceeds of issuance of such Series of ETP Securities will be:

(i) used to fund the related Margin Accounts as may be required to maintain positions in the call options;

(ii) invested in the underlying assets of the call options, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account,

in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor; and

(g) in the case of Income Series where the Reference Assets are Physical Assets, the net proceeds of issuance of such Series of ETP Securities or Tranche of ETP Securities will be deposited with the Margin Loan Provider, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount (as defined below), where applicable, shall be invested in the Reference Assets of the Investment Strategy of such Series of ETP Securities, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account.

The holders of a Series of ETP Securities are entitled to the benefit of the security created over the Collateral Assets held in the Margin Account.

In Specie Subscription

In relation to any Subscription Order, in satisfaction of the relevant subscription amount, the Issuer may agree with the relevant Authorised Participant to accept the delivery to, or to the order of, the Issuer of Reference Assets which the Determination Agent determines have a value on the Subscription Settlement Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to or greater than the subscription amount.

Ancillary Assets

The Portfolio Administrator may direct that amounts standing to the credit of the Margin Account, to the extent not required to be invested in Reference Assets to replicate the performance of the Index or to pursue the Investment Strategy, be maintained as cash balances in the Margin Account or invested in Ancillary Assets comprising sovereign debt in the currency of denomination of the ETP Securities with an original maturity of less than one month which is rated at least A-1 by Standard & Poor's Ratings Services, and/or P-1 by Moody's Investors Service Ltd. and/or F1 by Fitch Ratings Limited.

Interest on the ETP Securities

The ETP Securities do not bear interest at a prescribed rate.

Periodic Interest Payments on Series of ETP Securities other than Income Series

Series of ETP Securities which are not Income Series will not be entitled to receive any periodic interest payments during the term of the ETP Securities.

Periodic Interest Payments on Income Series

For Series which are Income Series, the Issuer will be required to make payments of Interest Amounts in respect of the ETP Securities of that Series on the relevant Interest Payment Dates.

Notwithstanding the payment of any Interest Amounts, ETP Securityholders are not entitled to any dividends paid by any companies whose shares are comprised in the Reference Assets or which serve as Option Underlyings.

Interest Amounts

In respect of each ETP Security of an Income Series, for each Interest Payment Date, the Interest Amount will be its *pro rata* entitlement to the Available Receipts for that Interest Payment Date, being the amount equal to the Available Receipts divided by the number of Interest Amount Entitled ETP Securities. Accordingly, ETP Securityholders should be aware that the Interest Amounts for each Interest Payment Date will vary depending on the level of Available Receipts.

The "*Available Receipts*" will be, in respect of any Interest Payment Date, an amount calculated by the Determination Agent as follows:

(i) all premiums, distributions, dividends and other payments received by the Issuer in respect of the Collateral Assets during the period beginning on (and including) the Series Issue Date and ending on (and including) the Currency Business Day prior to the related Interest Declaration Date but not including the liquidation proceeds of any Collateral Assets which have been liquidated to fund the payment of any Redemption Amounts which may be or have been payable in respect of ETP Securities:

less each of:

(ii) the aggregate of all Interest Amounts which have been paid by the Issuer since the Series Issue Date;

(iii) all fees, costs, expenses and amounts of Tax which relate to the ETP Securities (including but not limited to any Funding and Brokerage Fees and any amounts of Arranger Fee) which have been paid or incurred by the Issuer during the period beginning on the Series Issue Date and ending on (and including) the Currency Business Day prior to the related Interest Declaration Date or which are otherwise payable by the Issuer;

(iv) to the extent not included in (iii) above, any amount that the Portfolio Administrator determines, and notifies to the Determination Agent, that it is appropriate to reserve for the payment of fees, costs, expenses and amounts of Tax (including but not limited to any Funding and Brokerage Fees and any amounts of Arranger Fee) relating to the ETP Securities which are expected to be incurred or become payable by the Issuer following the Interest Declaration Date; and

(v) any amount that the Portfolio Administrator determines, and notifies to the Determination Agent, that it is appropriate to reserve for the payment of Interest Amounts on subsequent Interest Payment Dates or to be reinvested in the Option Underlying or to fund hedging arrangements in connection

with the Options-Based Income Strategies employed by the ETP Securities.

For each Interest Payment Date, the relevant Interest Amount will be notified to ETP Securityholders in an Interest Notification as described below.

Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, for each Income Series, the Interest Payment Dates will be:

(1) the day that falls five (5) Clearing System Business Days after the Record Date or, if such day is not also a Currency Business Day, the immediately following day that is both a Clearing System Business Day and a Currency Business Day or any other date designated by the Portfolio Administrator in its absolute discretion,

or

(2) each other date that may be designated as such by the Portfolio Administrator in its absolute discretion and which shall be specified in an Interest Notification

provided there shall be at least one Interest Payment Date in each calendar quarter.

Effect of Interest Amounts on ETP Security Value

The declaration of any Interest Amounts will result in a corresponding decrease in the ETP Security Value. on the relevant "Interest Ex Date", which will be the date on which the ETP Security Value will not include the Interest Amounts announced for the relevant Interest Payment Date. Unless otherwise provided in the Final Terms, the "Interest Ex Date" will be the date that may be designated as such by the Portfolio Administrator in its absolute discretion and shall be specified in the Interest Notification.

Only ETP Securityholders that are on the records of the Relevant Clearing System on the "Record Date" will be entitled to receive the Interest Amount. For each Interest Payment Date, the Record Date shall unless, otherwise specified in the Final Terms or specified in an Interest Notification, be the Clearing System Business Day immediately following the relevant Interest Ex Date.

Interest Notifications

On each "*Interest Declaration Date*", which shall be at least five Business Days prior to each Interest Payment Date, the Issuer shall cause the following details to be notified to ETP Securityholders in accordance with Condition 20.3 (such notification, an "**Interest Notification**"):

(i) the Interest Payment Date;

the Interest Amount;

the Interest Ex Date; and

the Record Date.

Amount payable on the maturity of the ETP Securities

Unless previously redeemed in whole or purchased and cancelled by the Issuer, each Series of ETP Securities will become due and payable on their Final Redemption Settlement Date at their Final Redemption Amount.

The Final Redemption Amount of each ETP Security shall be an amount calculated by the Determination Agent to be equal to the greater of (a) the Principal Protection Amount of such ETP Security; and (b) the Pro-rata Liquidation, as calculated in accordance with Condition 8.

Early redemption

If an Event of Default occurs in respect of a Series of ETP Securities, each ETP Security of such Series will become due and payable on the relevant Final Redemption Settlement Date at its Final Redemption Amount, subject to the Issuer having sufficient funds available, after applying the proceeds of the enforcement of the Security in paying all senior amounts due in accordance with the applicable orders of priority, to pay such amounts in full.

Optional redemption of ETP Securities by ETP Securityholders

ETP Securities may be applied for and redeemed on any Valuation Date, but the requisite application and redemption notices and orders may only be given by Authorised Participants. All other persons must buy and sell ETP Securities through trading on the stock exchange(s) on which such ETP Securities are admitted to trading.

An ETP Securityholder which is also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or part of its holding of ETP Securities of a Series at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order in accordance with the relevant Authorised Participant Agreement and the LS Operating Procedures Agreement.

An ETP Securityholder of any Series which is not also an Authorised Participant may require the Issuer to redeem all or any part of its holding of such ETP Securities at the Optional Redemption Amount only if the Issuer has notified the ETP Securityholders in accordance with Condition 17 in respect of any Valuation Date that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted and no later notice to the contrary has been delivered.

Any ETP Security that is subject to Optional Redemption in accordance with Condition 8.2 will become due and payable on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount, being an amount per ETP Security as calculated by the Determination Agent equal to the greater of:

(A) the Principal Protection Amount of an ETP Security; and

(B) the Pro-rata Liquidation.

In Specie Redemption

The Issuer may in accordance with the relevant Authorised Participant Agreement and the LS Operating Procedures Agreement agree with any ETP Securityholder which is also an Authorised Participant to satisfy any requests for the Optional Redemption of any ETP Securities by the transfer to, or to the order of, such ETP Securityholder on the Optional Redemption Settlement Date of Collateral Assets with a value determined by the Determination Agent to be equal to the Optional Redemption Amount.

Mandatory redemption

If a Mandatory Redemption Event occurs in respect of a Series of ETP Securities, each ETP Security of such Series will become due and payable on the Mandatory Redemption Settlement Date at its Mandatory Redemption Amount.

Funding of payments due to the holders of the ETP Securities

The Issuer will fund any payment(s) due to the holder of an ETP Security (including, for the avoidance of doubt, any Final Redemption Amount, Optional Redemption Amount or Mandatory Redemption Amount due in respect of such ETP Security) from the liquidation of the Collateral Assets held in the Margin Account. The Issuer's ability to pay to the holder of an ETP Security any amounts due in respect of such ETP Security is entirely dependent on the liquidation of the Collateral Assets.

If, following the liquidation in full of the Collateral Assets relating to a Series of ETP Securities there are any outstanding claims against the Issuer in respect of such Series of ETP Securities (other than claims of the

Margin Loan Provider), then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof.

Taxation and no gross-up

Each ETP Securityholder will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local Taxes or other like assessment or charges that may be applicable to any payment to it in respect of the ETP Securities. In the event that any withholding or deduction for or on account of Tax is imposed on payments on the ETP Securities, the ETP Securityholders will be subject to such Tax or deduction and will not be entitled to receive amounts to compensate for such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

Transfers of Collateral Assets, and payments made to the Issuer under the LS Margin Account Agreement in relation to a Series of ETP Securities may be subject to charges, withholding or deduction for, or on account of, Taxes. In such circumstances the sums available to the Issuer (and/or the Trustee) to pay the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount may not be sufficient to satisfy in full the claims of the ETP Securityholders and all creditors whose claims rank in priority to those of the ETP Securityholders.

Fees

The sections of this Base Prospectus entitled "Description of the Indices" and "Description of the Investment Strategies" set out the fees payable in respect of the various Series of ETP Securities.

Summary of the operating procedures relating to the subscription and redemption of the ETP Securities

Acceptance and validation of Dealing Orders

Only an Authorised Participant may send Subscription Orders or Redemption Orders to the Issuer (each, a "**Dealing Order**"), save that in the exceptional circumstances described in Condition 8, ETP Securityholders other than Authorised Participants may redeem ETP Securities.

An Authorised Participant will lodge Dealing Orders by completing a dealing order form (a "**Dealing Order Form**") and sending it to the Agent designated in the LS Operating Procedures Agreement (the "**Dealing Order Agent**"). The Dealing Order Agent will accept Subscription Orders or Redemption Orders on behalf of the Issuer on any day that is an Exchange Business Day for the relevant ETP Securities (such day, a "**Dealing Order Day**")**.**

The Dealing Order Agent will perform certain validation checks on the Dealing Order Form and confirm with the Authorised Participant that the order has been received. Upon a determination that a Dealing Order Form is valid the Dealing Order Agent will send a dealing order notice (a "**Dealing Order Notice**") to the Portfolio Administrator. The Portfolio Administrator will review the Dealing Order Notice and will send notification to the Dealing Order Agent that it has either (i) accepted the Dealing Order Notice; (ii) rejected the Dealing Order Notice; or (iii) partially accepted the Dealing Order Notice, in which case it will provide an explanation for the partial rejection.

The Dealing Order Agent will then revert to the Authorised Participant with a validation of the Dealing Order (the "**Dealing Order Validation**") and confirm whether the Dealing Order Notice has been accepted in whole or in part by the Portfolio Administrator. The Dealing Order Validation does not constitute confirmation of any purchase, sale or entering into any position with respect to the Reference Assets, as applicable, by the Portfolio Administrator or any drawdown from the Margin Loan Provider or repayment to the Margin Loan Provider, where relevant, by the Portfolio Administrator.

Any Dealing Order (in respect of which a Dealing Order Validation is so submitted to the Authorised Participant by the Dealing Order Agent) will become a "**Valid Dealing Order**" on the Dealing Order Day at the time designated in the LS Operating Procedures Agreement.

The Dealing Order Agent will send a valid Dealing Order Notice to the Determination Agent on the Dealing Order Day in order to populate pricing and cash consideration by 9am Dublin time the next day (Dealing Day +1).

Establishing the Subscription Amount/Optional Redemption Amount

On Dealing Order Day +1, the Determination Agent will:

- send the ETP Security Value to the Issuing and Paying Agent and the Portfolio Administrator;
- populate a dealing order notice form to include the ETP Security Value and the subscription amount or Optional Redemption Amount, as the case may be, relevant to the ETP Securities being purchased or redeemed and send the completed dealing order notice form to the Issuing and Paying Agent with the pricing and the cash consideration amount per Dealing Order; and
- once the Issuing and Paying Agent confirms the subscription amount or Optional Redemption Amount, as the case may be, per Dealing Order, the Issuing and Paying Agent will send a completed confirmation form in respect of each Dealing Order (a "**Dealing Order Confirmation Form**") to the Authorised Participant and Portfolio Administrator as confirmation of the settlement amounts required.

Procedures in respect of the Portfolio Administrator and the Margin Loan Provider

Where the Issuing and Paying Agent has issued a Dealing Order Confirmation Form to the Authorised Participant:

- the Portfolio Administrator or the Dealing Order Agent shall notify the Margin Loan Provider of Dealing Order Notice, Dealing Order Validation, Valid Dealing Order and Dealing Order Confirmation; and
- the Portfolio Administrator shall implement the necessary purchase or sale or take the relevant position in respect of the Reference Assets and drawdown/repayment from the Margin Loan Provider, as applicable.

Settlement of Dealing Orders

Settlement of Subscription Orders

In connection with a Valid Dealing Order to subscribe for ETP Securities, the Issuing and Paying Agent shall cause the relevant ETP Securities to be issued on the relevant Subscription Settlement Date and the Authorised Participant shall cause the relevant subscription amount for the relevant ETP Securities to be paid in the relevant currency in same day funds to the Issuing and Paying Agent on each Subscription Settlement Date.

Settlement of Redemption Orders

In connection with a Valid Dealing Order relating to a redemption of part or all of a Series of ETP Securities:

- the Authorised Participant shall deliver to the Issuing and Paying Agent the relevant ETP Securities to be redeemed on or prior to the time designated in the LS Operating Procedures Agreement on the Optional Redemption Settlement Date;
- the Issuing and Paying Agent shall redeem the relevant ETP Securities on the Optional Redemption Settlement Date following confirmation of receipt of the ETP Securities; and
- concurrently with the redemption of ETP Securities, the Issuing and Paying Agent on behalf of the Issuer shall arrange for the payment of the relevant Optional Redemption Amount.

DESCRIPTION OF THE REFERENCE ASSETS

The information in this section of the Base Prospectus has been extracted from public information, including www.bloomberg.com and/or the websites set out below and has been reproduced on the basis of information available to the Issuer. Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The websites set out below do not form part of this Base Prospectus and have not been scrutinised or reviewed by the Central Bank. The delivery of this Base Prospectus at any time does not imply any representation on the part of the Issuer, the Margin Loan Providers, Authorised Participants, the Trustee, the Agents, the Determination Agent, the Broker Dealer of Record or any other person that any information contained therein is correct at any time subsequent to the date of this Base Prospectus

Each Series of ETP Securities is intended to either track a relevant Index or pursue an Investment Strategy which provides exposure to the performance of a Reference Asset.

The Issuer may issue Series of ETP Securities in respect of Reference Assets falling within the following categories:

(A) equities securities;

(B) debt securities;

(C) fixed income securities;

(D) exchange traded funds;

(E) mutual funds; and

(F) futures contracts

in each case, as described below.

The Reference Asset in respect of a Series of ETP Securities, the relevant Leverage Factor will be specified in the applicable Final Terms. Prospective purchasers of the ETP Securities should make their own independent investigations and enquiries into the Reference Asset and the obligor(s) in respect thereof.

The Reference Assets have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the ETP Securities.

Investors should note that the Issuer anticipates that the Base Prospectus and other Programme Documents may be amended from time to time to permit the Issuer to issue series of ETP Securities backed by other Reference Assets other than as described herein. In addition the Programme may be amended in the future to facilitate the issue of additional actively managed ETP Securities or ETP Securities which are not linked to Indices or Investment Strategies.

(i) Equity Securities

The Issuer may issue a Series of ETP Securities designating any of the equity securities (including ADRs and ADSs representing equity securities), listed in the tables below as the Reference Assets. The Index or Investment Strategy, as applicable, may provide a Leveraged Exposure, Short Exposure or Normal Exposure to the performance of the Reference Assets. In addition to any leverage embedded in the Index or Investment Strategy, leverage may be embedded directly in the ETP Securities. The cumulative leverage provided by each Series of ETP Securities will be reflected in the Leverage Factor for that Series.

Name of issuer of Reference Asset	**Address of issuer of Reference Asset**	**Country of Incorporation**	**Ticker of Reference Asset**	**Regulated market or equivalent third country market on which the Reference Asset is admitted to trading (see "Markets on which Reference Assets are admitted to trading" below)**	**General description and nature of business of issuer of the Reference Asset**
Advanced Micro Devices, Inc.	2485 Augustine Drive Santa Clara, CA 95054 United States	United States of America	AMD	New York Stock Exchange https://www.nyse.com/quote/XNGS:AMD	Advanced Micro Devices, Inc. manufactures semiconductor products and devices. The company manufactures products that include microprocessors, embedded microprocessors, chipsets, graphics, video and multimedia products, and supplies it to third-party foundries, as well as provides assembling, testing, and packaging services. Advanced Micro Devices, Inc. serves customers worldwide. AMD processors and graphics processing units are widely used in cryptocurrency mining applications. While AMD does not hold cryptocurrency as treasury assets and is not a crypto business, its revenues may experience indirect exposure to crypto mining demand cycles. Further information on the issuer of the Reference Asset can be found at http://ir.amd.com/
Airbus SE	1, Rond Point Maurice Bellonte Satair Airbus Blagnac	Netherlands	AIR	Euronext Paris https://live.euronext.com/en/product/equities/nl0000235190-	Airbus SE manufacturers airplanes and military equipment. The company produces military fighter aircraft, military and commercial helicopters,

	31 707 France			xpar/airbus/air	missiles, satellites and telecommunications and defense systems, as well as military and commercial aircraft conversion and maintenance services. Airbus serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://www.airbus.com/en/investors
Alphabet Inc.	1600 Amphitheatre Parkway, Mountain View, State of California 94043	United States of America	GOOG	New York Stock Exchange https://www.nyse.com/quote/XNGS:GOOG	Alphabet Inc. operates as a holding company. The company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products. Alphabet, through Google Cloud, provides infrastructure services to blockchain and digital asset businesses. Alphabet does not report material cryptocurrency holdings as treasury assets. Further information on the issuer of the Reference Asset can be found at https://abc.xyz/investor/
Amazon.com Inc.	410 Terry Avenue North, Seattle, State of Washington 98109	United States of America	AMZN	New York Stock Exchange https://www.nyse.com/quote/XNGS:AMZN	Amazon.com, Inc. engages in the retail sale of consumer products and subscriptions in North America and internationally. It operates through the North America, International, and Amazon Web Services (AWS) segments. The company sells merchandise and content purchased for resale from vendors, as well as those offered by third-party sellers through retail websites. It also manufactures and sells electronic devices, including kindle e-readers and fire tablets. Amazon also operates a cloud platform offering services globally. Amazon Web Services (AWS) provides cloud infrastructure services to blockchain and digital asset companies. Amazon does not report holding

					cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://ir.aboutamazon.com/
Apple Inc.	One Infinite Loop, Cupertino, State of California 95014	United States of America	AAPL	New York Stock Exchange https://www.nyse.com/quote/XNGS:AAPL	Apple Inc. is a technology company that engages in the design, manufacture and marketing of mobile communication and media devices, personal computers and portable music players, and sells a range of related software, services and accessories. It operates through its Americas, Europe, Greater China, Japan and the Rest of Asia Pacific segments. The company sells its products through Apple retail stores, online stores and through third-party retailers. It also sells and markets digital content through the iTunes Store, mobile App Store, Mac App Store and through other internet services. The company also offers payment, digital content, cloud and advertising services. Apple Inc.'s customers are primarily in consumer, small & mid-sized business, education, enterprise and government markets worldwide. Further information on the issuer of the Reference Asset can be found at http://investor.apple.com/
Citigroup Inc.	388 Greenwich Street, New York, State of New York 10013	United States of America	C	New York Stock Exchange https://www.nyse.com/quote/XNYS:C	Citigroup Inc. is a diversified financial services holding company for businesses that provide consumers, corporations, governments and institutions with a range of financial products and services. It operates through two segments: Citicorp and Citi Holdings. Citicorp is the company’s global bank and offers financial products and services to consumers. Citigroup serves customers globally. Further information on the issuer of the Reference Asset can be found at https://www.citigroup.com/global/investors

Meta Platforms Inc.	1601 Willow Road, Menlo Park, State of California 94025-1452	United States of America	META	New York Stock Exchange https://www.nyse.com/quote/XNGS:META	Meta Platforms Inc. is a technology company that focuses on connecting people through social media. The company builds applications and technologies that help people connect, find communities, and grow businesses. Its products provide a platform for people to learn about what is going on in the world and enables them to share opinions, ideas and visual media with friends or the public. The company also sells advertising placements across its products to marketers. Meta Platform is also involved in advertisements, augmented, and virtual reality. Further information on the issuer of the Reference Asset can be found at https://investor.fb.com/home/default.aspx
Goldman Sachs Group Inc.	200 West Street, New York, State of New York 10282	United States of America	GS	New York Stock Exchange https://www.nyse.com/quote/XNYS:GS	The Goldman Sachs Group Inc. is a global investment banking, securities and investment management firm that provides a wide range of financial services to a client base that includes corporations, financial institutions, governments and high net worth individuals. The company operates through its Investment Banking, Institutional Client Services, Investing & Lending and Investment Management segments. Goldman Sachs has exposure to digital assets primarily through client trading, investment products, and reported ETF holdings. Further information on the issuer of the Reference Asset can be found at http://www.goldmansachs.com/investor-relations/
JPMorgan Chase & Co.	270 Park Ave, 38th Floor, New York, State of New York 10017-2014	United States of America	JPM	New York Stock Exchange https://www.nyse.com/quote/XNYS:JPM	JPMorgan Chase & Co is a financial holding company for businesses that are engaged in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. The company operates through its

					Consumer & Community Banking, Corporate & Investment Bank, Commercial Banking and Asset & Wealth Management segments. Its principal bank subsidiaries include JP Morgan Chase Bank and National Association (JPMorgan Chase Bank N.A.), its principal nonbank subsidiary is J.P. Morgan Securities LLC. JPMorgan Chase & Co. have reported holdings in spot bitcoin exchange traded funds, created a cryptocurrency called "JPM Coin" designed to instantly settle payments between clients and has performed collateral settlements for clients using blockchain. Further information on the issuer of the Reference Asset can be found at https://www.jpmorganchase.com/corporate/investor-relations/investor-relations.htm
Micron Technology, Inc.	8000 South Federal Way PO Box 6 Boise, ID 83716 United States	United States of America	MU	New York Stock Exchange https://www.nyse.com/quote/XNGS:MU	Micron Technology, Inc., through its subsidiaries, manufactures and markets dynamic random access memory chips (DRAMs), static random access memory chips (SRAMs), flash memory, semiconductor components, and memory modules. Further information on the issuer of the Reference Asset can be found at https://www.micron.com/
Microsoft Corp	One Microsoft Way, Redmond, State of Washington 98052-6399	United States of America	MSFT	New York Stock Exchange https://www.nyse.com/quote/XNGS:MSFT	Microsoft Corporation is a technology company that develops, licenses, and supports a range of software products, services and devices. It operates through its Productivity and Businesses Processes, Intelligent Cloud and More Personal Computing segments. The company's products include operating systems, server applications, video games and certification of computer system integrators and developers. It also designs, manufactures and sells directly, and through third parties, devices, including personal computers, tablets, gaming and entertainment consoles, mobile phones and other related accessories. The company provides a variety of services, including

					cloud-based solutions and support and consulting services. Microsoft provides blockchain and digital asset-related infrastructure services through its Azure cloud platform. Microsoft does not report material cryptocurrency holdings as treasury reserve assets. Further information on the issuer of the Reference Asset can be found at https://www.microsoft.com/en-us/investor/
PayPal Holdings, Inc.	2211 North 1st Street San Jose CA 95131	United States of America	PYPL	New York Stock Exchange https://www.nyse.com/quote/XNGS:PYPL	PayPal Holdings, Inc. operates as a holding company. The company, through its subsidiaries, provides a technology platform that enables digital and mobile payments on behalf of consumers and merchants. The company offers online payment solutions. PayPal Holdings, Inc. services customers worldwide. PayPal Holdings Inc. has exposure to cryptocurrency through various offerings, including allowing users to buy, sell and hold bitcoin and other cryptocurrencies and by developing their own stablecoin, PayPal USD (PYUSD). Further information on the issuer of the Reference Asset can be found at https://investor.pypl.com/home/default.aspx
Visa Inc.	900 Metro Center Blvd., Foster City, State of California 94404	United States of America	V	New York Stock Exchange https://www.nyse.com/quote/XNYS:V	Visa Inc. is a multinational financial services company that facilitates electronic transfers throughout the world. Visa is the world's second largest card payment organization. The company also offers global commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses, and government entities.

					Visa Inc. have partnered with platforms like Worldcoin, Coinbase Global, Inc. and Crypto.com to facilitate crypto-linked payments and allow users to spend digital assets. Further information on the issuer of the Reference Asset can be found at http://investor.visa.com/
Netflix, Inc.	100 Winchester Circle, Los Gatos, State of California 95032	United States of America	NFLX	Nasdaq https://www.nasdaq.com/market-activity/stocks/nflx	Netflix is a multinational entertainment company specializing in providing streaming media and video-on-demand online. Netflix is also involved directly in film and television production. Netflix serves customers worldwide. Further information on the issuer of the Reference Asset can be found at http://ir.netflix.com/
NVIDIA Corporation	2701 San Tomas Expressway, Santa Clara, State of California, 95050	United States of America	NVDA	New York Stock Exchange https://www.nyse.com/quote/XNGS:NVDA	NVIDIA is a technology company that designs graphics processing units (GPUs) for the gaming and professional markets, as well as system on a chip units (SOCs) for the mobile computing and automotive market. The company also develops a platform for scientific computing, AI, data science, autonomous vehicles, robotics, metaverse, and 3D internet applications, as well as focuses on PC graphics. NVIDIA serves clients worldwide. NVIDIA's graphic processing units and data center products are used in cryptocurrency mining and blockchain-related infrastructure. NVIDIA does not report holding digital assets as treasury assets; however, demand for certain products has historically been influenced by cryptocurrency mining and digital asset market cycles. Further information on the issuer of the Reference Asset can be found at http://investor.nvidia.com/
Salesforce.com, Inc.	415 Mission St., San Francisco, State of California, 94105	United States of America	CRM	New York Stock Exchange https://www.nyse.com/quote/XNYS:CRM	Salesforce.com is a cloud computing software company that develops customer relationship management (CRM) software as well as commercial applications of social networking. Salesforce serves customers worldwide.

					Further information on the issuer of the Reference Asset can be found at http://investor.salesforce.com/about-us/investor/overview/default.aspx
Shopify Inc.	150 Elgin Street 8th Floor Ottawa ON K2P 1L4 Canada	Canada	SHOP	New York Stock Exchange https://www.nyse.com/quote/XNYS:SHOP	Shopify Inc. provides a cloud-based commerce platform. The company offers a platform for merchants to create an omni-channel experience that helps showcase the merchant's brand. Further information on the issuer of the Reference Asset can be found at https://investors.shopify.com/home/default.aspx
Tencent Holdings Ltd.	29/F, Three Pacific Place, No 1 Queen's Road East, Wanchai, Hong Kong	China	700	Hong Kong Stock Exchange https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=700&sc_lang=en	Tencent Holdings Limited operates as an investment holding company. The company, through its subsidiaries, provides services including social network, music, gateway websites, e-commerce, mobile gaming, payment system, entertainment, artificial intelligence and technology solutions through its subsidiaries. Tencent Holdings offers services to users worldwide. Further information on the issuer of the Reference Asset can be found at https://www.tencent.com/en-us/investors.html
Tesla Inc.	3500 Deer Creek Road Palo Alto, CA 94304 United States	United States of America	TSLA	New York Stock Exchange https://www.nyse.com/quote/XNGS:TSLA	Tesla Inc. operates as a multinational automotive and clean energy company. The company designs and manufactures electric vehicles, battery energy storage from home to grid-scale, solar panels and solar roof tiles, and related products and services. Tesla owns its sales and service network and sells electric powertrain components to other automobile manufacturers. Tesla serves customers worldwide. Tesla Inc also has a significant investment in bitcoin. As at 31 March 2025 Tesla Inc reported holding 11,059 bitcoin.

					Further information on the issuer of the Reference Asset can be found at https://www.tesla.com/
The Boeing Company	100 North Riverside Plaza Chicago IL 60606-1596	United States of America	BA	New York Stock Exchange https://www.nyse.com/quote/XNYS:BA	The Boeing Company, together with its subsidiaries, develops, produces and markets commercial jet aircraft, as well as providing related support services to the commercial airline industry worldwide. The company also researches, develops, produces, modifies and supports information, space and defense systems, including military aircraft, helicopters and space and missile systems. Boeing serves clients worldwide. Further information on the issuer of the Reference Asset can be found at https://investors.boeing.com/investors/overview/default.aspx
Uber Technologies Inc.	1455 Market Street Suite 400 San Francisco, CA 94103 United States	United States of America	UBER	New York Stock Exchange https://www.nyse.com/quote/XNYS:UBER	Uber Technologies, Inc. provides ride hailing services. The company develops applications for road transportation, navigation, ride sharing, and payment processing solutions. Uber Technologies serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://investor.uber.com/home/default.aspx
Zoom Video Communications, Inc.	55 Almaden Blvd, 6th Floor San Jose CA 95113 United States	United States of America	ZM	New York Stock Exchange https://www.nyse.com/quote/XNGS:ZM	Zoom Video Communications, Inc. develops a people-centric cloud service that transforms real-time collaboration experience. The company offers unified meeting experience, a cloud service that provides a 3-in-1 meeting platform with HD video conferencing, mobility and web meetings. Zoom Video Communications serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://investors.zoom.us/?_ga=2.38056551.513931263.1606238105-1038882135.1573506672

Block, Inc.	1455 Market Street, Suite 600, San Francisco, CA 94103 United States	United States of America	SQ	New York Stock Exchange https://www.nyse.com/quote/XNYS:SQ	Block, Inc. provides mobile payment solutions. The company develops point-of-sale software that helps in digital receipts, inventory and sales reports as well as offering analytics and feedback. Block Inc. also provides financial and marketing services. As at 31 March 2026 Block, Inc. reported holding 8,997 bitcoin. Further information on the issuer of the Reference Asset can be found at: https://investors.block.xyz/overview/default.aspx
Airbnb, Inc.	888 Brannan Street Suite 4 San Francisco CA 94103	United States of America	ABNB	https://www.nyse.com/quote/XNGS:ABNB	Airbnb, Inc. operates an online marketplace for travel information and booking services. The company offers lodging, home-stay, and tourism services via websites and mobile applications. Airbnb serves clients worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.airbnb.com/home/default.aspx
Plug Power, Inc.	968 Albany Shaker Road Latham NY 12110	United States of America	PLUG	New York Stock Exchange https://www.nyse.com/quote/XNCM:PLUG	Plug Power, Inc. operates as a green hydrogen company. The company focuses on building an end-to-end green hydrogen ecosystem, from production, storage, and delivery to energy generation to help customers meet business goals and decarbonize the economy, as well as provides material handling, e-mobility, power generation, and industrial applications. Further information on the issuer of the Reference Asset can be found at: https://www.ir.plugpower.com/Home/default.aspx

The Walt Disney Company	500 South Buena Vista Street Burbank CA	United States of America	DIS	https://www.nyse.com/quote/XNYS:DIS	The Walt Disney Company is an entertainment company with operations in media networks, park experiences and customer products, studio entertainment and direct-to-customer networks and channels. The company serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://thewaltdisneycompany.com/investor-relations/
Palantir Technologies Inc.	1555 Blake Street Suite 250 Denver, CO 80202	United States of America	PLTR	https://www.nyse.com/quote/XNYS:PLTR	Palantir Technologies Inc, develops software to analyse information. The company offers solutions support for many kinds of data including structured, unstructured, relational, temporal and geospatial. Palantir Technologies serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.palantir.com/
Roku, Inc.	1155 Coleman Ave San Jose CA 95110	United States of America	ROKU	https://www.nyse.com/quote/XNGS:ROKU	Roku, Inc. designs and manufactures consumer electronic products. The company offers wireless enabled devices that stream audio and video content from the internet to home entertainment systems. Roku serves customers globally. Further information on the issuer of the Reference Asset can be found at: https://ir.roku.com/
Peloton Interactive, Inc.	125 West 25th Street 11th Floor New York NY 1001	United States of America	PTON	New York Stock Exchange https://www.nyse.com/quote/XNGS:PTON	Peloton Interactive, Inc. provides recreational facilities and services and sporting apparel. The company offers workout bikes for indoor cycling, as well as other fitness related instruments and products. Peloton Interactive serves customers worldwide. Further information on the issuer of the Reference

					Asset can be found at: https://investor.onepeloton.com/
Coinbase Global, Inc.	100 Pine Street Suite 1250 San Francisco CA 94111	United States of America	COIN	https://www.nyse.com/quote/XNGS:COIN	Coinbase Global, Inc. is a holding company that provides a platform for engaging with cryptocurrency assets. It serves three main customer groups: Consumers, who are retail investors; Institutions, such as financial businesses; and developers, who build decentralized applications. The company offers various products and services, including transaction and subscription offerings. Coinbase operates internationally, providing financial tools for consumers, liquidity solutions for institutions, and development resources for builders of onchain applications. Founded in 2012, it is a prominent player in the global cryptocurrency market. As of 31 March 2026 Coinbase Global, Inc. reported a total holding of 16,492 bitcoin and 150,193 ether. Further information on the issuer of the Reference Asset can be found at: https://investor.coinbase.com/home/default.aspx
Moderna, Inc	200 Technology Square Cambridge Massachusetts	United States of America	MRNA	New York Stock Exchange https://www.nyse.com/quote/XNGS:MRNA	Moderna, Inc. operates as a clinical stage biotechnology company. The company focuses on the discovery and development of messenger RNA therapeutics and vaccines. Moderna develops mRNA medicines for infectious, immuno-oncology and cardiovascular diseases. Further information on the issuer of the Reference Asset can be found at: https://investors.modernatx.com/
Coupang, Inc.	Tower 730, 570, Songpa-daero Songpa-GU	Republic of Korea	CPNG	New York Stock Exchange https://www.nyse.com/quote/XNYS:CPNG	Coupang, Inc. operates as an e-commerce company. The company offers dynamic end-to-end e-commerce and logistic solutions. Coupang serves customers worldwide.

	Seoul, Republic of Korea 05510				Further information on the issuer of the Reference Asset can be found at: https://ir.aboutcoupang.com/English/home/default.aspx
Linde plc	Forge, Church Street West, Woking, Surrey GU21 6HT United Kingdom	Ireland	LIN	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/linde-plc-eo-001	Linde Plc operates as an industrial gas and engineering company. The company offers products, technologies and services that help customers improve their economic and environmental performance in a connected world. Linde plc serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.linde.com/
Siemens AG	Werner-von Siemens-Strasse 1 Munich 80333 Germany	Germany	SIE	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/siemens-ag	Siemens AG is an engineering and manufacturing company. The company focuses on areas of electrification, automation and digitalization. Siemens AG also provides engineering solutions in automation and control, power, transportation and medical diagnosis. Further information on the issuer of the Reference Asset can be found at: https://new.siemens.com/global/en/company/investor-relations.html
Mercedes-Benz Group AG	Mercedesstraße 120 70372 Stuttgart Germany	Germany	MBG	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/mercedes-benz-group	Mercedes-Benz Group AG operates as an automotive company. The company designs, manufactures, distributes and sells a wide range of automotive products such as passenger cars, trucks, vans and buses. Mercedes-Benz Group also provides financial and other services relating to its automotive businesses.

					Further information on the issuer of the Reference Asset can be found at: https://group.mercedes-benz.com/investors/
Infineon Technologies AG	Am Campeon 1-15 85579 Neubiberg Germany	Germany	IFX	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/infineon-technologies-ag	Infineon Technologies AG designs, manufactures and markets semiconductors. The company offers products including power semiconductors, microcontrollers, security controllers, radio frequency products and sensors. Infineon markets its products to the automotive, industrial, communications and consumer and security electronics sectors. Further information on the issuer of the Reference Asset can be found at: https://www.infineon.com/cms/en/about-infineon/investor/
Volkswagen AG	Volkswagen Aktiengesellschaft VHH 2nd Floor PO Box 1849 DS-38436 Wolfsberg Germany	Germany	VOW3	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/volkswagen-ag-vz	Volkswagen AG manufactures and sells vehicles. The company offers economy and luxury automobiles, sports cars, trucks and commercial vehicles. Volkswagen serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://www.volkswagenag.com/en/InvestorRelations.html
ASML Holding N.V.	DeRun 6501 5504 DR Veldhoven The Netherlands	The Netherlands	ASML	Euronext Amsterdam https://live.euronext.com/en/product/equities/nl0010273215-xams/asml-holding/asml	ASML Holding N.V. develops, produces and markets semiconductor manufacturing equipment, specifically machines for the production of chips through lithography. The company serves customers worldwide.

					Further information on the issuer of the Reference Asset can be found at: https://www.asml.com/en/investors
Banco Santander S.A.	Avenida de Cantabria s/n Boadilla del Monte Madrid, 28660 Spain	Spain	SAN	Madrid Stock Exchange (BME) https://www.bolsasymercados.es/bme-exchange/en/Prices-and-Markets/Shares/Main-Market/Details/Banco-Santander-ES0113900J37	Banco Santander S.A. attracts deposits and offers retail, commercial and private banking, and asset management services. The Bank offers consumer credit, mortgage loans, lease financing, factoring, mutual funds, pension funds, insurance, commercial credit, investment banking services, structured finance, and advice on mergers and acquisitions. Further information on the issuer of the Reference Asset can be found at: https://www.santander.com/es/accionistas-e-inversores
Iberdrola S.A.	Torre Iberdrola Plaza Euskadi number 5 48009, Bilbao Bizkaia, Spain	Spain	IBE	Madrid Stock Exchange (BME) https://www.bolsasymercados.es/bme-exchange/en/Prices-and-Markets/Shares/Main-Market/Details/Iberdrola-ES0144580Y14	Iberdrola SA generates, distributes, trades and markets electricity in the United Kingdom, the United States, Spain, Portugal and Latin America. The company specializes in clean energy including wind power, solar and hydroelectric, smart grids, energy storage and green hydrogen. Further information on the issuer of the Reference Assets can be found at: https://www.iberdrola.com/shareholders-investors

Deutsche Bank AG	Taunusanlage 12, 60325 Frankfurt am Main Germany	Germany	DBK	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/deutsche-bank-ag	Deutsche Bank AG is a global financial service provider delivering commercial, investment, private and retail banking. The Bank offers debt, foreign exchange, derivatives, commodities, money markets, repo and securitisation, cash equities, research, equity prime services, loans, convertibles, advice on M&A and IPOs, trade finance, retail banking, asset management and corporate investments. Further information on the issuer of the Reference Asset can be found at: https://investor-relations.db.com/?language_id=1&kid=ir.redirect-en.shortcut
Ferrari NV	Via Abetone Infeiore n.4 I-41053 Maranell Italy	Italy	RACE	Euronext Milan https://www.borsaitaliana.it/borsa/azioni/scheda/NL0011585146.html?lang=en	Ferrari NV designs and manufactures sports cars. The company offers new and used vehicles, warranty programs, financial supports and maintenance as well as apparels, earphones, caps and other accessories. Ferrari markets its products worldwide. Ferrari NV has an exposure to the crypto market by virtue of the fact that it accepts cryptocurrency in certain regions. Further information on the issuer of the Reference Asset can be found at: https://www.ferrari.com/en-EN/corporate/investors
Exxon Mobile Corporation	5959 Las Colinas Boulevard Irving Texas 75039-2298	United States of America	XOM	New York Stock Exchange https://www.nyse.com/quote/XNYS:XOM	Exxon Mobile Corporation operates petroleum and petro chemical businesses. The company provides exploration and production of oil and gas, electric power generation, coal and minerals operations. The company also manufactures and markets fuels, lubricants and chemicals.

					Further information on the issuer of the Reference Asset can be found at: https://corporate.exxonmobil.com/investors/investor-relations
UBS Group AG	Bahnhofstrasse 45, 8001 Zurich, Switzerland	Switzerland	UBS	New York Stock Exchange https://www.nyse.com/quote/XNYS:UBS	UBS Group AG provides financial services to private, corporate, and institutional clients. The company offers investment, retail, and corporate and institutional banking, as well as holistic wealth management planning and asset management services. UBS Group also offers securities services such as fund administration and third-party fund management. Further information on the issuer of the Reference Asset can be found at: https://www.ubs.com/global/en/our-firm/governance/ubs-group-ag/shareholder-information.html
IonQ, Inc.	4505 Campus Drive College Park MD 20740	United States of America	IONQ	New York Stock Exchange https://www.nyse.com/quote/XNYS:IONQ	IonQ, Inc. operates as a computing hardware and software company. The company develops a general-purpose trapped ion quantum computer and software to generate, optimize and execute quantum circuits. IonQ serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.ionq.com/overview/default.aspx
Super Micro Computer, Inc.	980 Rock Avenue San Jose CA 95131	United States of America	SMCI	New York Stock Exchange https://www.nyse.com/quote/XNGS:SMCI	Super Micro Computer, Inc. designs, develops, manufacturers and sells server solutions based on modular and open-standard architecture. The company offers servers, motherboards, chassis

					and accessories. Super Micro Computer, Inc. markets its products worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://ir.supermicro.com/ir-overview/default.aspx
MicroStrategy Incorporated	1850 Towers Crescent Plaza Tysons Corner VA 22182	United States of America	MSTR	Nasdaq https://www.nasdaq.com/market-activity/stocks/mstr	MicroStrategy Inc ("MicroStrategy") (doing business as of February 2025 under the name "Strategy") provides industry leading AI-powered enterprise analytics software and is the world's first and largest bitcoin treasury company. It is a publicly traded operating company that has adopted bitcoin as its primary treasury reserve asset. MicroStrategy leverages its development capabilities to explore innovation in bitcoin applications, integrating analytics expertise with its commitment to digital asset growth. <u>Enterprise Analytics Software Strategy</u> MicroStrategy is a pioneer in AI-powered business intelligence, and a global leader in enterprise analytics solutions. It provides cloud-native analytics platforms, AI-assisted data modeling tools, and enterprise software and services designed to turn complex, chaotic data environments into trusted, actionable, and scalable information workflows for its customers. <u>Bitcoin Strategy</u> MicroStrategy uses operational cash flows and capital raised through equity offerings, preferred stock issuances, and debt financings (including convertible and secured instruments) to acquire

					bitcoin as a long-term treasury reserve asset. MicroStrategy views its bitcoin holdings as long-term strategic holdings and expects to continue to accumulate bitcoin. It has not set any specific target for the amount of bitcoin it seeks to hold, and it will continue to monitor market conditions in determining whether to engage in additional financings to purchase additional bitcoin. MicroStrategy may also (i) periodically sell bitcoin for general corporate purposes or tax-efficient transactions where permitted under applicable law; (ii) enter into additional capital raising transactions that are secured or otherwise supported by its bitcoin holdings; and (iii) consider pursuing strategies to generate liquidity, income streams, or other funding mechanisms using its bitcoin holdings. Additionally, MicroStrategy periodically engages in advocacy, education, and outreach initiatives regarding the continued acceptance and value of bitcoin as an open, secure protocol for an internet-native digital capital asset, and it leverages its software development, data analytics, and capital markets capabilities to explore innovation in bitcoin applications. As of June 2026, Microstrategy reported a holding of 847,363 bitcoin. Up to date information on MicroStrategy Inc's bitcoin holdings as well as other information on the company can be found at: https://www.strategy.com/company
Reddit, INC	1455 Market Street, Suite 1600 San Francisco CA 94103	United States of America	RDDT	New York Stock Exchange https://www.nyse.com/quote/XNYS:RDDT	Reddit, Inc. operates as a network of communities. The company offers a social networking platform where anyone can join a community to learn from one another, engage in authentic conversations, explore passions, research new hobbies, exchange goods and services, create new communities, and find belonging. Reddit serves customers worldwide.

					Further information on the issuer of the Reference Asset can be found at: https://www.redditinc.com/
Eli Lilly and Company	Lilly Corporate Center Indianapolis Indiana 46285	United States of America	LLY	New York Stock Exchange https://www.nyse.com/quote/XNYS:LLY	Eli Lilly and Company discovers, develops, manufactures and markets human pharmaceutical products. Eli Lilly and Company manufacturers and distributes its products through facilities in the United States, Europe and Asia. Further information on the issuer of the Reference Asset can be found at: https://www.lilly.com/
Intel Corporation	2200 Mission College Blvd Santa Clara California 95054	United States of America	INTC	Nasdaq https://www.nasdaq.com/market-activity/stocks/intc	Intel Corporation is a global designer and manufacturer of semiconductor products. The central processing units and other semiconductor solutions that Intel Corporation designs, manufactures, markets, and sells are incorporated in computing and related end products and services, and utilized globally by consumers, enterprises, governments, and educational organizations. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.intel.com/content/www/us/en/homepage.html
Broadcom Inc.	3421 Hillview Ave Paolo Alto CA 94304	United States of America	AVGO	Nasdaq https://www.nasdaq.com/market-activity/stocks/avgo	Broadcom Inc. is a global technology leader that designs, develops and supplies a broad range of semiconductor and infrastructure solutions.

					The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.broadcom.com/
Robinhood Markets, Inc.	85 Willow Rd Menlo Park CA 94025	United States of America	HOOD	Nasdaq https://www.nasdaq.com/market-activity/stocks/hood	Robinhood Markets, Inc. operates a financial services platform. The Company offers brokerage and cash management applications such as stocks exchange traded funds, options and cryptocurrency. Crypto trading contributes to a material shared of Robinhood's revenue. In 2025, Robinhood Inc. completed the acquisition of Bitstamp, a cryptocurrency exchange. Robinhood Markets, Inc. serves clients in the United States of America. Further information on the issuer of the Reference Asset can be found at: https://investors.robinhood.com/
Samsung Electronics Co., Ltd.	129 Samsung-ro Yongtong-gu, Suwon-won, Gyeonggi-do, 16677 Republic of Korea	Republic of Korea	005930	Korea Exchange* https://www.google.com/finance/beta/quote/005930:KRX	Samsung Electronics Co. Ltd. Manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, personal computers, peripherals, monitors, televisions and home appliances including air conditioners and microwave ovens. The company also produces internet access network systems and telecommunications equipment including mobile phones. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information can be found at:

					https://www.samsung.com/global/ir/stock-information/listing-Info/
UnitedHealth Group Incorporated	9900 Bren Road East Minnetonka MN 55343	United States of America	UNH	Nasdaq https://www.nasdaq.com/market-activity/stocks/unh	UnitedHealth Group Incorporated is a diversified health care company offering health care benefits and services through UnitedHealthcare and Optum. Further information on the issuer of the Reference Asset can be found at: https://www.unitedhealthgroup.com/
Hims & Hers Health, Inc	2269 Chestnut Street #523 San Francisco CA 94123	United States of America	HIMS	Nasdaq https://www.nasdaq.com/market-activity/stocks/hims	Hims & Hers Health, Inc. is a telehealth company that provides a modern approach to health and wellness, offering personalized health care products and services online. Further information on the issuer of the Reference Asset can be found at: https://www.hims.com/
Rheinmetall AG	Rheinmetall Platz 1, Düsseldorf, 40476 Germany	Germany	RHM	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/rheinmetall-ag?mic=XFRA	Rheinmetall AG provides mobility and security technologies worldwide. The company operates in five segments: Vehicle Systems, Weapon and Ammunition, Electronic Solutions, Sensors and Actuators, and Materials and Trade. Further information on the issuer of the Reference Asset can be found at: https://ir.rheinmetall.com/en
Analog Devices, Inc.	One Analog Way Wilmington, Massachusetts 01887 United States	United States of America	ADI	Nasdaq https://www.nasdaq.com/market-activity/stocks/adi	Analog Devices, Inc. designs, manufactures, and markets integrated circuits used in analog and digital signal processing. The Company's products are used in communications, computer, industrial, instrumentation, military, aerospace, automotive, and high-performance consumer electronics applications. Analog Devices sells its products worldwide.

					Further information on the issuer of the Reference Asset can be found at https://investor.analog.com/
Applied Materials, Inc.	3050 Bowers Avenue P.O. Box 58039 Santa Clara, CA 95054-3299 United States	United States of America	AMAT	Nasdaq https://www.nasdaq.com/market-activity/stocks/amat	Applied Materials, Inc. develops, manufactures, markets, and services semiconductor wafer fabrication equipment and related spare parts for the worldwide semiconductor industry. The Company's customers include semiconductor wafer and integrated circuit manufacturers, flat panel liquid crystal displays, solar photovoltaic cells and modules and other electronic devices manufacturers. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://ir.appliedmaterials.com/
Bitmine Immersion Technologies, Inc.	10845 Griffith Peak Drive, Suite 2 Las Vegas, NV 89135 United States	United States of America	BMNR	New York Stock Exchange https://www.nyse.com/quote/XASE:BMNR	Bitmine Immersion Technologies, Inc. is a digital asset platform and crypto treasury company whose business and financial results are materially exposed to cryptocurrency markets. Bitmine pursues a strategy of accumulating digital assets, particularly Ethereum, as part of its corporate treasury and staking operations. As of June 2026, Bitmine’s treasury holds approximately 5,700,040 Ethereum and approximately 206 Bitcoin (together representing a multi-billion-dollar crypto treasury) — making it one of the largest publicly traded Ethereum treasury holders globally. Bitmine’s results are directly affected by crypto price volatility, network conditions, staking returns, liquidity, and regulatory developments. The company may periodically buy, sell, or stake crypto

					assets for liquidity management, strategic positioning, or yield generation. Further information on the issuer of the Reference Asset can be found at https://www.bitminetech.io/investor-relations
Circle Internet Group, Inc.	One World Trade Center New York, NY 10007 United States	United States of America	CRCL	New York Stock Exchange https://www.nyse.com/quote/XNYS:CRCL	Circle Internet Group, Inc. is a financial technology company whose business is directly tied to the digital asset ecosystem through the issuance and management of USD Coin (USDC) and other tokenized assets. USDC is one of the largest stablecoins by market capitalization, and Circle's operations are materially connected to crypto markets via stablecoin issuance, redemption, and reserve management. While Circle does not maintain a traditional "crypto holding" as a treasury reserve (its model revolves around stablecoin liabilities backed by reserves), its business and financial condition are tied to the adoption and circulation of USDC across blockchains and the broader stablecoin market. Circle's exposure to crypto market conditions arises from reserve asset composition, redemption risk, regulatory oversight of stablecoins, and blockchain network usage, though it is generally not reported as a proprietary crypto treasury like those of mining or treasury companies. Further information on the issuer of the Reference Asset can be found at https://investor.circle.com/overview
CoreWeave, Inc.	290 W Mt Pleasant Ave, Suite 4100 Livingston, New Jersey 07039 United States	United States of America	CRWV	Nasdaq https://www.nasdaq.com/market-activity/stocks/crwv	CoreWeave, Inc. provides software solutions and cloud services. The Company offers cloud infrastructure platform that manages the complexity of engineering, assembling, running, and monitoring state-of-the-art infrastructure at a massive scale to deliver high performance and efficiency to AI

					workloads. CoreWeave serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://investors.coreweave.com/overview
Galaxy Digital Inc.	300 Vesey Street, New York, NY 10282, United States	United States of America	GLXY	Nasdaq https://www.nasdaq.com/market-activity/stocks/glxy	Galaxy Digital Inc. ("Galaxy") is a publicly traded digital assets and data center infrastructure company that provides institutional financial services and technology solutions across the digital asset ecosystem. Galaxy's business and financial results are materially exposed to digital assets and crypto-related markets through its operating activities and balance sheet holdings. Galaxy conducts digital asset trading, lending, derivatives, staking, asset management, and advisory activities, and earns revenue primarily from transaction fees, trading spreads, interest income, staking rewards, and management fees. These activities expose Galaxy to digital asset price volatility, market liquidity, trading volumes, counterparty credit risk, and blockchain network conditions. In addition to operating exposure, Galaxy maintains direct balance sheet exposure to digital assets and crypto-related investments, which are held as part of its treasury and investment strategy. The value of these holdings may fluctuate significantly due to changes in digital asset prices, market conditions, and regulatory developments. Galaxy has not established a fixed target for the amount of digital assets it seeks to hold and may increase, decrease, or otherwise adjust its exposure based on market conditions, liquidity needs, risk management considerations, and strategic objectives. Galaxy may periodically buy or sell digital assets for liquidity management, risk management, or general corporate purposes, and may enter into financing or

					capital-raising transactions to support its digital asset operations. Galaxy also engages in industry advocacy, education, and ecosystem development related to digital assets and blockchain technology. As of its fourth quarter 2026 financial results, Galaxy reported approximately $1,362 million of net digital assets and investments on its balance sheet (a measure aggregating its crypto and related holdings after certain offsets) Further information on the issuer of the Reference Asset can be found at https://investor.galaxy.com/overview/
IREN Limited	Level 12, 44 Market Street Sydney NSW 2000 Australia	Australia	IREN	Nasdaq https://www.nasdaq.com/market-activity/stocks/iren	IREN Limited operates as a renewable energy company. The Company owns and manages next-generation data centres powered by renewable energy optimized for bitcoin mining, AI cloud services, and other power-dense compute. IREN Limited has a direct exposure to cryptocurrency markets through its bitcoin mining operations and related compute assets. The company's financial performance and asset base remain exposed to bitcoin network economics, bitcoin prices, mining difficulty, energy costs, and regulatory environments. While IREN is expanding its AI cloud and high-performance data center services, Bitcoin mining continues to represent a significant component of revenue. As a result, adverse developments in bitcoin prices or network conditions may materially impact the Company's consolidated revenues and financial performance. Further information on the issuer of the Reference Asset can be found at https://iren.com/investors

KLA Corporation	Three Technology Drive, Milpitas, California 95035, United States	United States of America	KLAC	Nasdaq https://www.nasdaq.com/market-activity/stocks/klac	KLA Corporation produces and distributes semiconductors. The Company offers surface profilers, nanomechanical testers, chips, and semiconductor assembly solutions. KLA markets its products in the United States. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://ir.kla.com/
Lam Research Corporation	4650 Cushing Parkway, Fremont, California 94538, United States	United States of America	LRCX	Nasdaq https://www.nasdaq.com/market-activity/stocks/lrcx	Lam Research Corporation manufactures, markets, and services semiconductor processing equipment used in the making of integrated circuits. The Company's products are used to deposit special films on a silicon wafer and etch away portions of various films to create a circuit design. Lam Research sells its products worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://investor.lamresearch.com/
MARA Holdings, Inc.	1010 S Federal Hwy, Suite 2700, Hallandale Beach, Florida 33009, United States	United States of America	MARA	Nasdaq https://www.nasdaq.com/market-activity/stocks/mara	MARA Holdings, Inc. operates as a holding company. The Company, through its subsidiaries, is a digital asset technology and bitcoin mining company. As of March 2026, MARA reported holding approximately 35,303 BTC on its balance sheet, making it one of the largest corporate holders of bitcoin worldwide. Further information on the issuer of the Reference

					Asset can be found at https://ir.mara.com/
Marvell Technology, Inc.	1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, United States	United States of America	MRVL	Nasdaq https://www.nasdaq.com/market-activity/stocks/mrvl	Marvell Technology, Inc. develops and produces semiconductors and related technology. The Company offers security and networking platform, secure data processing, networking, and storage solutions. Marvell Technology serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://investor.marvell.com/
NXP Semiconductors N.V.	High Tech Campus 60 5656 AG Eindhoven Netherlands	The Netherlands	NXPI	Nasdaq https://www.nasdaq.com/market-activity/stocks/nxpi	NXP Semiconductors NV operates as a global semiconductor company. The Company designs semiconductors and software for mobile communications, consumer electronics, security applications, in-car entertainment, and networking. NXP offers its products to the automotive, identification, wireless infrastructure, lighting, mobile, and computing applications. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://www.nxp.com/company/about-nxp/investor-relations:INVESTOR-RELATIONS
QUALCOMM Incorporated	5775 Morehouse Drive, San Diego,	United States of America	QCOM	Nasdaq	QUALCOMM Incorporated operates as a multinational semiconductor and

	California 92121, United States			https://www.nasdaq.com/market-activity/stocks/qcom	telecommunications equipment company. The Company develops and delivers digital wireless communications products and services based on CDMA digital technology. Qualcomm serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at https://investor.qualcomm.com/overview/
Riot Platforms, Inc.	3855 Ambrosia Street, Suite 301, Castle Rock, Colorado 80109, United States	United States of America	RIOT	Nasdaq https://www.nasdaq.com/market-activity/stocks/riot	Riot Platforms, Inc. operates as a bitcoin mining company. The company focuses on buying cryptocurrency and blockchain businesses, as well as supporting blockchain technology companies. Riot Platforms serves clients worldwide. As of 31 March 2026, Riot Platforms, Inc. reported holding 15,679 bitcoin. Further information on the issuer of the Reference Asset can be found at https://www.riotplatforms.com/overview/
Texas Instruments Incorporated	12500 TI Boulevard, Dallas, Texas 75243, United States	United States of America	TXN	Nasdaq https://www.nasdaq.com/market-activity/stocks/txn	Texas Instruments Incorporated operates as a semiconductor design and manufacturing company. The Company develops analog ICs and embedded processors. Texas Instruments serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset.

					Further information on the issuer of the Reference Asset can be found at https://investor.ti.com/
Gemini Space Station, Inc	600 Third Avenue 2nd Floor New York NY 10016	United States of America	GEMI	Nasdaq https://www.nasdaq.com/market-activity/stocks/gemi	Gemini Space Station, Inc provides fintech solutions. The Company offers cryptocurrency trading, custody, and related digital asset services, and its business is directly tied to the activity and liquidity of crypto markets Further information on the issuer of the Reference Asset can be found at: https://investors.gemini.com/
Oracle Corporation	2300 Oracle Way Austin Texas 78741	United States of America	ORCL	New York Stock Exchange https://www.nyse.com/quote/XNYS:ORCL	Oracle Corporation supplies software for enterprise information management. The Company offers databases and relational servers, application development and decision support tools, and enterprise business applications. Oracle's software runs on network computers, personal digital assistants, set-top devices, PCs, workstations, minicomputers, mainframes, and massively parallel computers. Further information on the issuer of the Reference Assets can be found at: https://investor.oracle.com/home/default.aspx
Rocket Lab Corporation	3881 McGowen Street Long Beach, California	United States of American	RKLB	Nasdaq https://www.nasdaq.com/market-activity/stocks/rklb	Rocket Lab Corporation operates as a space company. The Company supplies, designs, and manufactures satellites, subsystems, and spacecraft components for the commercial, civil, and defense markets. Rocket Lab serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.rocketlabcorp.com/

					RKLB
Rigetti Computing Inc.	775 Heinz Avenue Berkeley California	United States of America	RGTI	Nasdaq https://www.nasdaq.com/market-activity/stocks/rgti	Rigetti Computing, Inc. is an integrated systems company. The company designs and develops quantum computers and superconducting quantum processors using artificial intelligence and machine learning solutions. Further information on the issuer of the Reference Asset can be found at: https://investors.rigetti.com/
NuScale Power Corporation	100 NE Circle Blvd., Suite 350 Corvallis, OR	United States of America	SMR	New York Stock Exchange https://www.nyse.com/quote/XNYS:SMR	NuScale Power Corporation is the industry-leading provider of proprietary and innovative small modular reactor (SMR) technology. The company's is to help power the global energy transition by delivering reliable, carbon-free nuclear power. Further information on the issuer of the Reference Asset can be found at: https://www.nuscalepower.com/investors
Joby Aviation	Joby Aviation, Inc. 333 Encinal St Santa Cruz , CA 95060	United States of America	JOBY	New York Stock Exchange https://www.nyse.com/quote/XNYS:JOBY	Joby Aviation, Inc,. is an air mobility company. The company builds fully electric vertical takeoff and landing aircraft to be used to deliver air transportation as a service. Further information on the Reference Asset can be found at: https://ir.jobyaviation.com/
D-Wave Quantum Inc.	2650 East Bayshore Road Palo Alto, California 94303	United States of America	QBTS	New York Stock Exchange https://www.nyse.com/quote/XNYS:QBTS	D-Wave Quantum Inc. provides computer and hardware products. The company offers quantum computing systems, software, developer tools and services to enterprises, governments, laboratories and financial institutions.

					Further information on the Reference Asset can be found at: https://www.dwavequantum.com/
Nebius Group N.V.	Schiphol Boulevard 165 Schiphol Netherlands 1118 BG	Netherlands	NBIS	Nasdaq https://www.nasdaq.com/market-activity/stocks/nbis	Neibus Group N.V. is a technology company. The company provides a cloud platform designed to build artificial intelligence workloads for AI builders. Further information on the Reference Asset can be found at: https://nebius.com/
Oklo Inc.	3190 Coronado Dr Santa Clara CA 95054	United States of America	OKLO	New York Stock Exchange https://www.nyse.com/quote/XNYS:OKLO	Oklo Inc. provides nuclear fission reactors which can be fueled by recycled waste. The company designs and deploys fission power plants to provide clean, reliable and affordance energy. Further information on the Reference Asset can be found at: https://www.oklo.com/overview/default.aspx
SanDisk Corporation	951 Sandisk Drive Milpitas California 95035	United States of America	SNDK	Nasdaq https://www.nasdaq.com/market-activity/stocks/sndk	SanDisk LLC designs, develops and manufactures data storage solutions. The company offers memory cards and readers, flash drives, digital media players and other related components. Further information on the Reference Asset can be found at: https://investor.sandisk.com/
Cerebras Systems Inc.	1237 E. Arques Avenue	United States of America	CBRS	Nasdaq https://www.nasdaq.com/market-activity/stocks/cbrs	Cerebras Systems Inc. is an artificial intelligence infrastructure company. The Company designs and manufactures an AI compute platform comprised of proprietary systems and software that is delivered

	Sunnyvale California 94085				in standard racks for deployment in data centers up to supercomputer scale. Cerebras Systems serves customers in the United States. Further information can be found at: https://investors.cerebras.ai/
SK hynix Inc.	2091, Gyeongchung-daero, Bubal-eup, Icheon-si, Gyeonggi-do 17336, Republic of Korea	Republic of Korea	000660	Korea Exchange* https://www.google.com/finance/beta/quote/000660:KRX	SK hynix Inc. is a global semiconductor company that designs, manufactures and sells memory semiconductors, principally dynamic random-access memory ("DRAM") NAND flash memory, together with multi-chip packages, solid-state drives and CMOS image sensors. SK hynix is one of the world's largest memory semiconductor suppliers and DRAM and NAND flash suppliers. SK hynix is a major global supplier of high-bandwidth memory ("**HBM**") used in artificial-intelligence accelerator hardware. Further information on the Reference Asset can be found at: https://www.skhynix.com/
Space Exploration Technologies Corp.	1 Rocket Rd, Starbase, TX 78521	United States of America	SPCX	Nasdaq https://www.nasdaq.com/market-activity/stocks/spcx	SpaceX is an American aerospace and satellite communications company that designs, manufactures and launches rockets and spacecraft and operates the Starlink satellite broadband network and related satellite communications services, including services provided to governmental and defence customers under the "Starshield" programme. Through its launch services and satellite communications businesses, SpaceX provides orbital launch services and broadband connectivity solutions to commercial, governmental and consumer customers. SpaceX is also developing the "Starship" fully reusable launch system and related human spaceflight capabilities. SpaceX serves customers worldwide. SpaceX has exposure to digital assets by virtue of holding bitcoin on its balance sheet. The company has ownership of and control over its digital assets, which consist of bitcoin, and utilises, and expects to

					continue to utilise, third-party custodians to hold its bitcoin. As at 31 December 2025, SpaceX reported a holding of 18,712 bitcoin. Further information on the issuer of the Reference Asset can be found at: https://www.spacex.com
STMicroelectronics N.V.	39, Chemin du Champ des Filles, 1228 Plan-les-Ouates, Geneva, Switzerland	The Netherlands	STM	NYSE https://www.nyse.com/quote/XNYS:STM	STMicroelectronics N.V. designs, develops, manufactures and markets semiconductor products, including discrete and standard commodity components, application-specific integrated circuits, custom devices, microcontrollers, power semiconductors and sensors. The company serves the automotive, industrial, personal electronics and communications equipment markets worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.st.com
Synopsys, Inc.	675 Almanor Avenue, Sunnyvale, CA 94085, United States	United States of America	SNPS	Nasdaq https://www.nasdaq.com/market-activity/stocks/snps	Synopsys, Inc. supplies electronic design automation software used to design and test integrated circuits. The company also provides semiconductor intellectual property and related design services. Synopsys serves the semiconductor and electronics industries worldwide. Further information on the issuer of the Reference Asset can be found at: https://investor.synopsys.com
Monolithic Power Systems, Inc.	5808 Lake Washington Blvd. NE, Kirkland, WA 98033, United States	United States of America	MPWR	Nasdaq https://www.nasdaq.com/market-activity/stocks/mpwr	Monolithic Power Systems, Inc. designs and manufactures semiconductor-based power electronics solutions, including power management

					integrated circuits for computing and storage, enterprise data, automotive, industrial, communications and consumer applications. The company serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.monolithicpower.com
GlobalFoundries Inc.	400 Stonebreak Road Extension, Malta, NY 12020, United States	Cayman Islands	GFS	Nasdaq https://www.nasdaq.com/market-activity/stocks/gfs	GlobalFoundries Inc. operates as a semiconductor foundry, manufacturing integrated circuits based on customers' designs across feature-rich process technology nodes. The company's chips are used in smart mobile devices, automotive, communications infrastructure, data centers, internet of things and other applications. GlobalFoundries serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.gf.com
Coherent Corp.	375 Saxonburg Boulevard, Saxonburg, PA 16056, United States	United States of America	COHR	New York Stock Exchange https://www.nyse.com/quote/XNYS:COHR	Coherent Corp. develops, manufactures and markets engineered materials, optoelectronic components, lasers and optical networking products for the industrial, communications, electronics and instrumentation markets, including optical transceivers used in data center and telecommunications networks. Coherent serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency

					mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.coherent.com/company/investor-relations
Credo Technology Group Holding Ltd	110 Rio Robles, San Jose, CA 95134, United States	Cayman Islands	CRDO	Nasdaq https://www.nasdaq.com/market-activity/stocks/crdo	Credo Technology Group Holding Ltd provides high-speed connectivity solutions for data infrastructure, including active electrical cables, optical digital signal processors, serialiser/deserialiser (SerDes) chiplets and licensed intellectual property. The company's products are deployed in hyperscale data centers and artificial intelligence infrastructure. Credo serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.credosemi.com
Core Scientific, Inc.	210 Barton Springs Road, Suite 300, Austin, TX 78704, United States	United States of America	CORZ	Nasdaq https://www.nasdaq.com/market-activity/stocks/corz	Core Scientific, Inc. owns and operates dedicated, purpose-built digital infrastructure facilities in North America. The company provides digital asset mining (principally bitcoin self-mining), hosting services and high-performance computing and artificial intelligence data center infrastructure services. Core Scientific's business and financial results are materially exposed to cryptocurrency markets, including bitcoin prices, network hash rate and mining difficulty, transaction fees and power costs, and the company may hold bitcoin produced by its mining operations on its balance sheet. As of 31 December 2025, Core Scientific, Inc. reported a total holding of 2,537 bitcoin.

					Further information on the issuer of the Reference Asset can be found at: https://investors.corescientific.com
Nokia Corporation	Karakaari 7, 02610 Espoo, Finland	Finland	NOKIA	Nasdaq Helsinki https://www.nasdaq.com/fi/european-market-activity/shares/nokia?id=TX50063	Nokia Corporation provides network infrastructure, mobile network equipment, and cloud and network services. The company supplies fixed, mobile and optical network solutions to communications service providers, enterprises and data center operators worldwide, and licenses its patent portfolio and technologies through Nokia Technologies. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.nokia.com/about-us/investors/
ServiceNow, Inc.	2225 Lawson Lane, Santa Clara, CA 95054, United States	United States of America	NOW	New York Stock Exchange https://www.nyse.com/quote/XNYS:NOW	ServiceNow, Inc. provides a cloud-based platform for digital workflows. The company's Now Platform enables organisations to automate and streamline workflows across information technology, employee, customer and creator functions. ServiceNow serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.servicenow.com
Dell Technologies Inc.	One Dell Way, Round Rock, TX 78682, United States	United States of America	DELL	New York Stock Exchange https://www.nyse.com/quote/XNYS:DELL	Dell Technologies Inc. designs, develops, manufactures and sells information technology hardware, software and services, including servers, storage, networking products, personal computers, monitors and peripherals. The company's infrastructure solutions, including servers optimised for artificial intelligence workloads, are used in enterprise and data center environments worldwide.

					The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.delltechnologies.com
International Business Machines Corporation	One New Orchard Road, Armonk, NY 10504, United States	United States of America	IBM	New York Stock Exchange https://www.nyse.com/quote/XNYS:IBM	International Business Machines Corporation provides integrated solutions and services, including hybrid cloud, artificial intelligence, software, consulting and infrastructure. The company offers enterprise software, information technology consulting and mainframe and server infrastructure, and conducts research and development in areas including semiconductors and quantum computing. IBM serves customers worldwide. IBM provides blockchain-related platforms and services to enterprise customers. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.ibm.com/investor/
Cisco Systems, Inc.	170 West Tasman Drive, San Jose, CA 95134, United States	United States of America	CSCO	Nasdaq https://www.nasdaq.com/market-activity/stocks/csco	Cisco Systems, Inc. designs, manufactures and sells networking and communications products and services, including switching, routing, wireless, security, collaboration and observability solutions. The company's networking infrastructure is used in enterprise, service provider and data center environments worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset.

					Further information on the issuer of the Reference Asset can be found at: https://investor.cisco.com
Vertiv Holdings Co	505 N. Cleveland Avenue, Westerville, OH 43082, United States	United States of America	VRT	New York Stock Exchange https://www.nyse.com/quote/XNYS:VRT	Vertiv Holdings Co designs, manufactures and services critical digital infrastructure technologies, including power management, thermal management (cooling) and monitoring and management solutions for data centers, communication networks and commercial and industrial facilities. Vertiv serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.vertiv.com
Modine Manufacturing Company	1500 DeKoven Avenue, Racine, WI 53403, United States	United States of America	MOD	New York Stock Exchange https://www.nyse.com/quote/XNYS:MOD	Modine Manufacturing Company develops, manufactures and markets thermal management products and systems, including data center cooling solutions, heat transfer technology, heating, ventilation and air conditioning equipment and performance technologies for vehicular applications. Modine serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.modine.com
Western Digital Corporation	5601 Great Oaks Parkway, San Jose, CA 95119, United States	United States of America	WDC	Nasdaq https://www.nasdaq.com/market-activity/stocks/wdc	Western Digital Corporation develops, manufactures and sells data storage devices and solutions, principally hard disk drives and storage platforms used in cloud and enterprise data centers

					and by consumers. Western Digital serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investor.wdc.com
Constellation Energy Corporation	1310 Point Street, Baltimore, MD 21231, United States	United States of America	CEG	Nasdaq https://www.nasdaq.com/market-activity/stocks/ceg	Constellation Energy Corporation generates and sells electricity, operating the largest fleet of nuclear power plants in the United States alongside hydro, wind and solar generation assets, and supplies power, natural gas and energy management services to households, businesses and public sector customers. The company supplies electricity and energy infrastructure that may be used to power data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.constellationenergy.com
NextEra Energy, Inc.	700 Universe Boulevard, Juno Beach, FL 33408, United States	United States of America	NEE	New York Stock Exchange https://www.nyse.com/quote/XNYS:NEE	NextEra Energy, Inc. generates, transmits, distributes and sells electric power. Through Florida Power & Light Company, the company serves retail and wholesale customers in Florida, and through NextEra Energy Resources it is one of the world's largest generators of renewable energy from wind and solar, together with battery storage and nuclear generation. The company supplies electricity and energy infrastructure that may be used to power data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset.

					Further information on the issuer of the Reference Asset can be found at: https://www.investor.nexteraenergy.com
GE Vernova Inc.	58 Charles Street, Cambridge, MA 02141, United States	United States of America	GEV	New York Stock Exchange https://www.nyse.com/quote/XNYS:GEV	GE Vernova Inc. is an energy equipment manufacturing and services company. The company operates through Power (gas, nuclear, hydro and steam power technologies), Wind (onshore and offshore wind turbines) and Electrification (grid solutions, power conversion, solar and storage solutions) segments. GE Vernova serves customers worldwide. The company supplies electricity and energy infrastructure that may be used to power data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.gevernova.com/investors
Eaton Corporation plc	Eaton House, 30 Pembroke Road, Dublin 4, Ireland	Ireland	ETN	New York Stock Exchange https://www.nyse.com/quote/XNYS:ETN	Eaton Corporation plc operates as an intelligent power management company. The company provides electrical components and systems for power quality, distribution and control, including solutions for data centers, as well as aerospace fuel, hydraulics and electrical systems, and vehicle drivetrain and powertrain systems. Eaton serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.eaton.com/us/en-us/company/investor-relations.html

Quanta Services, Inc.	2727 North Loop West, Houston, TX 77008, United States	United States of America	PWR	New York Stock Exchange https://www.nyse.com/quote/XNYS:PWR	Quanta Services, Inc. provides specialty contracting services, delivering infrastructure solutions for the electric power, renewable energy, communications, and pipeline and energy industries, including the engineering and construction of electric transmission and distribution networks and substations. Quanta Services serves customers primarily in North America. The company builds and services electric power and communications infrastructure that may be used to support data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.quantaservices.com
Vistra Corp.	6555 Sierra Drive, Irving, TX 75039, United States	United States of America	VST	New York Stock Exchange https://www.nyse.com/quote/XNYS:VST	Vistra Corp. operates as an integrated retail electricity and power generation company, with a generation fleet comprising nuclear, natural gas, coal, solar and battery energy storage facilities. The company serves residential, commercial and industrial customers across the United States. The company supplies electricity and energy infrastructure that may be used to power data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investor.vistracorp.com
Applied Optoelectronics, Inc.	13139 Jess Pirtle Boulevard, Sugar Land, TX 77478, United States	United States of America	AAOI	Nasdaq https://www.nasdaq.com/market-activity/stocks/aaoi	Applied Optoelectronics, Inc. designs and manufactures fiber-optic networking products, including optical transceivers, lasers and equipment used in internet data center, cable television broadband, telecommunications and fiber-to-the-home networks. The company serves customers worldwide.

					The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investors.ao-inc.com
AST SpaceMobile, Inc.	Midland International Air & Space Port, 2901 Enterprise Lane, Midland, TX 79706, United States	United States of America	ASTS	Nasdaq https://www.nasdaq.com/market-activity/stocks/asts	AST SpaceMobile, Inc. is building a space-based cellular broadband network designed to be accessible directly by standard mobile phones. The company designs and manufactures its satellites and partners with mobile network operators to provide connectivity to end users. AST SpaceMobile serves markets worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.ast-science.com
Lumentum Holdings Inc.	1001 Ridder Park Drive, San Jose, CA 95131	United States of America	LITE	Nasdaq https://www.nasdaq.com/market-activity/stocks/lite	Lumentum Holdings Inc. manufactures optical and photonic products, including optical transceivers, components and subsystems for cloud data center, networking and telecommunications applications, as well as commercial lasers for manufacturing and 3D sensing technology. Lumentum serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investor.lumentum.com
AXT, Inc.	4281 Technology Drive, Fremont, CA 94538, United States	United States of America	AXTI	Nasdaq https://www.nasdaq.com/market-activity/stocks/axti	AXT, Inc. designs, develops and manufactures compound and single element semiconductor substrates, including indium phosphide, gallium arsenide and germanium substrates used in data center connectivity, wireless devices, fiber optic

					lasers and detectors, light emitting diodes and sensors. AXT serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.axt.com
Bloom Energy Corporation	4353 North First Street, San Jose, CA 95134, United States	United States of America	BE	New York Stock Exchange https://www.nyse.com/quote/XNYS:BE	Bloom Energy Corporation designs, manufactures and sells solid-oxide fuel cell systems for on-site power generation. The company's Energy Server platform provides resilient electric power to data centers, utilities and commercial and industrial customers, and the company also develops electrolysers for hydrogen production. The company supplies electricity and energy infrastructure that may be used to power data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investor.bloomenergy.com
Redwire Corporation	8226 Philips Highway, Suite 101, Jacksonville, FL 32256, United States	United States of America	RDW	New York Stock Exchange https://www.nyse.com/quote/XNYS:RDW	Redwire Corporation provides space infrastructure. The company designs and manufactures spacecraft platforms, solar arrays, sensors, avionics, robotic systems and in-space manufacturing technologies for national security, civil and commercial space customers, as well as uncrewed airborne systems. Redwire serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://ir.redwirespace.com

Corning Incorporated	One Riverfront Plaza, Corning, NY 14831, United States	United States of America	GLW	New York Stock Exchange https://www.nyse.com/quote/XNYS:GLW	Corning Incorporated manufactures specialty glass, ceramics and related materials. The company operates through Optical Communications (optical fiber, cable and connectivity solutions for carrier and data center networks), Display Technologies, Specialty Materials, Environmental Technologies and Life Sciences segments. Corning serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.corning.com/worldwide/en.html
Applied Digital Corporation	3811 Turtle Creek Boulevard, Suite 2100, Dallas, TX 75219, United States	United States of America	APLD	Nasdaq https://www.nasdaq.com/market-activity/stocks/apld	Applied Digital Corporation designs, develops and operates digital infrastructure, providing purpose-built data centers for high-performance computing and artificial intelligence applications, as well as cloud services. The company has historically provided hosting services to cryptocurrency mining customers, and a portion of its business remains exposed to demand from blockchain and digital asset-related operations. Applied Digital Corporation has exposure to cryptocurrency markets through the provision of hosting services to cryptocurrency mining customers. Further information on the issuer of the Reference Asset can be found at: https://ir.applieddigital.com
POET Technologies Inc.	120 Eglinton Avenue East, Suite 1107, Toronto, Ontario M4P 1E2, Canada	Canada	POET	Nasdaq https://www.nasdaq.com/market-activity/stocks/poet	POET Technologies Inc. designs and develops photonic integrated circuits based on its proprietary optical interposer platform, enabling the integration of electronic and photonic devices for data center,

					artificial intelligence and telecommunications applications. POET serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.poet-technologies.com/investors
Adobe Inc.	345 Park Avenue, San Jose, CA 95110-2704, United States	United States of America	ADBE	Nasdaq https://www.nasdaq.com/market-activity/stocks/adbe	Adobe Inc. operates as a diversified software company. The company offers products and services for creating, managing, delivering, measuring and optimising digital content and experiences, including its Creative Cloud, Document Cloud and Experience Cloud offerings. Adobe serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://www.adobe.com/investor-relations.html
Ondas Holdings Inc.	222 Lakeview Avenue, Suite 800, West Palm Beach, FL 33401	United States of America	ONDS	Nasdaq https://www.nasdaq.com/market-activity/stocks/onds	Ondas Holdings Inc. provides private wireless data networks and commercial drone solutions. Through Ondas Networks, the company develops software-defined wireless networking technology for industrial and critical infrastructure markets, and through its autonomous systems business it provides autonomous drone and counter-drone solutions. Ondas serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://ir.ondas.com
MediaTek Inc.	No. 1, Dusing 1st Road, Hsinchu Science Park, Hsinchu 30078, Taiwan	Taiwan	2454	Taiwan Stock Exchange* https://www.google.com/finance/beta/quote/2454:TPE	MediaTek Inc. designs, develops and markets fabless semiconductor system-on-chip solutions for wireless communications, smartphones, smart home, connectivity and multimedia products. The company's chipsets power mobile devices, smart televisions, voice assistant devices and other consumer electronics. MediaTek serves customers

					worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://corp.mediatek.com/investor-relations
Tokyo Electron Limited	Akasaka Biz Tower, 3-1 Akasaka 5-chome, Minato-ku, Tokyo 107-6325, Japan	Japan	8035	Tokyo Stock Exchange* https://www.google.com/finance/quote/8035:TYO	Tokyo Electron Limited develops, manufactures and sells semiconductor production equipment and flat panel display production equipment. The company's products are used in wafer processing steps including deposition, coating and development, etching and cleaning. Tokyo Electron serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.tel.com/ir/
Semiconductor Manufacturing International Corporation	18 Zhangjiang Road, Pudong New Area, Shanghai 201203, China	Cayman Islands	981	Hong Kong Stock Exchange https://www.hkex.com.hk/Market-Data/Securities-Prices/Equities/Equities-Quote?sym=981&sc_lang=en	Semiconductor Manufacturing International Corporation is an investment holding company that, through its subsidiaries, provides semiconductor foundry services, manufacturing integrated circuits on a contract basis based on customers' designs. The company also provides design services, mask manufacturing, wafer probing, and assembly and testing services. The company serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.smics.com/en/
Alchip Technologies, Limited	9F, No. 12, Wenhu Street, Neihu District, Taipei 114, Taiwan	Cayman Islands	3661	Taiwan Stock Exchange* https://www.google.com/finance/quote/3661:TPE	Alchip Technologies, Limited provides application-specific integrated circuit (ASIC) design and manufacturing services, specialising in high-performance computing and artificial intelligence

					ASICs. The company provides silicon design, intellectual property integration and turnkey manufacturing management services to fabless companies, system houses and cloud providers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.alchip.com
Nanya Technology Corporation	No. 98, Nanlin Rd., Taishan Dist., New Taipei City 243, Taiwan	Taiwan	2408	Taiwan Stock Exchange* https://www.google.com/finance/quote/2408:TPE	Nanya Technology Corporation manufactures and sells dynamic random access memory (DRAM) semiconductors used in consumer electronics, mobile devices, servers and automotive and industrial applications. The company serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.nanya.com
Winbond Electronics Corporation	No. 8, Keya 1st Road, Daya District, Central Taiwan Science Park, Taichung City 428303, Taiwan	Taiwan	2344	Taiwan Stock Exchange* https://www.google.com/finance/quote/2344:TPE	Winbond Electronics Corporation designs, manufactures and sells specialty memory integrated circuits, including specialty DRAM, mobile DRAM and code storage flash memory products. The company serves the consumer electronics, communications, computing, automotive and industrial markets worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.winbond.com
Kioxia Holdings Corporation	3-1-21 Shibaura, Minato-ku, Tokyo 108-0023, Japan	Japan	285A	Tokyo Stock Exchange* https://www.google.com/finance/quote/285A:TYO	Kioxia Holdings Corporation develops, manufactures and sells flash memory and solid-state drives. The company supplies NAND flash memory and SSD products for smartphones,

					personal computers, enterprise servers and data centers. Kioxia serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.kioxia-holdings.com
Anthropic, PBC	500 Howard Street, San Francisco, California 94105, United States of America	United States of America	Not applicable	Not applicable	Anthropic, PBC is an artificial intelligence research and technology company which develops and commercialises large language models and related artificial intelligence systems under the "Claude" family of models. Anthropic, PBC provides products and services to consumer, enterprise, developer and governmental customers through proprietary interfaces, application programming interfaces and enterprise software integrations, and through strategic partnerships with cloud computing providers and software platforms. The issuer does not report holding cryptocurrency as a treasury reserve asset. As at the date of this Base Prospectus, Anthropic, PBC is privately held. On June 1 2026, Anthropic, PBC announced that it had confidentially submitted a draft registration statement on Form S-1 to the Securities Exchange Commission (the "**SEC**") in connection with a proposed initial public offering of its Class A common stock. On 26 October 2026, Anthropic, PBC publicly filed a registration statement on Form S-1 with the SEC in connection with the proposed initial public offering and has applied to list its Class A common stock on the Nasdaq Global Select Market under the symbol "ANT". As at the date of this Base Prospectus, the registration statement has not been declared effective by the SEC. Further information can be found at: https://www.anthropic.com/

Astera Labs, Inc.	2345 North First Street San Jose, CA 95131 United States	United States of America	ALAB	Nasdaq https://www.nasdaq.com/market-activity/stocks/alab	Astera Labs, Inc. provides purpose-built semiconductor-based connectivity solutions for rack-scale artificial intelligence infrastructure. Its Intelligent Connectivity Platform comprises high-speed connectivity integrated circuits, modules and boards, together with its COSMOS connectivity-management and optimisation software. The company's products support scale-up and scale-out connectivity across PCIe®, Compute Express Link™ (CXL®), Ethernet, NVLink Fusion™ and UALink™ architectures, enabling the movement of data between processors, accelerators, memory and network devices in cloud and AI systems. Astera Labs serves hyperscale cloud providers and other data-centre infrastructure customers worldwide. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.asteralabs.com/
Ciena Corporation	7035 Ridge Road Hanover, Maryland 21076 United States	United States of America	CIEN	New York Stock Exchange https://www.nyse.com/quote/XNYS:CIEN	Ciena Corporation provides networking systems, software and services for telecommunications networks, cloud providers and enterprise customers. The company supplies coherent optical transport, packet-optical networking platforms, routing and switching systems, network-control and automation software, and related professional and support services. Ciena's products are used to transmit, route, aggregate, manage and optimise data, video and voice traffic across communications networks, including high-capacity data-centre interconnect and service-provider networks. Ciena serves customers worldwide. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.ciena.com/

MACOM Technology Solutions Holdings, Inc.	100 Chelmsford Street Lowell, MA 01851 United States	United States of America	MTSI	Nasdaq https://www.nasdaq.com/market-activity/stocks/mtsi	MACOM Technology Solutions Holdings, Inc. designs and manufactures analogue, radio-frequency, microwave, millimetre-wave and optical semiconductor products. The company's portfolio includes integrated circuits, multi-chip modules, diodes, amplifiers, switches, passive and active components and subsystems used in telecommunications, data-centre, industrial and defence applications. MACOM's optical networking products support high-speed fibre-optic communications, including components used in optical transmitters, receivers and related communications infrastructure. MACOM serves customers worldwide. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://ir.macom.com/
Take-Two Interactive Software, Inc.	110 W 44th St, New York, NY 10036, United States	United States of America	TTWO	Nasdaq https://www.nasdaq.com/market-activity/stocks/ttwo	Take-Two Interactive Software, Inc. develops, publishes and markets interactive entertainment for consumers worldwide. The company operates through its labels Rockstar Games, 2K and Zynga. Its portfolio includes console and PC franchises such as Grand Theft Auto, Red Dead Redemption, NBA 2K and WWE 2K, as well as free-to-play mobile games. Take-Two's products are available on video game consoles, personal computers and mobile devices. They are distributed through physical retail, digital download, online platforms and cloud streaming services. The company earns revenue from game sales, in-game purchases, virtual currency and advertising. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.take2games.com/

Fabrinet	c/o Walkers Corporate Ltd., 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands	Cayman Islands	FN	New York Stock Exchange https://www.nyse.com/quote/XNYS:FN	Fabrinet provides advanced optical packaging and precision optical, electro-mechanical and electronic manufacturing services to original equipment manufacturers of complex products. The company's products and services include optical communication components, modules and subsystems, such as optical transceivers used in data-centre and telecommunications networks, including networks supporting artificial intelligence infrastructure, as well as industrial lasers, automotive components, medical devices and sensors. Fabrinet's principal manufacturing operations are located in Thailand. Fabrinet serves customers worldwide. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://investor.fabrinet.com/
Tower Semiconductor Ltd.	Ramat Gavriel Industrial Park, P.O. Box 619, Migdal Haemek 2310502, Israel	Israel	TSEM	Nasdaq https://www.nasdaq.com/market-activity/stocks/tsem	Tower Semiconductor Ltd. operates as an independent specialty foundry, manufacturing analogue integrated circuits for customers on a contract basis. The company provides technology, development and process platforms, including radio-frequency, high-performance analogue, power management, image sensor, mixed-signal and silicon photonics technologies, for customers in the consumer, industrial, automotive, mobile, infrastructure, medical and aerospace and defence markets. Tower's silicon photonics platform is used in the manufacture of high-speed optical transceivers for data-centre and artificial intelligence infrastructure. Tower operates manufacturing facilities in Israel, the United States and Japan and serves customers worldwide. Tower's ordinary shares are also listed on the Tel Aviv Stock Exchange. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at:

					https://www.towersemi.com/

* The Korea Exchange, the Taiwan Stock Exchange and the Tokyo Stock Exchange are not regulated or equivalent markets for the purposes of the Prospectus Regulation. Where a Reference Asset is admitted to trading on an exchange or trading venue which is not a regulated or equivalent market for the purposes of the Prospectus Regulation, the Issuer has provided extensive disclosure in respect of the issuer of that Reference Asset in this section.

Additional information on Samsung Electronics Co., Ltd and SK hynix Inc.

Samsung Electronics and SK hynix are equity security Reference Assets listed on KRX, which is not a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. The Issuer has therefore provided extensive disclosure below on Samsung Electronics and SK hynix in accordance with the requirements of the Prospectus Regulation.

Samsung Electronics Co., Ltd.

Samsung Electronics is a global electronics company organised in two business divisions, the Device eXperience (DX) Division (which produces televisions, monitors, refrigerators, washing machines, air conditioners, smartphones, tablets, wearables, network systems and computers) and the Device Solutions (DS) Division (which produces DRAM, NAND flash and mobile application processors), together with its subsidiaries Samsung Display Co., Ltd. (which manufactures display panels, including mobile OLED panels) and Harman International Industries, Incorporated (which produces digital cockpits, car audio and portable speakers). As of 31 December 2025, Samsung Electronics had 228 consolidated subsidiaries worldwide.

Samsung Electronics' common shares are listed on the Korea Exchange (KRX) at https://global.krx.co.kr/main/main.jsp.

Samsung Electronics was incorporated on 13 January 1969 under the laws of the Republic of Korea, and listed its common shares on the Korea Stock Exchange (now part of the Korea Exchange) on 11 June 1975.

Samsung Electronics' principal executive offices are located at 129, Samsung-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do 16677, Republic of Korea and its telephone number is +82-31-200-1114. Samsung Electronics' LEI number is 9884007ER46L6N7EI764.

As at the date of this Base Prospectus, Samsung Electronics has been assigned a long-term issuer rating of Aa2 with a stable outlook from Moody's and a long-term foreign-currency issuer rating of AA– with a stable outlook from S&P Global Ratings. Fitch Ratings has also assigned Samsung Electronics a long-term foreign-currency issuer rating of AA– with a stable outlook.

As at the date of this Base Prospectus, the directors of Samsung Electronics are:
Je-Yoon Shin (Chairman)
Young-Hyun Jun (CEO, DS Division)
Tae-Moon (TM) Roh (CEO, DX Division)
Jun-Sung Kim
Eunnyeong Heo

Hyuk-Jae Lee
Hye-Kyung Cho
Yong Kwan Kim

Samsung Electronics' management committee consists of the following:
Young-Hyun Jun
Tae-Moon (TM) Roh
Yong Kwan Kim

The business address of each of the persons named above, in their capacity as such, is Samsung Electronics' principal executive offices as set out above. So far as the Issuer is aware and is able to ascertain from information published by Samsung Electronics, the principal activities performed by those persons outside Samsung Electronics which are significant with respect to Samsung Electronics are as follows: Hyuk-Jae Lee is Director of the Inter-university Semiconductor Research Center and Chief Executive Officer of the Seoul National University System-IC Industry Promotion Center; and Hye-Kyung Cho is an Independent Director of Hyundai Engineering & Construction. Save as set out above, the Issuer is not aware of any such activities.

As far as the Issuer is able to ascertain from information published by Samsung Electronics, there are no conflicts of interest between members of the administrative, management and supervisory bodies of Samsung Electronics and the private interests of such members.

Samsung Electronics' auditors are KPMG Samjong Accounting Corp.

Samsung Electronics' latest annual reports for the years ended December 31, 2024 and 2025 are available on Samsung Electronics' website at the links below and are incorporated into and form part of this Base Prospectus:

https://images.samsung.com/is/content/samsung/assets/global/ir/docs/2025_con_quarter04_all.pdf

(the "**Samsung Electronics Annual Reports**").

Any documents referred to or incorporated by reference into the Samsung Electronics Annual Reports shall not form part of this Base Prospectus. Any non-incorporated parts of the Samsung Electronics Annual Reports are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Samsung Electronics (a) there has been no material adverse change in the prospects of Samsung Electronics or its subsidiaries since 31 December 2025, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Samsung Electronics or its subsidiaries since 31 December 2025, the date of its last published financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Samsung Electronics, Samsung Electronics and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of antitrust and competition law, patent and other intellectual property disputes, product liability and tax. The Issuer is not aware, on the basis of publicly available information, of any such proceedings

(including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Samsung Electronics as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Samsung Electronics and its subsidiaries taken as a whole.

Samsung Electronics' website is https://www.samsung.com/global/ir/. Samsung Electronics' website does not form part of this Base Prospectus.

SK hynix Inc.

SK hynix is a global semiconductor company that designs, manufactures and sells memory semiconductors, principally dynamic random-access memory ("**DRAM**") and NAND flash memory, together with multi-chip packages, solid-state drives ("**SSDs**") and CMOS image sensors. SK hynix is one of the world's largest memory semiconductor suppliers and DRAM and NAND flash suppliers. SK hynix is a major global supplier of high-bandwidth memory ("**HBM**") used in artificial-intelligence accelerator hardware. SK hynix is a subsidiary of the SK Group, one of the largest business groups in the Republic of Korea.

SK hynix is listed on the Korea Exchange (KRX) at https://global.krx.co.kr/main/main.jsp.

SK hynix Inc. was originally incorporated in October 1949 under the laws of the Republic of Korea as Kukdo Construction Co., Ltd. The company commenced its semiconductor business in 1983 under the name Hyundai Electronics Industries Co., Ltd., later changing its name to Hynix Semiconductor Inc. in 2001 following its restructuring out of the Hyundai group, and subsequently to SK hynix Inc. in 2012 following its acquisition by SK Telecom Co., Ltd. In 2021, SK hynix acquired Intel Corporation’s NAND flash and SSD business and established its subsidiary Solidigm in connection with that acquisition.

SK hynix's principal executive offices are located at 2091, Gyeongchung-daero, Bubal-eup, Icheon-si, Gyeonggi-do 17336, Republic of Korea and its telephone number is +82-31-5185-4114. SK hynix's LEI number is 988400XAIK6XISWQV045.

As at the date of this Base Prospectus, SK hynix has a long-term issuer rating of Baa1 with a stable outlook from Moody's and a long-term foreign-currency issuer rating of BBB+ with a positive outlook from S&P Global Ratings.

As at the date of this Base Prospectus, the Directors of SK hynix are:

Ko Seung-Beom (Chairman of the Board)
Kwak Noh-Jung (Chief Executive Officer)
Cha Seon-Yong
Jang Yong-Ho
Kim Jung-Kyu
Jeong Deog-Kyoon
Kim Zeong-Won
Yang Dong-Hoon
Sohn Hyun-Chul
Choi Gang-Guk

SK hynix's senior management consists of the following:
Kwak Noh-Jung – Chief Executive Officer and President
Cha Seon-Yong – President and Head of Future Technology Research Institute

The business address of each of the persons named above, in their capacity as such, is SK hynix's principal executive offices as set out above. So far as the Issuer is aware and is able to ascertain from information published by SK hynix, the principal activities performed by those persons outside SK hynix which are significant with respect to SK hynix are as follows: Mr Jang Yong-Ho is President and Chief Executive Officer of SK Inc.; and Mr Kim Jung-Kyu is President and Chief Executive Officer of SK Square Co., Ltd., SK hynix's largest shareholder. Save as set out above, the Issuer is not aware of any such activities.

SK hynix conducts material transactions in the ordinary course of business with affiliated companies within the SK Group, and certain members of the Board of Directors hold senior executive positions within SK Group affiliates that are significant shareholders of, or counterparties to, SK hynix. Save as described above, and so far as the Issuer is able to ascertain from information published by SK hynix, there are no conflicts of interest between members of the administrative, management and supervisory bodies of SK hynix and the private interests of such members.

SK hynix's auditors are KPMG Samjong Accounting Corp.

The audited consolidated financial statements of SK hynix for the financial years ended 31 December 2025 and 31 December 2024, are attached as Appendix 3 to this Base Prospectus (the "**SK hynix Financial Statements**"). The SK hynix Financial Statements were prepared by SK hynix, which is a third party, and have been sourced from SK hynix's website. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by SK hynix, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The unaudited condensed consolidated interim financial statements of SK hynix for the six months ended 30 June 2026 are available at:

https://www.skhynix.com/ir/UI-FR-IR12_T4

(the "**SK hynix Interim Financial Statements**").

Only the financial information for the six months ended 30 June 2026 contained in the SK hynix Interim Financial Statements is incorporated by reference into, and forms part of, this Base Prospectus. The financial information for the periods ended 30 June 2025 and 31 December 2025, and all other parts of the SK hynix Interim Financial Statements, are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Any documents referred to or incorporated by reference into the SK hynix Interim Financial Statements shall not form part of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by SK hynix (a) there has been no material adverse change in the prospects of SK hynix or its subsidiaries since December 31st 2025, the date of its last published audited financial statements; and (b) save for the issue of 17,790,000 new shares of common stock in connection with the listing of American Depositary Receipts on the Nasdaq Global Select Market on 10 July 2026, for a total issue amount of USD 26,507,100,000, there has been no significant change in the financial position or financial performance of SK hynix or its subsidiaries since June 30th 2026, the date of its latest unaudited interim financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by SK hynix, SK hynix and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of antitrust and competition law, patent and other intellectual property disputes (in particular, ongoing patent and trade-secret disputes with other memory and semiconductor companies), product liability and tax. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by SK hynix as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of SK hynix and its subsidiaries taken as a whole.

SK hynix's website is https://www.skhynix.com/. SK hynix's website does not form part of this Base Prospectus.

Additional information on MediaTek Inc., Alchip Technologies, Limited, Nanya Technology Corporation and Winbond Electronics Corporation

MediaTek, Alchip, Nanya Technology and Winbond are equity security Reference Assets listed on the TWSE, which is not a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. The Issuer has therefore provided extensive disclosure below on MediaTek, Alchip, Nanya Technology and Winbond in accordance with the requirements of the Prospectus Regulation.

MediaTek Inc.

MediaTek is a global fabless semiconductor company that designs, develops and markets semiconductor products for a broad range of consumer, communications, computing and automotive applications. Its products include smartphone, connectivity, broadband, smart home and automotive chipsets, as well as solutions for data centre and artificial intelligence applications. MediaTek also licenses intellectual property and provides related design and technical support services.

MediaTek's common shares are listed on the TWSE under stock code 2454 at https://www.twse.com.tw/en/.

MediaTek was incorporated on 28 May 1997 under the laws of the Republic of China (Taiwan) and listed its common shares on the TWSE on 23 July 2001.

MediaTek's principal executive offices are located at No. 1, Dusing 1st Road, Hsinchu Science Park, Hsinchu City 300096, Taiwan and its telephone number is +886-3-567-0766. MediaTek's LEI number is 254900UEGBK1I4DM4E14.

As at the date of this Base Prospectus, MediaTek has not been assigned a long-term issuer credit rating by Moody's, S&P Global Ratings or Fitch Ratings.

As at the date of this Base Prospectus, the directors of MediaTek are:

Ming-Kai Tsai (Chairman)
Lih-Shyng (Rick) Tsai (Vice Chairman and Chief Executive Officer)
Joe Chen
Cheng-Yaw Sun
Chung-Yu Wu
Peng-Heng Chang

Syaru Shirley Lin
Yao-Wen Chang
Hsiao-Wuen Hon

MediaTek's senior management consists of the following:

Lih-Shyng (Rick) Tsai – Vice Chairman and Chief Executive Officer
Joe Chen – President and Chief Operating Officer
David Ku – Co-Chief Operating Officer, Corporate Executive Vice President, Chief Financial Officer and Spokesman
Kevin Jou – Corporate Executive Vice President and Chief Technology Officer
David Su – Corporate Senior Vice President and General Counsel

As far as the Issuer is able to ascertain from information published by MediaTek, there are no conflicts of interest between members of the administrative, management and supervisory bodies of MediaTek and the private interests of such members.

MediaTek's auditors are Ernst & Young, Taiwan.

MediaTek's latest financial statements for the years ended 31 December 2024 and 31 December 2025 are available on MediaTek's website at the link below and are incorporated into and form part of this Base Prospectus:

https://www.mediatek.com/hubfs/MediaTek%20Assets/Pdfs/Financial%20Reports/2025/Q4%20Consolidated%20Report.pdf

(the "**MediaTek Financial Statements**").

Any documents referred to or incorporated by reference into the MediaTek Financial Statements shall not form part of this Base Prospectus. Any non-incorporated parts of the MediaTek Financial Statements are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by MediaTek (a) there has been no material adverse change in the prospects of MediaTek or its subsidiaries since 31 December 2025, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of MediaTek or its subsidiaries since 31 December 2025, the date of its last published financial statements, to the date of this Base Prospectus.

MediaTek and its subsidiaries are involved, in the ordinary course of business, in governmental, legal and arbitration proceedings in a number of jurisdictions, including proceedings relating to patent and other intellectual property disputes, antitrust and competition matters, commercial contracts and tax matters. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by MediaTek as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of MediaTek and its subsidiaries taken as a whole.

MediaTek's website is https://www.mediatek.com/investor-relations. MediaTek's website does not form part of this Base Prospectus.

Alchip Technologies, Limited

Alchip is a fabless semiconductor company that provides silicon design and production services for application-specific integrated circuits ("ASICs") and system-on-chip ("SoC") products. Its services include semiconductor design, production services and silicon intellectual property integration, with a particular focus on artificial intelligence and high-performance computing applications. Alchip's products are also used in networking and telecommunications equipment, consumer electronics, medical devices and automotive applications. The company operates design centres and offices in Taiwan, Japan, the United States and the People's Republic of China.

Alchip's common shares are listed on the TWSE under stock code 3661 at https://www.twse.com.tw/en/.

Alchip Technologies, Limited was incorporated on 27 February 2003 as an exempted company with limited liability under the laws of the Cayman Islands. Alchip's shares were admitted to trading on the Taipei Exchange emerging stock market on 23 December 2010 and were listed on the main board of the TWSE on 28 October 2014.

Alchip's principal executive offices are located at 9F, No. 12, Wenhu Street, Neihu District, Taipei City 114061, Taiwan and its telephone number is +886-2-2799-2318. Alchip's LEI number is 529900HKE9RIY07SLX84.

As at the date of this Base Prospectus, Alchip has not been assigned a long-term issuer credit rating by Moody's, S&P Global Ratings or Fitch Ratings.

As at the date of this Base Prospectus, the directors of Alchip are:

Johnny Shyang-Lin Shen (Chairman)
Herbert Chang
Daniel Wang
Andrew Kuo
Jerry Tzou
Derek C.Y. Tien
Saria Tseng

Alchip's senior management consists of the following:

Johnny Shyang-Lin Shen – Chairman, President and Chief Executive Officer
Daniel Wang – Chief Financial Officer

Certain members of Alchip's Board of Directors hold directorships in other companies, including in the financial services sector. Under Taiwanese regulations governing securities investment trust enterprises, such appointments may cause Alchip to be treated as a related party of those companies, which may restrict the

ability of certain Taiwanese institutional investors to deal in Alchip's shares. Save as described above, and so far as the Issuer is able to ascertain from information published by Alchip, there are no conflicts of interest between members of the administrative, management and supervisory bodies of Alchip and the private interests of such members.

Alchip's auditors are Deloitte & Touche.

Alchip's independent auditors' reports for the years ended 31 December 2024 and 31 December 2025 (the "**Alchip Independent Auditors' Reports**") are attached as Appendix 4 to this Base Prospectus. The Alchip Independent Auditors' Reports were prepared by Alchip, which is a third party, and have been sourced from Alchip's website. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Alchip, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Alchip's financial statements for the years ended 31 December 2024 and 31 December 2025 are available on Alchip's website at the links below and are incorporated into and form part of this Base Prospectus:

https://www.alchip.com/upload/2025_09_30/3_20250930103934e7gb9fv2M0.pdf

(the "**Alchip Financial Statements**").

Any documents referred to or incorporated by reference into the Alchip Financial Statements shall not form part of this Base Prospectus. Any non-incorporated parts of the Alchip Financial Statements are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Alchip (a) there has been no material adverse change in the prospects of Alchip or its subsidiaries since 31 December 2025, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Alchip or its subsidiaries since 31 December 2025, the date of its last published financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Alchip, Alchip and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of commercial contracts, patent and other intellectual property disputes and tax. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Alchip as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Alchip and its subsidiaries taken as a whole.

Alchip's website is https://www.alchip.com/. Alchip's website does not form part of this Base Prospectus.

Nanya Technology Corporation

Nanya Technology is a Taiwanese semiconductor company that researches, develops, manufactures and markets memory semiconductors, principally dynamic random-access memory ("DRAM") products. Its products are used in a wide range of applications, including consumer electronics, enterprise, mobile, industrial and automotive applications. Nanya Technology also provides semiconductor foundry services. It is a member of the Formosa Plastics Group.

Nanya Technology's common shares are listed on the TWSE under stock code 2408 at https://www.twse.com.tw/en/.

Nanya Technology Corporation was incorporated on 4 March 1995 under the laws of the Republic of China (Taiwan), and listed its common shares on the TWSE on 17 August 2000.

Nanya Technology's principal executive offices are located at No. 98, Nanlin Road, Taishan District, New Taipei City 243, Taiwan and its telephone number is +886-2-2904-5858. Nanya Technology's LEI number is 254900STKVKJBRRO0835.

As at the date of this Base Prospectus, Nanya Technology has been assigned a long-term foreign-currency issuer rating of BB+ with a stable outlook by Fitch Ratings.

As at the date of this Base Prospectus, the directors of Nanya Technology are:

Ming-Jen Tzou (Chairman)
Wen-Yuan Wong
Susan Wang
Chia-Chau Wu
Pei-Ing Lee
Lin-Chin Su
Joseph Wu
Rex Chuang
Ching-Chyi Lai
Shu-Po Hsu
Tain-Jy Chen
Ming-Ji Wu

Nanya Technology's senior management consists of the following:

Pei-Ing Lee – President
Lin-Chin Su – Executive Vice President
Philip Jao – Chief Financial Officer

Nanya Technology conducts transactions in the ordinary course of business with affiliated companies within the Formosa Plastics Group. Certain directors of Nanya Technology also hold positions within Formosa Plastics Group entities. Save as described above, and so far as the Issuer is able to ascertain from information published by Nanya Technology, there are no conflicts of interest between the duties owed by members of Nanya Technology's administrative, management and supervisory bodies and their private interests or other duties.

Nanya Technology's auditors are KPMG Certified Public Accountants Firm.

Nanya Technology's latest financial statements for the years ended 31 December 2024 and 31 December 2025 are available on Nanya Technology's website at the

link below and are incorporated into and form part of this Base Prospectus:

https://www.nanya.com/en/IR/39/Financial%20Reports?Year=2025

(the "**Nanya Technology Financial Statements**").

Any documents referred to or incorporated by reference into the Nanya Technology Financial Statements shall not form part of this Base Prospectus. Any non-incorporated parts of the Nanya Technology Financial Statements are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Nanya Technology (a) there has been no material adverse change in the prospects of Nanya Technology or its subsidiaries since 31 December 2025, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Nanya Technology or its subsidiaries since 31 December 2025, the date of its last published financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Nanya Technology, Nanya Technology and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of antitrust and competition law, patent and other intellectual property disputes, product liability and tax. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Nanya Technology as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Nanya Technology and its subsidiaries taken as a whole.

Nanya Technology's website is https://www.nanya.com/. Nanya Technology's website does not form part of this Base Prospectus.

Winbond Electronics Corporation

Winbond is a Taiwanese semiconductor company that designs, develops, manufactures and markets memory and logic integrated circuits. Its products are used in a wide range of applications, including computing, communications, consumer electronics, automotive, industrial, medical and Internet of Things ("IoT") applications. Winbond owns and operates semiconductor wafer fabrication facilities in Taiwan.

Winbond's common shares are listed on the TWSE under stock code 2344 at https://www.twse.com.tw/en/.

Winbond Electronics Corporation was incorporated in September 1987 under the laws of the Republic of China (Taiwan) and listed its common shares on the TWSE on 18 October 1995.

Winbond's principal executive offices are located at No. 8, Keya 1st Road, Daya District, Central Taiwan Science Park, Taichung City 428303, Taiwan and its telephone number is +886-4-2521-8168. Winbond's LEI number is 254900STBMBTLA91J410.

As at the date of this Base Prospectus, Winbond has not been assigned a long-term issuer credit rating by Moody's, S&P Global Ratings or Fitch Ratings.

As at the date of this Base Prospectus, the directors of Winbond are:

Arthur Yu-Cheng Chiao (Chairman)
Tung-Yi Chan (Vice Chairman)
Yung Chin
Fred Pan
Jamie Lin
Wei-Hsin Ma
Elaine Shihlan Chang
Allen Hsu
Stephen T. Tso
Chung-Ming Kuan
Jong-Peir Li

Winbond's senior management consists of the following:

Arthur Yu-Cheng Chiao – Chairman and Chief Executive Officer
Tung-Yi Chan – Vice Chairman and Deputy Chief Executive Officer
Pei-Ming Chen – President

Winbond conducts transactions in the ordinary course of business with affiliated companies within the Walsin Lihwa group. Walsin Lihwa Corporation, a co-founder and the largest shareholder of Winbond, and Chin-Xin Investment Co., Ltd., a major shareholder of Winbond, each have representation on Winbond's Board of Directors. Save as described above, and so far as the Issuer is able to ascertain from information published by Winbond, there are no conflicts of interest between the duties owed by members of Winbond's administrative, management and supervisory bodies to Winbond and their private interests or other duties.

Winbond's auditors are Deloitte & Touche.

Winbond's independent auditors' reports for the years ended 31 December 2024 and 31 December 2025 (the "**Winbond Independent Auditors' Reports**") are attached as Appendix 5 to this Base Prospectus. The Winbond Independent Auditors' Reports were prepared by Winbond, which is a third party, and have been sourced from Winbond's website. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Winbond, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Winbond's latest financial statements for the years ended 31 December 2024 and 31 December 2025 are available on Winbond's website at the link below and are incorporated into and form part of this Base Prospectus:

https://www.winbond.com/export/sites/winbond/about-winbond/investor/financial-information/financial-reports/financial/2025Q4-Consolidated-Financial-Report-EN.pdf

(the "**Winbond Financial Statements**").

Any documents referred to or incorporated by reference into the Winbond Financial Statements shall not form part of this Base Prospectus. Any non-incorporated parts of the Winbond Financial Statements are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Winbond (a) there has been no material adverse change in the prospects of Winbond or its subsidiaries since 31 December 2025, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Winbond or its subsidiaries since 31 December 2025, the date of its last published financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Winbond, Winbond and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of patent and other intellectual property disputes, antitrust and competition law, product liability and tax. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Winbond as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Winbond and its subsidiaries taken as a whole.

Winbond's website is https://www.winbond.com/. Winbond's website does not form part of this Base Prospectus.

Additional information on Anthropic, PBC

Anthropic is an equity security Reference Asset which as at the date of this Base Prospectus, is a private company whose equity securities are not listed on any market. The Issuer has therefore provided extensive disclosure below on Anthropic in accordance with the requirements of the Prospectus Regulation.

Anthropic, PBC

Anthropic, PBC ("**Anthropic**") is an artificial intelligence research and technology company which develops and commercialises large language models and related artificial intelligence systems under the "Claude" family of models. Anthropic provides products and services to consumer, enterprise, developer and governmental customers through proprietary interfaces, application programming interfaces and enterprise software integrations, and through strategic partnerships with cloud computing providers and software platforms.

Anthropic was incorporated on 26 January 2021 as a public benefit corporation under the laws of the State of Delaware, United States of America. Its principal executive offices are located at 548 Market Street, PMB 90375, San Francisco, California 94105, United States of America. Its main telephone number is +1 415 326 6303. Anthropic's LEI number is 549300N6XEXJX64YJL90.

As a public benefit corporation, Anthropic's directors are required to balance the pecuniary interests of stockholders, the best interests of those materially affected by the company's conduct and the public benefit identified in its certificate of incorporation.

As at the date of this Base Prospectus, Anthropic is currently a privately held company. On 26 October 2026, Anthropic publicly filed a registration statement on Form

S-1 with the U.S. Securities and Exchange Commission in connection with a proposed initial public offering of its Class A common stock, and has applied to list its Class A common stock on the Nasdaq Global Select Market under the symbol “ANT”. No assurance can be given that the initial public offering will be completed or as to its timing or terms.

As at the date of this Base Prospectus, Anthropic does not have a solicited public credit rating from Moody’s Investors Service, S&P Global Ratings or Fitch Ratings.

Anthropic’s governance arrangements include a purpose trust known as the Long-Term Benefit Trust (the “**LTBT**”), the stated purpose of which is to support the responsible development and maintenance of advanced artificial intelligence for the long-term benefit of humanity. The LTBT holds a separate class of voting shares in Anthropic (Class T common stock) entitling it to elect and remove the Class T directors, who together constitute a majority of Anthropic’s board of directors. The LTBT does not hold an economic interest in Anthropic and its trustees are not employees of Anthropic.

As at the date of this Base Prospectus, the trustees of the LTBT are reported to include:

Neil Buddy Shah
Dr. Ben S. Bemanke
Richard Fontaine
Dr. Christopher Stubbs

As at the date of this Base Prospectus, the directors of Anthropic are reported to include:

Dario Amodei (Chief Executive Officer and Director)
Daniela Amodei (President and Director)
Yasmin Razavi
Reed Hastings
Chris Liddell
Vas Narasimhan

Anthropic’s senior management team is reported to include the following:

Dario Amodei – Chief Executive Officer
Daniela Amodei – President
Jared Kaplan – Chief Science Officer
Krishna Rao – Chief Financial Officer
Jack Clark – Head of Policy and co-founder

As far as the Issuer is able to ascertain from information published by Anthropic, there are no potential conflicts of interest between the duties owed by members of

Anthropic's administrative, management and supervisory bodies to Anthropic and their private interests or other duties. Investors should note that (i) Dario Amodei and Daniela Amodei are siblings and each serves as an executive officer and a director of Anthropic; and (ii) the LTBT may exercise governance rights independently of Anthropic's economic stockholders in furtherance of its public benefit purpose. These relationships may give rise to potential conflicts of interest.

Anthropic's independent registered public accounting firm is Ernst & Young LLP, which audited its consolidated financial statements as at and for the year ended 31 December 2025. Its consolidated financial statements as at 31 December 2024 and for the year ended 31 December 2024 were audited by Grant Thornton LLP.

The audited consolidated financial statements of Anthropic for the financial years ended 31 December 2024 and 31 December 2025, and the unaudited consolidated interim financial statements of Anthropic for the six months ended 30 June 2026, are attached as Appendix 2 to this Base Prospectus (the "**Anthropic Financial Statements**"). The Anthropic Financial Statements have been sourced from the Anthropic S-1 which was prepared by Anthropic, which is a third party. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Anthropic, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As far as the Issuer is aware or able to ascertain from information published by Anthropic (a) there has been no material adverse change in the prospects of Anthropic or its subsidiaries since 31 December 2025, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Anthropic or its subsidiaries since 30 June 2026, the date of its latest unaudited interim financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from publicly available information, Anthropic and its subsidiaries are involved in various governmental, legal and regulatory proceedings arising in the ordinary course of business, including proceedings relating to allegations concerning the use of copyrighted materials in the training of artificial intelligence models (one of which was settled for US$1.5 billion, without admission of liability, receiving final court approval on 20 July 2026), and intellectual property, employment, commercial and regulatory matters. Save as described above, the Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Anthropic as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Anthropic and its subsidiaries taken as a whole.

Anthropic's website is https://www.anthropic.com/. Anthropic's website does not form part of this Base Prospectus.

Additional information on Kioxia Holdings Corporation and Tokyo Electron Limited

Kioxia and Tokyo Electron are equity security Reference Assets listed on the TSE, which is not a regulated exchange or an equivalent third country market for the purposes of the Prospectus Regulation. The Issuer has therefore provided extensive disclosure below on Kioxia and Tokyo Electron in accordance with the requirements of the Prospectus Regulation.

Kioxia Holdings Corporation

Kioxia is a semiconductor company that develops, manufactures and markets flash memory, solid-state drives ("SSDs") and related storage products. Its products

are used in a wide range of applications, including personal computers, data centres, smartphones, consumer electronics, industrial and automotive applications.

Kioxia's common shares are listed on the Prime Market of the TSE under securities code 285A at https://www2.jpx.co.jp/tseHpFront/StockSearch.do?callJorEFlg=1&method=&topSearchStr=285A

Kioxia Holdings Corporation was established on 1 March 2019 under the laws of Japan and listed its common shares on the Prime Market of the TSE on 18 December 2024.

Kioxia's principal executive offices are located at 3-1-21 Shibaura, Minato-ku, Tokyo 108-0023, Japan and its telephone number is +81-3-6478-2539. Kioxia's LEI number is 35380080RTKRARNH4R73.

As at the date of this Base Prospectus, Kioxia has been assigned a long-term issuer credit rating of BBB- with a stable outlook by S&P Global Ratings and a Long-Term Issuer Default Rating of BBB- with a stable outlook by Fitch Ratings.

As at the date of this Base Prospectus, the directors of Kioxia are:

Hiroo Ota
Stacy J. Smith
Yuji Sugimoto
Masashi Suekane
Hiroshi Suzuki
Michael R. Splinter
Emiko Higashi

Kioxia’s Audit & Supervisory Board Members are:

Isao Morita
Shunsuke Nakahama
Chizuko Yamamoto

Kioxia's senior management consists of the following:

Hiroo Ota – President and Chief Executive Officer
Stacy J. Smith – Executive Chairman
Yoshihiko Kawamura – Executive Vice President and Executive Officer, Chief Financial Officer
Tomoharu Watanabe – Executive Vice President and Executive Officer

Kioxia has significant shareholders, including entities affiliated with Bain Capital and Toshiba Corporation, that are represented on its Board of Directors. Kioxia also conducts material transactions in the ordinary course of business with Sandisk Corporation through the Flash Ventures joint venture arrangements. Save as described above, and so far as the Issuer is able to ascertain from information published by Kioxia, there are no conflicts of interest between members of the administrative, management and supervisory bodies of Kioxia and the private interests of such members.

Kioxia's auditors are PricewaterhouseCoopers Japan LLC.

Kioxia's independent auditors' reports for the years ended 31 March 2025 and 31 March 2026 (the "**Kioxia Independent Auditors' Reports**") are attached as Appendix 6 to this Base Prospectus. The Kioxia Independent Auditors' Reports were prepared by Kioxia, which is a third party, and have been sourced from Kioxia's website. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Kioxia, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Kioxia's latest annual reports for the years ended 31 March 2025 and 31 March 2026 are available on Kioxia's website at the links below and are incorporated into and form part of this Base Prospectus:

https://www.kioxia-holdings.com/content/dam/kioxia-hd/en-jp/ir/library/securities/asset/Annual-Securities-Report-FY2025-EN.pdf

https://www.kioxia-holdings.com/content/dam/kioxia-hd/en-jp/ir/library/securities/asset/Annual-Securities-Report-FY2024-EN.pdf

(the "**Kioxia Annual Reports**").

Any documents referred to or incorporated by reference into the Kioxia Annual Reports shall not form part of this Base Prospectus. Any non-incorporated parts of the Kioxia Annual Reports are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Kioxia (a) there has been no material adverse change in the prospects of Kioxia or its subsidiaries since 31 March 2026, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Kioxia or its subsidiaries since 31 March 2026, the date of its last published financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Kioxia, Kioxia and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of antitrust and competition law, patent and other intellectual property disputes, product liability and tax. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Kioxia as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Kioxia and its subsidiaries taken as a whole.

Kioxia's website is https://www.kioxia-holdings.com/en-jp/top.html. Kioxia's website does not form part of this Base Prospectus.

Tokyo Electron Limited

Tokyo Electron is a Japanese manufacturer of semiconductor production equipment. It develops, manufactures, markets and services equipment used in the

production of semiconductor devices, together with related technical support and field services. Tokyo Electron is one of the world's leading suppliers of semiconductor production equipment, serving semiconductor manufacturers and foundries globally.

Tokyo Electron's common shares are listed on the Prime Market of the TSE under securities code 8035 at https://www2.jpx.co.jp/tseHpFront/StockSearch.do?method=&callJorEFlg=1&topSearchStr=8035&x=14&y=3.

Tokyo Electron was established on 11 November 1963 under the laws of Japan as Tokyo Electron Laboratories, Inc., initially as an affiliate of Tokyo Broadcasting System, Inc., was renamed Tokyo Electron Limited in 1978 and listed its common shares on the TSE on 2 June 1980. Its common shares are currently listed on the Prime Market of the TSE.

Tokyo Electron's principal executive offices are located at Akasaka Biz Tower, 3-1 Akasaka 5-chome, Minato-ku, Tokyo 107-6325, Japan and its telephone number is +81-3-5561-7000. Tokyo Electron's LEI number is 549300H5LSF8DP3RIJ34.

As at the date of this Base Prospectus, Tokyo Electron has not been assigned a long-term issuer credit rating by Moody's, S&P Global Ratings or Fitch Ratings.

As at the date of this Base Prospectus, the directors of Tokyo Electron are:

Kazushi Tahara
Toshiki Kawai
Sadao Sasaki
Michio Sasaki
Sachiko Ichikawa
Joseph A. Kraft Jr.
Yukari Suzuki
Yukihiro Shinohara

Tokyo Electron's Audit & Supervisory Board Members are:
Yutaka Nanasawa
Tsuguhiko Matsuura
Ryota Miura
Yutaka Endo
Ayako Makino

Tokyo Electron's senior management consists of the following:

Toshiki Kawai – President and Chief Executive Officer
Sadao Sasaki – Senior Executive Vice President

Tatsuya Nagakubo – Executive Vice President and General Manager
Seisu Ikeda – Executive Vice President and General Manager
Yoshinobu Mitano – Executive Vice President and General Manager
Takeshi Okubo – Executive Vice President and General Manager

As far as the Issuer is able to ascertain from information published by Tokyo Electron, there are no conflicts of interest between members of the administrative, management and supervisory bodies of Tokyo Electron and the private interests of such members.

Tokyo Electron's auditors are KPMG AZSA LLC.

Tokyo Electron's latest financial statements for the years ended 31 March 2025 and 31 March 2026 are available on Tokyo Electron's website at the links below and are incorporated into and form part of this Base Prospectus:

https://www.tel.com/ir/library/consolidated-financial-statements/i242su00000000yk-att/Consolidated_Financial_Statements_FY2026.pdf

https://www.tel.com/ir/library/consolidated-financial-statements/j9e7ji00000000dw-att/Consolidated_Financial_Statements_FY2025.pdf

(the "**Tokyo Electron Financial Statements**").

Any documents referred to or incorporated by reference into the Tokyo Electron Financial Statements shall not form part of this Base Prospectus. Any non-incorporated parts of the Tokyo Electron Financial Statements are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Tokyo Electron (a) there has been no material adverse change in the prospects of Tokyo Electron or its subsidiaries since 31 March 2026, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of Tokyo Electron or its subsidiaries since 31 March 2026, the date of its last published financial statements, to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by Tokyo Electron, Tokyo Electron and its subsidiaries are, in the ordinary course of their business, party to governmental, legal and arbitration proceedings in a number of jurisdictions, including in respect of antitrust and competition law, patent and other intellectual property disputes, product liability and tax. Tokyo Electron's business is also subject to export control measures, including those administered by Japan in respect of semiconductor manufacturing equipment and related technology, and by other jurisdictions in which it operates. The Issuer is not aware, on the basis of publicly available information, of any such proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus that are disclosed by Tokyo Electron as having had, or as being reasonably likely to have, a significant effect on the financial position or profitability of Tokyo Electron and its subsidiaries taken as a whole.

Tokyo Electron's website is https://www.tel.com/ir/. Tokyo Electron's website does not form part of this Base Prospectus.

Name of the ADR/ADS and issuer depository bank	**Name of the underlying equity security**	**Address of issuer of underlying equity security**	**Country of Incorporation of underlying equity security**	**Ticker of ADR/ADS**	**Regulated market or equivalent third country market on which the ADR/ADS is admitted to trading (see "Markets on which Reference Assets are admitted to trading" below)**	**General description and nature of business of issuer of the underlying equity security**
HSBC Holdings plc ADR issued by Bank of New York Mellon	HSBC Holdings plc	8 Canada Square, 42nd Floor, London, E14 5HQ, United Kingdom	United Kingdom	HSBC	New York Stock Exchange https://www.nyse.com/quote/XNYS:HSBC	HSBC Holdings plc is the holding company for the HSBC Group. The company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking and insurance. HSBC Holdings operates worldwide., Further information can be found at: https://www.hsbc.com/investors/shareholder-information/manage-your-shareholding
Barclays plc ADR issued by JPMorgan Chase Bank, N.A.	Barclays plc	1 Churchill Place London, E14 5HP United Kingdom	United Kingdom	BCS	New York Stock Exchange https://www.nyse.com/quote/XNYS:BCS	Barclays plc is a global financial services provider engaged in retail banking, credit cards, wholesale banking, wealth management and investment management services. Further information can be found at: https://home.barclays/investor-relations/

Lloyds Banking Group plc ADR issued by Bank of New York Mellon	Lloyds Banking Group plc	25 Gresham Street, London EC2V 7HN, United Kingdom	United Kingdom	LYG	New York Stock Exchange https://www.nyse.com/quote/XNYS:LYG	Lloyds Banking Group plc, through its subsidiaries and associated companies, offers a range of banking and financial services. The company provides retail banking, mortgages, pension, asset management, insurance services, corporate banking and treasury services. Further information can be found at: https://www.lloydsbankinggroup.com/investors.html
Shell plc ADR issued by JPMorgan Chase Bank, N.A.	Shell plc	Carel van Bylandtlaan 30, The Hague, 2596 HR Netherlands	The Netherlands	SHEL	New York Stock Exchange https://www.nyse.com/quote/XNYS:SHEL	Royal Dutch Shell plc, through its subsidiaries, explores, produces and refines petroleum. The company produces fuels, chemicals and lubricants. Royal Dutch Shell owns and operates gasoline filling stations worldwide. Further information can be found at: https://www.shell.com/investors.html
BP Plc ADR issued by JPMorgan Chase Bank, N.A.	BP plc	1 Saint James's Square London, SW1Y 4PD United Kingdom	United Kingdom	BP	New York Stock Exchange https://www.nyse.com/quote/XNYS:BP	BP plc is an oil and petrochemicals company. The company explores for and produces oil and natural gas, refines, markets and supplies petroleum products, generates

						solar energy and manufactures and markets chemicals. Further information can be found at: https://www.bp.com/en/global/corporate/investors.html
Vodafone Group plc ADR issued by Deutsche Bank AG	Vodafone Group plc	Vodafone House The Connection Newbury, RG14 2FN United Kingdom	United Kingdom	VOD	New York Stock Exchange https://www.nyse.com/quote/XNGS:VOD	Vodafone Group plc provides wireless communications services. The company offers mobile telecommunications services including voice and data communications. Further information can be found at: https://investors.vodafone.com/?ltpn=UK:UCMS:Homepage&ltsn=na&lts1=8&lts2=2&ltat=For_investors&ltad=4538
JD.com Inc. ADS issued by Deutsche Bank Trust Company Americas	JD.com Inc.	JD Building 18 Kechuang 11 Str BDA Beijing 101111 China	China	JD	New York Stock Exchange https://www.nyse.com/quote/XNGS:JD	JD.com, Inc. is an online direct sales company in China. The company offers a wide selection of products through its website and mobile applications. JD.com sells appliances, computers, digital products, communication products, garments, books and household items to consumers and vendors. Further information can be found at https://ir.jd.com/
Alibaba Group Holding Ltd ADS issued by Citibank, N.A.	Alibaba Group Holding Ltd.	699 Wang Shang Road Binjiang	China	BABA	New York Stock Exchange https://www.nyse.com/quote/XNYS:BABA	Alibaba Group Holding Limited operates as a holding company. The company

		District Hangzhou, 310052 China				provides internet infrastructure, e-commerce, online financial and internet content services through its subsidiaries. Alibaba Group Holding Ltd offers its products and services worldwide. Further information can be found at: https://www.alibabagroup.com/en/ir/home
Baidu, Inc. ADS issued by Bank of New York Mellon	Baidu Inc.	Baidu Campus 10 Shangdi 10th Street,Haidian Beijing, 100085	China	BIDU	New York Stock Exchange https://www.nyse.com/quote/XNGS:BIDU	Baidu, Inc. operates an internet search engine. The company offers algorithmic search, enterprise search, news, MP3 and image searches, voice assistance, online storage and navigation services. Baidu serves clients globally. Further information can be found at: https://ir.baidu.com/investor-overview
Sea Limited ADS issued by Bank of New York Mellon	Sea Limited	1 Fusionopolis Place No 17-10 Galaxis Singapore, 138522	Singapore	SE	New York Stock Exchange https://www.nyse.com/quote/XNYS:SE	Sea Limited offers information technology services. The company provides online personal computer and mobile digital content, e-commerce and payment platforms. Sea Limited serves customers worldwide. Further information can be found at: https://www.sea.com/investor/home

Pinduoduo Inc. ADS issued by Deutsche Bank Trust Company Americas	Pinduoduo Inc.	Pinduoduo Inc. 28F 533 Loushanguan Road Changning District Shanghai 200051	China	PDD	New York Stock Exchange https://www.nyse.com/quote/XNGS:PDD	Pinduoduo Inc. operates as an e-commerce platform. The company offers a wide range of merchandise online including groceries, fashion, beauty and electronics. Pinduoduo serves customers worldwide. Further information can be found at: https://investor.pinduoduo.com/
NIO Inc. ADS issued by Deutsche Bank Trust Company Americas	NIO Inc.	Building 20, No 56 AnTuo Road AnTing Town, Jiading District Shanghai 201804	China	NIO	New York Stock Exchange https://www.nyse.com/quote/XNYS:NIO	NIO Inc. manufacturers and sells automobiles. The company offers electric vehicles and parts as well as battery charging services. NIO serves customers worldwide. Further information can be found at: https://ir.nio.com/
Taiwan Semiconductor Manufacturing Company, Limited ADS issued by Citibank, N.A.	Taiwan Semiconductor Manufacturing Company Ltd.	No. 8 Li Hsin Rd 2 East District Hsinchu	Taiwan	TSM	New York Stock Exchange https://www.nyse.com/quote/XNYS:TSM	Taiwan Semiconductor Manufacturing Company, Limited manufactures and markets integrated circuits. The company provides the following services: water manufacturing, water probing, assembly and testing, mask production and design services. The company's integrated circuits are used in computer, communication, consumer electronics, automotive and industrial equipment industries. Further information can be found at:

						https://investor.tsmc.com/english
Samsung Electronics Co. Ltd. GDR issued by Citibank, N.A.	Samsung Electronics Co. Ltd.	129 Samsung-ro Yongtong-gu Suwon-won, Gyeonggi-do, 16677 Republic of Korea	Korea	SSU	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/equity/us7960508882-samsung-electronics-co-ltd-gdr	Samsung Electronics Co. Ltd. Manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, personal computers, peripherals, monitors, televisions and home appliances including air conditioners and microwave ovens. The company also produces internet access network systems and telecommunications equipment including mobile phones. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information can be found at: https://www.samsung.com/global/ir/stock-information/listing-Info/
XPeng Inc. ADS issued by Citibank N.A.	XPeng Inc.	No. 8 Songgang Road, Changxing Street, Cencun, Tianhe District, Guangzhou Guangdong 510640 People's Republic of China	China	XPEV	New York Stock Exchange https://www.nyse.com/quote/XNYS:XPEV	XPeng Inc. designs, produces and distributes electric vehicles. The company designs, develops, manufactures and markets smart electric vehicles, as well as finance, parts and maintenance services. Further information on the issuer of the Reference Asset can be found at:

						https://ir.xiaopeng.com/
Arm Holdings plc ADS issued by Citibank N.A.	Arm Holdings plc	110 Fulbourn Road, Cambridge, CB1 9NJ, United Kingdom	United Kingdom	ARM	New York Stock Exchange https://www.nyse.com/quote/XNGS:ARM	ARM Holdings plc operates as a holding company. The company, through its subsidiaries, designs and manufactures semiconductor technology and other related products such as computer processors, memory controllers, internet protocol system, graphic processor, security and storage devices. Arm Holdings plc serves customers worldwide. Further information on the issuer of the Reference Asset can be found at: https://investors.arm.com/
Ferrari NV ADR issued by The Depository Trust Company	Ferrari NV	Via Abetone Infeiore n.4 I-41053 Maranell Italy	Italy	RACE	New York Stock Exchange https://www.nyse.com/quote/XNYS:RACE	Ferrari NV designs and manufactures sports cars. The company offers new and used vehicles, warranty programs, financial supports and maintenance as well as apparels, earphones, caps and other accessories. Further information on the issuer of the Reference Asset can be found at: https://www.ferrari.com/en-EN/corporate/investors
Futu Holdings Ltd ADS issued by The Bank of New York Mellon	Futu Holdings Limited	34/F, United Centre 95 Queensway, Admiralty Hong Kong S.A.R., People's Republic of China	People's Republic of China	FUTU	New York Stock Exchange https://www.nyse.com/quote/XNMS:FUTU	Futu Holdings Limited is an advanced technology company transforming the investing experience by offering fully digitalized financial services. Through its proprietary digital platforms, Futubull and moomoo, the Company provides a full range of investment services, including trade execution and clearing, margin financing and

						securities lending, and wealth management. The company has embedded social media tools to create a network centered around its users and provide connectivity to users, investors, companies, analysts, media and key opinion leaders. The company also provides corporate services, including IPO distribution, investor relations and ESOP solution services. Further information on the issuer of the Reference Asset can be found at: https://ir.futuholdings.com/
ASML Holding N.V. ADR issued by Citibank N.A.	ASML Holding N.V.	DeRun 6501 5504 DR Veldhoven The Netherlands	The Netherlands	ASML	Nasdaq ASML Holding N.V. New York Registry Shares (ASML) Stock Price, Quote, News & History | Nasdaq	ASML Holding N.V. develops, produces and markets semiconductor manufacturing equipment, specifically machines for the production of chips through lithography. The company serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.asml.com/en/investors
SK hynix Inc. ADS issued by Citibank N.A.	SK hynix Inc.	2091, Gyeongchung-daero Bubal-eup, Icheon-si Gyeonggi-do Republic of Korea	Republic of Korea	SKHY	Nasdaq https://www.nasdaq.com/market-activity/stocks/skhy	SK hynix Inc. is a global semiconductor company that designs, manufactures and sells memory semiconductors, principally dynamic random-access memory ("DRAM") NAND flash memory, together with multi-chip packages, solid-state

						drives and CMOS image sensors. SK hynix is one of the world's largest memory semiconductor suppliers and DRAM and NAND flash suppliers. SK hynix is a major global supplier of high-bandwidth memory ("HBM") used in artificial-intelligence accelerator hardware. Further information on the Reference Asset can be found at: https://www.skhynix.com/
ASE Technology Holding Co., Ltd. ADS issued by Citibank N.A.	ASE Technology Holding Co., Ltd.	26, Chin 3rd Road, Nanzih District, Kaohsiung 811, Taiwan	Taiwan	ASX	NYSE https://www.nyse.com/quote/XNYS:ASX	ASE Technology Holding Co., Ltd. provides semiconductor packaging and testing services, including integrated circuit packaging, design and production of interconnect materials, front-end engineering testing, wafer probing and final testing services, as well as electronic manufacturing services. ASE Technology serves customers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://ir.aseglobal.com
United Microelectronics Corporation ADS issued by JPMorgan Chase Bank, N.A.	United Microelectronics Corporation	No. 3, Li-Hsin 2nd Road, Hsinchu Science Park, Hsinchu 30078, Taiwan	Taiwan	UMC	NYSE https://www.nyse.com/quote/XNYS:UMC	United Microelectronics Corporation operates as a semiconductor wafer foundry, providing wafer fabrication services for integrated circuit designs across logic and specialty process technologies. The company serves

						fabless design companies and integrated device manufacturers worldwide. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.umc.com
Nokia Corporation ADS issued by Citibank N.A.	Nokia Corporation	Karakaari 7, 02610 Espoo, Finland	Finland	NOK	NYSE https://www.nyse.com/quote/XNYS:NOK	Nokia Corporation provides network infrastructure, mobile network equipment, and cloud and network services. The company supplies fixed, mobile and optical network solutions to communications service providers, enterprises and data center operators worldwide, and licenses its patent portfolio and technologies through Nokia Technologies. The company supplies products, infrastructure or components that may be used in cryptocurrency mining, blockchain processing or data center operations. The issuer does not report holding cryptocurrency as a treasury reserve asset. Further information on the issuer of the Reference Asset can be found at: https://www.nokia.com/about-us/investors/

ADR/ADS Depository Bank Information

The Bank of New York Mellon

The Bank of New York Mellon is a banking corporation organised pursuant to the laws of the State of New York, whose registered office and corporate headquarters is located at 240 Greenwich St, NY, NY 10286, USA. The Bank of New York Mellon was formed from the merger of the Bank of New York and the Mellon Financial Corporation on 2 July 2007.

The Bank of New York Mellon is supervised and regulated by the New York State Department of Financial Services and the US Federal Reserve and is authorised by the Prudential Regulation Authority ("PRA") (Firm Reference Number: 122467).

The Bank of New York Mellon is listed on the New York Stock Exchange and its LEI HPFHU0OQ28E4N0NFVK49.

JPMorgan Chase Bank N.A,

JPMorgan Chase Bank N.A. is the principal bank subsidiary of JPMorgan Chase & Co, which is a leading global financial services firm and one of the largest banking institutions in the United States of America. JPMorgan Chase & Co. was incorporated under the laws of the State of Delaware on 28 October 1968. JPMorgan Chase & Co. is listed on the New York Stock Exchange

JPMorgan Chase Bank N.A.'s registered address and corporate headquarters is located at 1111 Polaris Parkway, Columbus, OH 43240 and its LEI is 7H6GLXDRUGQFU57RNE97.

Deutsche Bank AG

Deutsche Bank AG is the parent company of Deutsche Bank Group and Deutsche Bank Trust Company Americas. Deutsche Bank AG was established under the laws of Germany on 22 January 1870 and was granted its banking license on 10 March 1870. It is registered in the Commercial Register of the District Court Frankfurt am Main under registration number HRB 30000. Deutsche Bank AG is multinational investment bank and financial services company and is listed on the New York Stock Exchange.

Deutsche Bank AG's registered and head office is located at Taunusanlage 12 Frankfurt an Main, 60325, Germany and its LEI is 7LTWFZYICNSX8D621K86.

Citibank, N.A.

Citibank, N.A. is the consumer division of the financial services multinational Citigroup Inc. It provides consumers, corporations, governments and institutions with financial products and services, including consumer banking and credit, corporate and investment banking, securities trading and transaction services. It was incorporated under the name of City Bank of New York on 16 June 1812 under the laws of South Dakota. Citigroup Inc. is listed on the New York Stock Exchange.

Citibank. N.A, is headquartered at 388 Greenwich St. New York, NY 10013 and its LEI is E57ODZWZ7FF32TWEFA76.

The Depository Trust Company

The Depository Trust Company (DTC) is one of the world's largest securities depositories. It was incorporated under the laws of the State of New York on 15 March 1973 as as a limited purpose trust company. DTC provides safekeeping through electronic record-keeping of securities balances. It also acts as a clearinghouse to process and settle trades in corporate and municipal securities.

DTC Is headquartered at 55 Water Street, New York, NY 10041 and its LEI is 549300HBJLRO8YFMI370.

The Issuer may from time to time issue other ETP Securities which track equity securities other than those described above, in which case the Issuer shall prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled "*Supplements".*

(ii) **Debt Securities**

The Issuer may issue a Series of ETP Securities designating any of the debt securities, listed in the table below as the Reference Assets:

Name of Reference Asset	**Exchange (see "Markets on which Reference Assets are admitted to trading" below)**	**Issuer of Debt Security and Country of Incorporation**	**Ticker**	**ISIN**	**General Description of Reference Asset**
IncomeShares Amazon (AMZN) Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2901884408-XAMS	Leverage Shares plc, Ireland	AMZY	XS2901884408	The IncomeShares Amazon (AMZN) Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS Amazon Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE

IncomeShares Apple (AAPL) Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2901884663-XAMS	Leverage Shares plc, Ireland	AAPY	XS2901884663	The IncomeShares Apple (AAPL) Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS Apple Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE
IncomeShares Alphabet (GOOG) Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2901885041-XAMS	Leverage Shares plc, Ireland	GOOY	XS2901885041	The IncomeShares Alphabet (GOOG) Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS Alphabet Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE

IncomeShares META Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2901885553-XAMS	Leverage Shares plc, Ireland	METY	XS2901885553	The IncomeShares META Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS META Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE
IncomeShares Microsoft (MSFT) Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2901886288-XAMS	Leverage Shares plc, Ireland	MSFY	XS2901886288	The IncomeShares Microsoft (MSFT) Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS Microsoft Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE
IncomeShares Tesla (TSLA) Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2852999429-XAMS	Leverage Shares plc, Ireland	TSLY	XS2852999429	The IncomeShares Tesla (TSLA) Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS Tesla Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE

IncomeShares NVIDIA (NVDA) Options ETP	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2852999692-XAMS	Leverage Shares plc, Ireland	NVDY	XS2852999692	The IncomeShares NVIDIA (NVDA) Options ETP seeks to generate monthly income by selling options and paying a return on the premia collected following the LS NVIDIA Options-Based Income Strategy. Further information on the Reference Asset can be found at: https://incomeshares.com/en-eu/?utm_source=website&utm_medium=leverageshares.com&utm_campaign=incomeshares&_gl=1*ga24zo*_gcl_au*NzI0NjcxNTc3LjE3MzgwMjAzMzE
iPath® Series B S&P 500® VIX Short Term Futures™	New York Stock Exchange https://www.nyse.com/quote/BATS:VXX	Barclays Bank plc, United Kingdom	VXX	US06747R4772	The iPath® Series B S&P 500® VIX Short-Term Futures™ ETNs are designed to provide exposure to the S&P 500® VIX Short-Term Futures™ Index Total Return. Further information on the Reference Asset can be found at: https://ipathetn.cib.barclays/details.app;instrumentId=341408

Leverage Shares 2x Long Berkshire Hathaway ETP Securities	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2399369110-XAMS /	Leverage Shares plc, Ireland	2BRK	XS2399369110	The Leverage Shares 2x Long Berkshire Hathaway ETP Securities seeks to track the 2x daily return of Berkshire Hathaway Inc. (Class B) stock, adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en/etps/leverage-shares-2x-long-berkshire-hathaway-etp/
WisdomTree Physical Swiss Gold ETC	Borsa Italiana https://www.borsaitaliana.it/borsa/etc-etn/scheda/JE00B588CD74-ETFP.html	WisdomTree Metal Securities Limited	SGBS	IE00BK5BQZ43	The WisdomTree Physical Swiss Gold ETC is designed to offer security holders a simple, cost-efficient and secure way to access physical gold by providing a return equivalent to the movements in the physical gold spot price less the applicable management fee. Further information on the Reference Asset can be found at: https://www.wisdomtree.eu/en-ie/products/ucits-etfs-unleveraged-etps/commodities/wisdomtree-physical-swiss-gold

Leverage Shares 3x NVIDIA ETP Securities	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2820604770-XAMS	Ireland	3NVD	XS2820604770	The Leverage Shares 3x NVIDIA ETP Securities seeks to track the 3x daily return of NVIDIA Corporation stock, adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en-eu/etps/leverage-shares-3x-nvidia-etp/
Leverage Shares 3x AMD ETP Securities	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2337090422-XAMS	Ireland	3AMD	XS2337090422	The Leverage Shares 3x AMD ETP Securities seeks to track the 3x daily return of Advanced Micro Devices, Inc. stock, adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en-eu/etps/leverage-shares-3x-amd-etp/
Leverage Shares 3x Tesla ETP Securities	Euronext Amsterdam https://live.euronext.com/en/product/etfs/XS2757381400-XAMS	Ireland	3TSL	XS2757381400	The Leverage Shares 3x Tesla ETP Securities seeks to track the 3x daily return of Tesla, Inc. stock, adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en-eu/etps/leverage-shares-3x-tesla-etp/

Leverage Shares 3x Long SpaceX ETP	Borsa Italiana https://www.borsaitaliana.it/borsa/etc-etn/scheda/XS3388189477-ETFP.html	Ireland	ELON	XS3388189477	The Leverage Shares 3x Long SpaceX ETP seeks to track the 3x daily return of Space Exploration Technologies Corp. stock, adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en-eu/etps/leverage-shares-3x-long-spacex-etp/
Leverage Shares 3x Long Samsung Electronics ETP	Borsa Italiana https://www.borsaitaliana.it/borsa/etc-etn/scheda/XS3388190301-ETFP.html	Ireland	SMG3	XS3388190301	The Leverage Shares 3x Long Samsung Electronics ETP seeks to track the 3x daily return of Samsung Electronics Co., Ltd. stock, adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en-eu/etps/leverage-shares-3x-long-samsung-electronics-etp/
Leverage Shares 3x Long SK Hynix ETP	Borsa Italiana https://www.borsaitaliana.it/borsa/etc-etn/scheda/XS3388190996-ETFP.html	Ireland	HNX3	XS3388190996	The Leverage Shares 3x Long SK Hynix ETP seeks to track the 3x daily return of SK hynix Inc., adjusted to reflect the fees and costs of maintaining a leveraged position in the stock. Further information on the Reference Asset can be found at: https://leverageshares.com/en-eu/etps/leverage-shares-3x-long-sk-hynix-etp/

(iii) **Fixed Income Securities**

As at the date of this Base Prospectus, there are no fixed income securities which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled “Supplements”, with details of fixed income securities that may be designated as Reference Assets.

(iv) **Exchange Traded Funds**

The Issuer may issue a Series of ETP Securities designating any of the exchange traded funds, listed below as Reference Assets:

Name of Reference Asset	**Exchange**	**Country of Incorporation/Legal Jurisdiction**	**Ticker**	**ISIN**	**General Description of Reference Asset**
AGF US Market Neutral Anti-Beta Fund	NYSE https://www.nyse.com/quote/ARCX:BTAL	AGF US Market Neutral Anti-Beta Fund is a fund of the AGF Investments Trust. AGF Investments Trust is organised as a Delaware statutory trust.	BTAL	US00110G4082	The Fund's objective is to provide a consistent negative beta exposure to the U.S. equity market. It strives to achieve this objective by investing primarily in long positions in low beta U.S. equities and short positions in high beta U.S. equities on a dollar neutral basis, within sectors. Further information on the Reference Asset can be found at: https://www.agf.com/institutional/index.jsp
Avantis US Small Cap Value ETF	NYSE https://www.nyse.com/quote/ARCX:AVUV	Delaware Statutory Trust	AVUV	US0250728773	The Fund seeks long term capital appreciation and is designed to increase expected returns by investing in U.S. small-cap companies trading at low valuations and with higher profitability ratios. Further information on the Reference Asset can be found at: https://www.avantisinvestors.com/avantis-investments/avantis-us-small-cap-value/

iShares Core FTSE 100 UCITS ETF GBP (Acc)	Deutsche Börse/Xetra https://live.deutsche-boerse.com/en/etf/ishares-core-ftse-100-ucits-etf-gbp-acc?currency=EUR	Exchange traded fund organised under the laws of Ireland	SXRW	IE00B53HP851	The Fund seeks to track the performance of an index composed of the 100 largest UK companies. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/253716/ishares-ftse-100-ucits-etf-acc-fund
Vanguard FTSE 100 UCITS ETF	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00B810Q511-ETFP.html	Exchange traded fund organised under the laws of Ireland	VUKE	IE00B810Q511	The Fund seeks to track the performance of the FTSE 100 Index, which comprises the 100 largest UK-listed companies by market capitalisation. Further information on the Reference Asset can be found at: https://www.vanguardinvestor.co.uk/investments/vanguard-ftse-100-ucits-etf-gbp-distributing/overview
iShares FTSE MIB UCITS ETF EUR (Acc)	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00B53L4X51.html?lang=it	Exchange traded fund organised under the laws of Ireland	CSMIB	IE00B53L4X51	The Fund seeks to track the performance of an index composed of 40 of the largest and most liquid Italian companies. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/253717/ishares-ftse-mib-ucits-etf-acc-fund
SPDR S&P 500 ETF Trust	NYSE https://www.nyse.com/quote/ARCX:SPY	Unit investment trust organised under the laws of the State of New York	SPY	US78462F1030	The SPDR S&P 500 ETF Trust tracks the S&P 500 Index. Further information on the Reference Asset can be found at https://www.ssga.com/us/en/institutional/etfs/funds/spdr-sp-500-etf-trust-spy

Invesco QQQ Trust, Series 1	NYSE https://www.nyse.com/quote/XNMS:QQQ	Unit investment trust organised under the laws of the State of New York	QQQ	US46090E1038	The Invesco QQQ Trust, Series 1 tracks the Nasdaq 100 Index. Further information on the Reference Asset is set out below and can also be found at https://www.invesco.com/us/financial-products/etfs/product-detail?productId=qqq
SPDR Dow Jones Industrial Average ETF Trust	NYSE https://www.nyse.com/quote/ARCX:DIA	Unit investment trust organised under the laws of the State of New York	DIA	US78467X1090	The SPDR Dow Jones Industrial Average ETF Trust tracks the Dow Jones Industrial Average Index. Further information on the Reference Asset can be found at https://www.ssga.com/us/en/individual/etfs/funds/spdr-dow-jones-industrial-average-etf-trust-dia
iShares Russell 2000 ETF	NYSE https://www.nyse.com/quote/ARCX:IWM	iShares Russell 2000 ETF is a fund of the iShares Trust. The iShares Trust is organised as a Delaware statutory trust.	IWM	US4642876555	The iShares Russell 2000 ETF tracks the Russell 2000 Index. Further information on the Reference Asset can be found at https://www.ishares.com/us/products/239710/ishares-russell-2000-etf
ProShares Short Dow30	NYSE https://www.nyse.com/quote/ARCX:DOG	ProShares Short Dow30 is a fund of the ProShares Trust. The ProShares Trust is a Delaware statutory trust.	DOG	US74347B2354	The ProShares Short Dow30 seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily performance of the Dow Jones Industrial Average Index. Further information on the Reference Asset can be found at https://www.proshares.com/funds/dog.html

ProShares Short S&P 500	NYSE https://www.nyse.com/quote/ARCX:SH	ProShares Short S&P 500 is a fund of the ProShares Trust. The ProShares Trust is a Delaware statutory trust.	SH	US74347B4251	The ProShares Short S&P 500 seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily performance of the S&P 500. Further information on the Reference Asset can be found at https://www.proshares.com/funds/sh.html
ProShares Short Russell2000	NYSE https://www.nyse.com/quote/ARCX:RWM	ProShares Short Russell2000 is a fund of the ProShares Trust. The ProShares Trust is a Delaware statutory trust.	RWM	US74348A2107	The ProShares Short Russell2000 seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily performance of the Russell 2000 Index. Further information on the Reference Asset can be found at https://www.proshares.com/funds/rwm.html
Vanguard Total World Stock Index Fund ETF	NYSE https://www.nyse.com/quote/ARCX:VT	Delaware Statutory Trust	VT	US9220427424	The Vanguard Total World Stock Index Fund ETF tracks the performance of the FTSE Global All Cap Index. Further information on the Reference Asset can be found at https://investor.vanguard.com/etf/profile/VT
VanEck Semiconductor ETF	NYSE https://www.nyse.com/quote/XNMS:SMH	Delaware Statutory Trust	SMH	US92189F6768	The VanEck Semiconductor ETF seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the MVIS® US Listed Semiconductor 25 Index, which is intended to track the overall performance of companies involved in semiconductor production and equipment. Further information on the Reference Asset can be found at

					https://www.vaneck.com/us/en/investments/semiconductor-etf-smh/?gclid=EAIaIQobChMIlavZrZ278wIV5mxvBB3XjQ4dEAAYAiAAEgJ8aPD_BwE
ARK Genomic Revolution ETF	NYSE https://www.nyse.com/quote/BATS:ARKG	Delaware Statutory Trust	ARKG	US00214Q3020	ARK Genomic Revolution ETF is an actively managed ETF that seeks long-term growth of capital by investing under normal circumstances primarily (at least 80% of its assets) in domestic and foreign equity securities of companies across multiple sectors, including health care, information technology, materials, energy and consumer discretionary, that are relevant to the fund's investment theme of the genomics revolution. Further information on the Reference Asset can be found at https://ark-funds.com/funds/arkg/
ARK Next Generation Internet ETF	NYSE https://www.nyse.com/quote/ARCX:ARKW	Delaware Statutory Trust	ARKW	US00214Q4010	ARK Next Generation Internet ETF is an actively managed ETF that seeks long-term growth of capital by investing under normal circumstances primarily (at least 80% of its assets) in domestic and U.S. exchange traded foreign equity securities of companies that are relevant to the fund's investment theme of next generation internet. ARK Next Generation Internet ETF has an indirect exposure to cryptocurrencies through its investment in the ARK 21 Shares Bitcoin EFT. It may also hold stakes in other cryptocurrency ETFs such as Solana Staking ETF. Further information on the Reference Asset can be found at:

					https://ark-funds.com/funds/arkw/
ARK Innovation ETF	NYSE https://www.nyse.com/quote/ARCX:ARKK	Delaware Statutory Trust	ARKK	US00214Q1040	ARK Innovation ETF is an actively managed ETF that seeks long-term growth of capital. It seeks to achieve this investment objective by investing under normal circumstances primarily (at least 65% of its assets) in domestic and foreign equity securities of companies that are relevant to the fund's investment theme of disruptive innovation. ARK defines ''disruptive innovation'' as the introduction of a technologically enabled new product or service that potentially changes the way the world works. ARK Innovation EFT invests in companies that are involved in the blockchain and digital economy, including Coinbase Global, Inc. Further information on the Reference Asset can be found at: https://ark-funds.com/funds/arkk/
Berkshire Hathaway Inc.	NYSE https://www.nyse.com/quote/XNYS:BRK.B	Delaware Corporation	BERK.B	US0846707026	Berkshire Hathaway, Inc. engages in the provision of property and casualty insurance and reinsurance, utilities and energy, freight rail transportation, finance, manufacturing, and retailing services. Further information on the Reference Asset can be found at: https://www.berkshirehathaway.com/
U.S. Global Jets ETF	NYSE https://www.nyse.com/quote/ARCX:JETS	Delaware Statutory Trust	JETS	US26922A8421	The U.S. Global Jets ETF provides the U.S. Global Jets Index which uses smart beta 2.0 strategy to track the global airline industry, including commercial airlines,

					aircraft manufacturers, airport operators and internet media and services related to airlines. Further information on the Reference Asset can be found at: https://www.usglobaletfs.com/fund/u-s-global-jets-etf/
Financial Select Sector SPDR Fund	NYSE https://www.nyse.com/quote/ARCX:XLF	Delaware Statutory Trust	XLF	US81369Y6059	The Financial Select Sector SPDR® Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Financial Select Sector Index. Further information on the Reference Asset can be found at: https://www.sectorspdr.com/sectorspdr/sector/xlf
VanEck Gold Miners ETF	NYSE https://www.nyse.com/quote/ARCX:GDX	Delaware Statutory Trust	GDX	US92189F1066	The VanEck Gold Miners ETF seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the NYSE Arca Gold Miners Index, which is intended to track the overall performance of companies involved in the gold mining industry. Further information on the Reference Asset can be found at: https://www.vaneck.com/us/en/investments/gold-miners-etf-gdx/documents/
Themes Transatlantic Defense ETF	NASDAQ https://www.nasdaq.com/market-activity/etf/nato	Delaware Statutory Trust	NATO	US8829277677	The Themes Transatlantic Defense ETF (NATO) seeks to track the Solactive Transatlantic Aerospace and Defense Index (SOLNATON), which identifies aerospace and defense companies headquartered in North Atlantic Treaty Organization (NATO) member countries.

					Further information on the Reference Asset can be found at: https://themesetfs.com/etfs/NATO/
Themes Gold Miners ETF	NASDAQ https://www.nasdaq.com/market-activity/etf/aumi	Delaware Statutory Trust	AUMI	US8829277008	The Themes Gold Miners ETF (AUMI) seeks to track the Solactive Global Pure Gold Miners Index (SOLGLPGM), which identifies the largest 30 companies by market capitalization that derive their revenues from gold mining. Further information on the Reference Asset can be found at: https://themesetfs.com/etfs/AUMI/
Themes Silver Miners ETF	NASDAQ https://www.nasdaq.com/market-activity/etf/agmi	Delaware Statutory Trust	AGMI	US8829278170	The Themes Silver Miners ETF (AGMI) seeks to track the STOXX Global Silver Miners Index (STXSILVV), which identifies companies that derive their revenues from silver mining. Further information on the Reference Asset can be found at: https://themesetfs.com/etfs/AGMI/
Global X Copper Miners ETF	CBOE https://www.cboe.com/us/equities/listings/listed_products/symbols/COPX/	Delaware Statutory Trust	COPX	US37954Y8553	The Global X Copper Miners ETF (COPX) seeks to track the Solactive Global Copper Miners Total Return Index, which includes companies involved in copper mining, exploration, and production. Further information on the Reference Asset can be found at: Copper Miners ETF (COPX)

Themes Copper Miners ETF	CBOE https://www.cboe.com/us/equities/listings/listed_products/symbols/COPA/	Delaware Statutory Trust	COPA	US8829277834	The Themes Copper Miners ETF (COPA) seeks to track the BITA Global Copper Mining Select Index (BGCMSI), which identifies companies that derive their revenues from copper mining, explorations, refining, and royalties. Further information on the Reference Asset can be found at: https://themesetfs.com/etfs/COPA/
Themes Global Systemically Important Banks ETF	NASDAQ https://www.nasdaq.com/market-activity/etf/gsib	Delaware Statutory Trust	GSIB	US8829276018	The Themes Global Systemically Important Banks ETF (GSIB) actively invests in the 28 publicly traded global banks that have been identified as “systemically important” by the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS). Further information on the Reference Asset can be found at: https://themesetfs.com/etfs/GSIB/
KraneShares CSI China Internet ETF	NYSE https://www.nyse.com/quote/ARCX:KWEB	Delaware Statutory Trust	KWEB	US5007673065	The KraneShares CSI China Internet ETF tracks the CSI Overseas China Internet Index, a free float market capitalization weighted index consisting of China based companies whose primary business or businesses are focused on internet and internet-related technology. These companies are publicly traded on either the Hong Kong Stock Exchange, NASDAQ Stock Market, or New York Stock Exchange Further information on the Reference Asset can be found at: https://kraneshares.com/kweb/

iShares Biotechnology ETF	NYSE https://www.nyse.com/quote/XNMS:IBB	Delaware Statutory Trust	IBB	US4642875565	The iShares Biotechnology ETF seeks to track the investment results of an index composed of U.S. listed equities in the biotechnology sector. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239699/ishares-nasdaq-biotechnology-etf
Energy Select Sector SPDR Fund	NYSE https://www.nyse.com/quote/ARCX:XLE	Delaware Statutory Trust	XLE	US81369Y5069	The Energy Select Sector SPDR Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Energy Select Sector Index. Further information on the Reference Asset can be found at: https://www.ssga.com/us/en/intermediary/etfs/funds/the-energy-select-sector-spdr-fund-xle
iShares Global Clean Energy ETF	NYSE https://www.nyse.com/quote/XNMS:ICLN	Delaware Statutory Trust	ICLN	US4642882249	The iShares Global Clean Energy ETF seeks to track the investment results of an index composed of global equities in the clean energy sector. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239738/ishares-global-clean-energy-etf
SPDR Gold Trust	NYSE https://www.nyse.com/quote/ARCX:GLD	Unit investment trust organised under the laws of the State of New York	GLD	US78463V1070	The SPDR Gold Trust offers investors a means of participating in the gold bullion market without the necessity of taking physical delivery of gold, and to buy and sell that interest through the trading of a security on a regulated stock exchange.

					Further information on the Reference Asset can be found at: https://www.spdrgoldshares.com/
United States Oil Fund LP	NYSE https://www.nyse.com/quote/ARCX:USO	Limited partnership organised under the laws of the State of Delaware	USO	US91232N2071	The United States Oil Fund LP's investment objective is to track a benchmark of short-term oil futures contracts. Further information on the Reference Asset can be found at: https://www.uscfinvestments.com/uso
United States Brent Oil Fund LP	NYSE https://www.nyse.com/quote/ARCX:BNO	Limited partnership organised under the laws of Delaware	BNO	US91167Q1004	The United States Brent Oil Fund LP tracks the Brent oil spot price using near-month ICE futures contracts. Further information on the Reference Asset can be found at: https://www.uscfinvestments.com/bno
WisdomTree Brent Crude Oil	Borse Frankfurt https://www.boerse-frankfurt.de/en/etf/wisdomtree-brent-crude-oil-1	Public company incorporated in Jersey	OOEA	JE00B78CGV99	WisdomTree Brent Crude Oil is a fully collateralised, UCITS eligible exchange-traded commodity designed to provide investors with a total return exposure to Brent Crude Oil futures contracts. Further information on the Reference Asset can be found at: https://www.wisdomtree.eu/fi-fi/products/ucits-etfs-unleveraged-etps/commodities/wisdomtree-brent-crude-oil
WisdomTree WTI Crude Oil	Borse Frankfurt	Public company incorporated in Jersey	OD7F	GB00B15KXV33	WisdomTree WTI Crude Oil is a fully collateralised, UCITS eligible exchange-traded commodity designed

	https://www.boerse-frankfurt.de/en/etf/wisdomtree-wti-crude-oil-1				to provide investors with a total return exposure to WTI Crude Oil futures contracts. Further information on the Reference Asset can be found at: https://www.wisdomtree.eu/da-dk/products/ucits-etfs-unleveraged-etps/commodities/wisdomtree-wti-crude-oil
United States Natural Gas Fund	NYSE https://www.nyse.com/quote/ARCX:UNG	Limited partnership organised under the laws of the State of Delaware	UNG	US9123183009	The United States Natural Gas Fund LP (“UNG”) is an exchange traded security that is designed to track in percentage terms the movements of natural gas prices. Further information on the Reference Asset can be found at: https://www.uscfinvestments.com/ung
WisdomTree Natural Gas	Xetra https://live.deutsche-boerse.com/en/etf/wisdomtree-natural-gas-etc?currency=EUR	Public company incorporated in Jersey	OD7L	JE00BN7KB334	WisdomTree Natural Gas is a fully collateralised, UCITS eligible exchange traded commodity designed to provide investors with a total return exposure to natural gas futures contracts. Further information on the Reference Asset can be found at: https://www.wisdomtree.eu/fr-lu/products/ucits-etfs-unleveraged-etps/commodities/wisdomtree-natural-gas
United States Copper Index Fund	NYSE https://www.nyse.com/quote/ARCX:CPER	Delaware Statutory Trust	CPER	US9117181043	United States Copper Index Fund (“CPER”) is an exchange traded security. Its investment objective is for the daily changes in percentage terms of its shares’ per share net asset value to reflect the daily changes in percentage terms of the SummerHaven Copper Index Total Return, less CPER’s expenses.

					Further information on the Reference Asset can be found at: https://www.uscfinvestments.com/cper
WisdomTree Copper ETC	Borse Frankfurt https://www.boerse-frankfurt.de/en/etf/wisdomtree-copper-1	Public company incorporated in Jersey	OD7C	GB00B15KXQ89	WisdomTree Copper is a fully collateralised, UCITS eligible exchange traded commodity designed to provide investors with a total return exposure to copper futures contracts. Further information on the Reference Asset can be found at: https://www.wisdomtree.eu/fr-lu/products/ucits-etfs-unleveraged-etps/commodities/wisdomtree-copper
iShares Silver Trust	NYSE https://www.nyse.com/quote/ARCX:SLV	Unit trust organised under the laws of the State of New York	SLV	US46428Q1094	iShares Silver Trust seeks to reflect generally the performance of the price of silver. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239855/ishares-silver-trust-fund
iShares MSCI South Korea ETF	NYSE https://www.nyse.com/quote/ARCX:EWY	Delaware Statutory Trust	EWY	US4642867729	The iShares MSCI South Korea ETD seeks to track the investment results of an index composed of South Korean equities, as represented by the MSCI Korea 25/50 Index. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239681/ishares-msci-south-korea-capped-etf

iShares MSCI China ETF	NYSE https://www.nyse.com/quote/XNMS:MCHI	Delaware Statutory Trust	MCHI	US46429B6719	The iShares MCSI China ETF seeks to track the investment results of an index composed of Chinese stocks that are available to international investors. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239619/ishares-msci-china-etf
iShares MSCI Taiwan ETF	NYSE https://www.nyse.com/quote/ARCX:EWT	Delaware Statutory Trust	EWT	US46434G7723	The iShares MSCI Taiwan ETF seeks to track the investment results of an index composed of Taiwanese equities. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239686/ishares-msci-taiwan-etf
iShares MSCI Japan ETF	NYSE https://www.nyse.com/quote/ARCX:EWJ	Delaware Statutory Trust	EWJ	US46434G8226	The iShares MSCI Japan ETF seeks to track the investment results of an index composed of Japanese equities. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239665/ishares-msci-japan-etf
iShares Core DAX UCITS ETF (DE)	Frankfurt Stock Exchange https://www.boerse-frankfurt.de/en/etf/ishares-core-dax-ucits-etf-de-eur-acc	Exchange traded fund organised under the laws of Germany.	EXS1	DE0005933931	The iShares Core DAX UCITS ETF (DE) seeks to track the performance of an index composed of the 40 largest and most traded German companies listed on the Prime Segment of the Frankfurt Stock Exchange. Further information on the Reference Asset can be found at:

					https://www.ishares.com/uk/individual/en/products/251464/ishares-dax-ucits-etf-de-fund?switchLocale=y&siteEntryPassthrough=true
iShares 20+ Year Treasury Bond ETF	NYSE https://www.nyse.com/quote/XNMS:TLT	Delaware Statutory Trust	TLT	US4642874329	The iShares 20+ Year Treasury Bond ETF seeks to track the investment results of the ICE US Treasury 20+ Year Index, an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239454/ishares-20-year-treasury-bond-etf
iShares 7-10 Year Treasury Bond ETF	NYSE https://www.nyse.com/quote/XNMS:IEF	Delaware Statutory Trust	IEF	US4642874402	The iShares 7-10 Year Treasury Bond ETF seeks to track the investment results of the ICE US Treasury 7-10 Year Index, an index composed of U.S. Treasury bonds with remaining maturities between seven and ten years. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239456/ishares-710-year-treasury-bond-etf
iShares TIPS Bond ETF	NYSE https://www.nyse.com/quote/ARCX:TIP	Delaware Statutory Trust	TIP	US4642871762	The iShares TIPS Bond ETF seeks to track the investment results of an index composed of inflation-protected US Treasury Bonds. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239467/ishares-tips-bond-etf

iShares MSCI India ETF	NYSE https://www.nyse.com/quote/BATS:INDA	Delaware Statutory Trust	INDA	US46429B5984	The iShares MSCI India ETF seeks to track the investment results of an index composed of Indian equities. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239659/ishares-msci-india-etf
ProShares VIX Short-Term Futures ETF	NYSE https://www.nyse.com/quote/BATS:VIXY	Delaware Statutory Trust	VIXY	US74347Y8545	The ProShares VIX Short-Term Futures ETF seeks investment results, before fees and expenses, that track the performance of the S&P 500 VIX Short-Term Futures Index. Further information on the Reference Asset can be found at: https://www.proshares.com/our-etfs/strategic/vixy?gclid=EAIaIQobChMIr5_GjLDA_QIVDRbUAR126wkdEAAYASAAEgIZD_D_BwE
iShares $ Treasury Bond 1-3yr UCITS ETF	SIX Swiss Exchange https://www.six-group.com/en/market-data/etf/etf-explorer/etf-detail.IE00BYXPSP02CHF4.html#/	Ireland	IBTA	IE00BYXPSP02	The iShares $ Treasury Bond 1-3yr UCITS ETF seeks to track the performance of an index composed of US Dollar denominated government bonds issued by the US Treasury. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/287340/ishares-treasury-bond-1-3yr-ucits-etf

Vanguard USD Corporate 1-3 Year Bond UCITS ETF	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00BGYWSV06-ETFP.html?lang=it	Ireland	VDCA	IE00BGYWSV06	The Vanguard USD Corporate 1-3 Year Bond UCITS ETF seeks to track the performance of the Bloomberg Global Aggregate Corporate USD 1-3 index. Further information on the Reference Asset can be found at: https://www.vanguardinvestor.co.uk/investments/vanguard-usd-corporate-1-3-year-bond-ucits-etf-usd-distributing/overview
iShares $ High Yield Corp Bond UCITS ETF	SIX Swiss Exchange https://www.six-group.com/en/market-data/etf/etf-explorer/etf-detail.IE00BYXYYL56CHF4.html#/	Ireland	IHYA	IE00BYXYYL56	The iShares $ High Yield Corp Bond UCITS ETF seeks to track the performance of an index composed of US Dollar denominated high yield corporate bonds. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/251833/ishares-high-yield-corporate-bond-ucits-etf
iShares US Aggregate Bond UCITS ETF	SIX Swiss Exchange https://www.six-group.com/en/market-data/etf/etf-explorer/etf-detail.IE00BYXYYM63CHF4.html#/	Ireland	IUAA	IE00BYXYYM63	The iShares US Aggregate Bond UCITS ETF seeks to track the performance of an index composed of US Dollar denominated high yield corporate bonds. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/251750/ishares-us-aggregate-bond-ucits-etf
iShares $ TIPS UCITS ETF	Euronext Amsterdam https://live.euronext.com/en/product/etfs/IE00B1FZSC47-XAMS/market-information	Ireland	TPSA	IE00B1FZSC47	The iShares $ TIPS UCITS ETF seeks to track the performance of an index composed of US Dollar denominated investment grade government, government-related, corporate and securitised bonds.

					Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/251714/ishares-tips-ucits-etf
iShares $ Corp Bond UCITS ETF	SIX Swiss Exchange https://www.six-group.com/en/market-data/etf/etf-explorer/etf-detail.IE00BYXYYJ35CHF4.html#/	Ireland	LQDA	IE00BYXYYJ35	The iShares $ Corp Bond UTIS ETF seeks to track the performance of an index composed of US Dollar denominated investment grade corporate bonds. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/251832/ishares-corporate-bond-ucits-etf
Vanguard USD Emerging Markets Government Bond UCITS ETF	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00BGYWCB81-ETFP.html?lang=it	Ireland	VDEA	IE00BGYWCB81	The Vanguard USD Emerging Markets Government Bond UCITS ETF seeks to track the performance of the Bloomberg EM USD Sovereign + Quasi-Sov Index. Further information on the Reference Asset can be found at: https://www.vanguard.co.uk/professional/product/etf/bond/9664/usd-emerging-markets-government-bond-ucits-etf-usd-distributing
iShares Core S&P 500 UCITS ETF	Euronext Amsterdam https://live.euronext.com/en/product/etfs/IE00B5BMR087-XAMS	Ireland	CSPX	IE00B5BMR087	The iShares Core S&P 500 UCITS ETF seeks to track the performance of an index composed of 500 large cap U.S. companies. Further information on the Reference Asset can be found at:

					https://www.ishares.com/uk/individual/en/products/253743/ishares-sp-500-b-ucits-etf-acc-fund
iShares MSCI USA UCITS ETF	Euronext Amsterdam https://live.euronext.com/en/product/etfs/IE00B52SFT06-XAMS	Ireland	CSUS	IE00B52SFT06	The iShares MSCI USA UCITS ETF seeks to track the performance of an index composed of companies from the U.S. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/253740/ishares-msci-usa-b-ucits-etf
iShares MSCI USA Small Cap ESG Enhanced UCITS ETF	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00B3VWM098-ETFP.html	Ireland	CSUSS	IE00B3VWM098	The iShares MSCI USA Small Cap ESG Enhanced UCITS ETF aims to achieve a return on your investment which reflects the return of the MSCI USA Small Cap ESG Enhanced Focus CTB Index. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/253480/ishares-msci-usa-small-cap-ucits-etf
iShares Core MSCI Japan IMI UCITS EF	Euronext Amsterdam https://live.euronext.com/en/product/etfs/IE00B4L5YX21-XAMS	Ireland	IJPA	IE00B4L5YX21	The iShares Core MSCI Japan IMI UCITS EF seeks to track the performance of an index composed of Japanese large, mid and small cap companies. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/251867/?referrer=tickerSearch
iShares S&P 500 Health Care	SIX Swiss Exchange	Ireland	IUHC	IE00B43HR379	The iShares S&P 500 Health Care Sector UCITS ETF seeks to track the performance of an index composed

Sector UCITS ETF	https://www.six-group.com/en/market-data/etf/etf-explorer/etf-detail.IE00B43HR379USD4.html#/fund-details				of U.S. health sector companies as defined by the Global Industry Classification Standard. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/280507/ishares-sp-500-health-care-sector-ucits-etf
iShares S&P 500 Information Technology Sector UCITS ETF	Deutsche Borse https://live.deutsche-boerse.com/en/etf/ishares-s-p-500-information-technology-sector-ucits-etf-usd-acc?currency=EUR	Ireland	IUIT	IE00B3WJKG14	The iShares S&P 500 Information Technology Sector UCITS ETF seeks to track the performance of an index composed of U.S. information technology sector companies as defined by the Global Industry Classification Standard. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/280510/ishares-sp-500-information-technology-sector-ucits-etf
Vanguard FTSE Developed Asia Pacific ex Japan UCITS ETF	Deutsche Börse https://live.deutsche-boerse.com/en/etf/vanguard-ftse-developed-asia-pacific-ex-japan-ucits-etf-usd-accumulating?currency=EUR	Ireland	VGEK	IE00BK5BQZ41	The Vanguard FTSE Developed Asia Pacific ex Japan UCITS ETF seeks to track the performance of the FTSE Developed Asia Pacific ex Japan Index. Further information on the Reference Asset can be found at: https://www.vanguardinvestor.co.uk/investments/vanguard-ftse-developed-asia-pacific-ex-japan-ucits-etf-usd-distributing
Vanguard FTSE Developed	Borsa Italiana	Ireland	VERE	IE00BK5BQY34	The Vanguard FTSE Developed Europe ex UK UCITS ETF seeks to track the performance of the Index, a widely recognised market- capitalization weighted index

Europe ex UK UCITS ETF	https://www.borsaitaliana.it/borsa/etf/scheda/IE00BK5BQY34-ETFP.html?lang=it				of stock market performance of European developed countries, excluding the United Kingdom, that is comprised of the stocks of large and mid capitalisation companies in that region. Further information on the Reference Asset can be found at: https://www.morningstar.co.uk/uk/etf/snapshot/snapshot.aspx?id=0P0001I3S9
Proshares Ultra Bloomberg Natural Gas	New York Stock Exchange https://www.nyse.com/quote/ARCX:BOIL	Delaware Statutory Trust	BOIL	US74347Y7638	ProShares Ultra Bloomberg Natural Gas seeks daily investment results, before fees and expenses, that correspond to two times (2x) the daily performance of the Bloomberg Natural Gas Subindex.
Proshares Ultra Bloomberg Crude Oil	New York Stock Exchange https://www.nyse.com/quote/ARCX:UCO	Delaware Statutory Trust	UCO	US74347Y8883	ProShares Ultra Bloomberg Crude Oil seeks daily investment results, before fees and expenses, that correspond to two times (2x) the daily performance of the Bloomberg Commodity Balanced WTI Crude Oil Index. Further information on the Reference Asset can be found at: https://www.proshares.com/our-etfs/leveraged-and-inverse/uco
iShares MSCI USA Min Vol Factor ETF	New York Stock Exchange https://www.nyse.com/quote/BATS:USMV	Delaware Statutory Trust	USMV	US46429B6974	The iShares MSCI USA Min Vol Factor ETF seeks to track the investment results of an index composed of U.S. equities that, in the aggregate, have lower volatility characteristics relative to the broader U.S. equity market. Further information on the Reference Asset can be found at:

					https://www.ishares.com/us/products/239695/ishares-msci-usa-minimum-volatility-etf
Invesco S&P 500 Low Volatility ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:SPLV	Massachusetts business trust	SPLV	US46138E3541	The Invesco S&P 500 Low Volatility ETF is based on the S&P 500 Low Volatility Index which is compiled, maintained and calculated by Standard & Poor's and consists of the 100 securities from the S&P 500 Index with the lowest realized volatility over the past 12 months. Further information on the Reference Asset can be found at: https://www.invesco.com/us/financial-products/etfs/product-detail?audienceType=Investor&ticker=SPLV
iShares MSCI USA Quality Factor ETF	New York Stock Exchange https://www.nyse.com/quote/BATS:QUAL	Delaware Statutory Trust	QUAL	US46432F3394	The iShares MSCI USA Quality Factor ETF seeks to track the investment results of an index composed of U.S. large- and mid-capitalization stocks with quality characteristics as identified through certain fundamental metrics. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/256101/ishares-msci-usa-quality-factor-etf
JPMorgan Equity Premium Income ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:JEPI	Delaware Statutory Trust	JEPI	US46641Q3323	The JPMorgan Equity Premium Income ETF seeks to deliver consistent monthly income and the potential for capital appreciation, aiming to capture a majority of the returns associated with the S&P 500 with less volatility. Further information on the Reference Asset can be found at:

					https://am.jpmorgan.com/us/en/asset-management/adv/products/jpmorgan-equity-premium-income-etf-46641q332
JPMorgan NASDAQ Equity Premium Income ETF	New York Stock Exchange https://www.nyse.com/quote/XNMS:JEPQ	Delaware Statutory Trust	JEPQ	US46654Q2030	The JPMorgan NASDAQ Equity Premium Income ETF seeks to deliver monthly distributable income and Nasdaq 100 exposure with less volatility. Further information on the Reference Asset can be found at: https://am.jpmorgan.com/us/en/asset-management/adv/products/jpmorgan-nasdaq-equity-premium-income-etf-46654q203
VanEck Digital Transformation ETF	New York Stock Exchange https://www.nyse.com/quote/XNMS:DAPP	Delaware Statutory Trust	DAPP	US92189H8218	VanEck Digital Transformation ETF seeks to track as closely as possible, before fees and expenses, the price and yield performance of the MVIS Global Digital Assets Equity Index which is intended to track the performance of companies that are participating in the digital assets economies. Further information on the Reference Asset can be found at: https://www.vaneck.com/us/en/dapp/fact-sheet/
Global X Silver Miners ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:SIL	Delaware Statutory Trust	SIL	US37954Y8488	The Global X Silver Miners ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Solactive Global Silver Miners Total Return Index. Further information on the Reference Asset can be found at: https://www.globalxetfs.com/funds/sil
iShares MSCI Global Silver and Metals Miners ETF	New York Stock Exchange https://www.nyse.com/quote/BATS:SLVP/QUOTE	iShares MSCI Global Silver and Metals Miners ETF is a fund of the iShares Trust. The iShares Trust is	SLVP	US4642863272	The iShares MSCI Global Silver and Metals Miners ETF seeks to track the investment results of an index composed of global equities of companies primarily

		organised as a Delaware statutory trust.			engaged in the business of silver exploration or metals mining. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239656/ishares-msci-global-silver-and-metals-miners-etf
iShares Core EURO STOXX 50 UCITS ETF	Euronext Amsterdam https://live.euronext.com/en/product/etfs/ie00b53l3w79-xams	Ireland	CSX5	IE00B53L3W79	The iShares Core EURO STOXX 50 UCITS ETF seeks to track the performance of an index composed of 50 of the largest companies in the Eurozone. Further information on the Reference Asset can be found at: https://www.ishares.com/uk/individual/en/products/253712/ishares-euro-stoxx-50-b-ucits-etf-acc-fund?switchLocale=y&siteEntryPassthrough=true
iShares MSCI World ETF (URTH)	New York Stock Exchange https://www.nyse.com/quote/ARCX:URTH	Ireland	URTH	US4642863926	The iShares MSCI World ETF (URTH) seeks to track the investment results of an index composed of developed market equities. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239696/ishares-msci-world-etf
iShares S&P 500 Financials Sector UCITS ETF USD	Deutsche Börse https://live.deutsche-boerse.com/en/etf/ishares-s-p-500-financials-sector-ucits-etf-usd-acc?currency=EUR	Ireland	IUFS	IE00B4JNQZ49	The iShares S&P 500 Financials Sector UCITS ETF seeks to track the performance of an index composed of US financial sector companies as defined by the Global Industry Classification Standard (GICS). Further information on the Reference Asset can be found at:

					https://www.ishares.com/uk/individual/en/products/280523/ishares-sp-500-financials-sector-ucits-etf
iShares S&P 500 Industrials Sector UCITS ETF	Deutsche Börse https://live.deutsche-boerse.com/etf/ishares-s-p-500-industrials-sector-ucits-etf?currency=EUR	Ireland	2B7C	IE00B4LN9N13	The iShares S&P 500 Industrial Sector UCITS ETF seeks to track the performance of an index composed of US industrials sector companies defined by the Global Industry Classification Standard (GICS). Further information on the Reference Asset can be found at: https://www.blackrock.com/fi/individual/products/287109/ishares-s-p-500-industrials-sector-ucits-etf
Amundi MSCI China UCITS ETF	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/LU1841731745-ETFP.html?lang=it	Luxembourg	LCCN	LU1841731745	The Amundi China UCITS ETF aims to track the MSCI China Net Total return USD Index. Further information on the Reference Asset can be found at: https://www.amundietf.nl/en/professional/products/equity/amundi-msci-china-ucits-etf-acc/lu1841731745
Invesco S&P 500 High Beta ETF	New York Stock Exchange https://www.nyse.com/site-search?q=SPHB&page=1	Delaware Statutory Trust	SPHB	US46138E3707	The Invesco S&P 500® High Beta ETF is based on the S&P 500® High Beta Index (High Beta Index). The fund invests at least 90% of its total assets in the securities that comprise the High Beta Index. The High Beta Index is compiled, maintained and calculated by Standard & Poor's and consists of the 100 stocks from the S&P 500® Index with the highest sensitivity to market movements, or beta, over the past 12 months.

					Further information on the Reference Asset can be found at: https://www.invesco.com/us/en/financial-products/etfs/invesco-sp-500-high-beta-etf.html
abrdn Physical Palladium Shares ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:PALL	New York common law trust	PALL	US0032621023	The abrdn Physical Palladium Shares ETF seeks to reflect the performance of the price of physical palladium, less expenses. Further information on the Reference Asset can be found at: https://www.aberdeeninvestments.com/en-us/investor/investment-solutions/etfdisclosures
Abrdn Physical Platinum Shares ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:PPLT	New York common law trust	PPLT	US0032601066	abrdn Physical Platinum Shares ETF seeks to reflect the performance of the price of physical platinum, less expenses. Further information on the Reference Asset can be found at: https://www.aberdeeninvestments.com/en-us/investor/investment-solutions/etfdisclosures
Global X Uranium ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:URA	Delaware Statutory Trust	URA	US37954Y8710	The Global X Uranium ETF provides investors access to a broad range of companies involved in uranium mining and the production of nuclear components, including those in extraction, refining, exploration, or manufacturing of equipment for the uranium and nuclear industries. Further information on the Reference Asset can be found at:

					https://www.globalxetfs.com/funds/ura#documents
iShares MSCI Global Silver Metals Miners ETF	New York Stock Exchange https://www.nyse.com/quote/BATS:SLVP	Open-end management investment company organised under the laws of the State of Maryland	SLVP	US4642863272	The iShares MSCI Global Silver and Metals Miners ETF seeks to track the investment results of an index composed of global equities of companies primarily engaged in the business of silver exploration or metals mining. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239656/ishares-msci-global-silver-and-metals-miners-etf
VanEck Vectors Gold Miners ETF	NYSE Arca https://www.nyse.com/quote/ARCX:GDX	Delaware Statutory Trust	GDX	US92189F1066	VanEck Gold Miners ETF seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the MarketVector Global Gold Miners Index, which is intended to track the overall performance of companies involved in the gold mining industry. Further information on the Reference Asset can be found at: https://www.vaneck.com/us/en/investments/gold-miners-etf-gdx/overview/
Invesco DB Commodity Index Tracking Fund	NYSE Arca https://www.nyse.com/quote/ARCX:DBC	Delaware Statutory Trust	DBC	US46138B1035	The Invesco DB Commodity Index Tracking Fund seeks to track the performance of the DBIQ Optimum Yield Diversified Commodity Index Excess Return, plus interest income from its holdings of primarily US Treasury securities and money market instruments. Further information on the Reference Asset can be found at: https://www.invesco.com/us/en/financial-products/etfs/invesco-db-commodity-index-tracking-fund.html

Abrdn Bloomberg All Commodity Strategy K-1 Free ETF	New York Stock Exchange https://www.nyse.com/quote/ARCX:BCI	Ireland	BCI	US0032611040	The abrdn Bloomberg All Commodity Strategy K-1 Free ETF seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the Bloomberg Commodity Index Total Return. Further information on the Reference Asset can be found at: https://www.aberdeeninvestments.com/en-us/investor/investment-solutions/commodities/broad-commodities
Roundhill Memory ETF	Cboe BZX https://www.cboe.com/us/equities/listings/listed_products/symbols/DRAM	Delaware Statutory Trust	DRAM	US77926X3200	The Roundhill Memory ETF ("DRAM") seeks to offer exposure to a precise basket of global memory chip companies. Further information on the Reference Asset can be found at: https://www.roundhillinvestments.com/etf/dram/
iShares U.S. Aerospace & Defense ETF	Cboe BZX https://www.cboe.com/us/equities/listings/listed_products/symbols/ITA	Delaware Statutory Trust	ITA	US4642887602	The iShares U.S. Aerospace & Defense ETF seeks to track the investment results of the Dow Jones U.S. Select Aerospace & Defense Index, composed of U.S. equities in the aerospace and defense sector, including manufacturers, assemblers and distributors of aircraft and defence equipment. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239502/ishares-us-aerospace-defense-etf
Vanguard Real Estate ETF	NYSE Arca https://www.nyse.com/quote/ARCX:VNQ	Delaware Statutory Trust	VNQ	US9229085538	The Vanguard Real Estate ETF seeks to track the performance of the MSCI US Investable Market Real Estate 25/50 Index and invests in stocks issued by real estate investment trusts (REITs) and other companies that purchase office buildings, hotels and other real property. Further information on the Reference Asset can be

					found at: https://investor.vanguard.com/investment-products/etfs/profile/vnq
iShares 1–3 Year Treasury Bond ETF	Nasdaq https://www.nasdaq.com/market-activity/etf/shy	Delaware Statutory Trust	SHY	US4642874576	The iShares 1-3 Year Treasury Bond ETF seeks to track the investment results of the ICE U.S. Treasury 1-3 Year Index, composed of U.S. Treasury bonds with remaining maturities between one and three years. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239452/ishares-13-year-treasury-bond-etf
iShares iBoxx $ Investment Grade Corporate Bond ETF	NYSE Arca https://www.nyse.com/quote/ARCX:LQD	Delaware Statutory Trust	LQD	US4642872422	The iShares iBoxx $ Investment Grade Corporate Bond ETF seeks to track the investment results of the Markit iBoxx USD Liquid Investment Grade Index, composed of U.S. dollar-denominated, investment-grade corporate bonds. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239566/ishares-iboxx-investment-grade-corporate-bond-etf
iShares iBoxx $ High Yield Corporate Bond ETF	NYSE Arca https://www.nyse.com/quote/ARCX:HYG	Delaware Statutory Trust	HYG	US4642885135	The iShares iBoxx $ High Yield Corporate Bond ETF seeks to track the investment results of the Markit iBoxx USD Liquid High Yield Index, composed of U.S. dollar-denominated, high yield corporate bonds. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239565/ishares-iboxx-high-yield-corporate-bond-etf

Alerian MLP ETF	NYSE Arca https://www.nyse.com/quote/ARCX:AMLP	Delaware Statutory Trust	AMLP	US00162Q8666	The Alerian MLP ETF seeks investment results that correspond to the price and yield performance of the Alerian MLP Infrastructure Index, composed of energy infrastructure master limited partnerships that earn the majority of their cash flow from midstream activities. Further information on the Reference Asset can be found at: https://www.alpsfunds.com/exchange-traded-funds/amlp
Distillate U.S. Fundamental Stability & Value ETF	NYSE Arca https://www.nyse.com/quote/ARCX:DSTL	Delaware Statutory Trust	DSTL	US26922A3216	The Distillate U.S. Fundamental Stability & Value ETF is an actively managed ETF that invests in U.S.-listed equity securities selected on the basis of the adviser's assessment of valuation, cash flow stability and balance sheet quality. Further information on the Reference Asset can be found at: https://distillatecapital.com/distillate-u-s-fundamental-stability-value-etf-ticker-dstl/
JPMorgan U.S. Quality Factor ETF	NYSE Arca https://www.nyse.com/quote/ARCX:JQUA	Delaware Statutory Trust	JQUA	US46641Q7613	The JPMorgan U.S. Quality Factor ETF seeks investment results that closely correspond to the performance of the JP Morgan US Quality Factor Index, composed of U.S. large- and mid-capitalisation equities selected on the basis of quality characteristics. Further information on the Reference Asset can be found at: https://am.jpmorgan.com/us/en/asset-management/adv/products/jpmorgan-us-quality-factor-etf-etf-shares-46641q761
iShares Expanded Tech Sector ETF	NYSE Arca https://www.nyse.com/quote/ARCX:IGM	Delaware Statutory Trust	IGM	US4642875490	The iShares Expanded Tech Sector ETF seeks to track the investment results of an index composed of U.S. and Canadian technology and select communication services and consumer discretionary companies. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239769/ishares-north-american-tech-etf

iShares MSCI Intl Quality Factor ETF	NYSE Arca https://www.nyse.com/quote/ARCX:IQLT	Delaware Statutory Trust	IQLT	US46434V4564	The iShares MSCI Intl Quality Factor ETF seeks to track the investment results of the MSCI World ex USA Sector Neutral Quality Index, composed of international developed market large- and mid-capitalisation equities exhibiting relatively higher quality characteristics. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/271540/ishares-msci-international-developed-quality-factor-etf
WisdomTree Emerging Markets SmallCap Dividend Fund	NYSE Arca https://www.nyse.com/quote/ARCX:DGS	Delaware Statutory Trust	DGS	US97717W2816	The WisdomTree Emerging Markets SmallCap Dividend Fund seeks to track the price and yield performance of the WisdomTree Emerging Markets SmallCap Dividend Index, composed of dividend-paying small-capitalisation equities in emerging markets. Further information on the Reference Asset can be found at: https://www.wisdomtree.com/investments/etfs/equity/dgs
Amundi Core STOXX Europe 600 UCITS ETF Acc	Euronext Paris https://live.euronext.com/en/product/etfs/LU0908500753-XPAR	Luxembourg	MEUD	LU0908500753	The Amundi Core STOXX Europe 600 UCITS ETF Acc, a sub-fund of Amundi Index Solutions, seeks to replicate the performance of the STOXX Europe 600 Net Return EUR Index, composed of large-, mid- and small-capitalisation equities across European developed markets. Further information on the Reference Asset can be found at: https://www.amundietf.co.uk/en/professional/products/equity/amundi-core-stoxx-europe-600-ucits-etf-acc/lu0908500753

Vanguard Short-Term Inflation-Protected Securities ETF	Nasdaq https://www.nasdaq.com/market-activity/etf/vtip	Delaware Statutory Trust	VTIP	US9220208055	The Vanguard Short-Term Inflation-Protected Securities ETF seeks to track the performance of the Bloomberg U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, composed of inflation-protected securities issued by the U.S. Treasury with remaining maturities of less than five years. Further information on the Reference Asset can be found at: https://investor.vanguard.com/investment-products/etfs/profile/vtip
VanEck Junior Gold Miners ETF	NYSE Arca https://www.nyse.com/quote/ARCX:GDXJ	Delaware Statutory Trust	GDXJ	US92189F7915	The VanEck Junior Gold Miners ETF seeks to replicate as closely as possible the price and yield performance of the MVIS Global Junior Gold Miners Index, composed of small-capitalisation companies involved in gold and silver mining or holding real property with the potential to produce gold or silver. Further information on the Reference Asset can be found at: https://www.vaneck.com/us/en/investments/junior-gold-miners-etf-gdxj/overview/
Amplify Junior Silver Miners ETF	NYSE Arca https://www.nyse.com/quote/ARCX:SILJ	Massachusetts Business Trust	SILJ	US0321086490	The Amplify Junior Silver Miners ETF seeks investment results that generally correlate to the total return performance of the Nasdaq Junior Silver Miners Index, composed of companies engaged in the silver mining industry that derive the majority of their revenues from silver mining, global silver production or silver exploration and development activities. Further information on the Reference Asset can be found at: https://amplifyetfs.com/silj/

iShares MSCI Global Metals & Mining Producers ETF	Cboe BZX https://www.cboe.com/us/equities/listings/listed_products/symbols/PICK	Open-end management investment company organised under the laws of the State of Maryland	PICK	US46434G8481	The iShares MSCI Global Metals & Mining Producers ETF seeks to track the investment results of an index composed of global equities of companies primarily engaged in mining, extraction or production of diversified metals, excluding gold and silver. Further information on the Reference Asset can be found at: https://www.ishares.com/us/products/239655/ishares-msci-global-metals-mining-producers-etf
SPDR S&P Oil & Gas Exploration & Production ETF	NYSE Arca https://www.nyse.com/quote/ARCX:XOP	Massachusetts Business Trust	XOP	US78468R5569	The SPDR S&P Oil & Gas Exploration & Production ETF seeks to track the performance of the S&P Oil & Gas Exploration & Production Select Industry Index, composed of U.S. equities in the oil and gas exploration and production sub-industry. Further information on the Reference Asset can be found at: https://www.ssga.com/us/en/individual/etfs/spdr-sp-oil-gas-exploration-production-etf-xop
First Trust Natural Gas ETF	NYSE Arca https://www.nyse.com/quote/ARCX:FCG	Massachusetts Business Trust	FCG	US33733E8075	The First Trust Natural Gas ETF seeks investment results that correspond to the price and yield of the ISE-Revere Natural Gas Index, composed of companies that derive a substantial portion of their revenues from the exploration and production of natural gas. Further information on the Reference Asset can be found at: https://www.ftportfolios.com/retail/etf/etfsummary.aspx?Ticker=FCG
iShares U.S. Oil & Gas Exploration & Production ETF	Cboe BZX https://www.cboe.com/us/equities/listings/listed_products/symbols/IEO	Delaware Statutory Trust	IEO	US4642888519	The iShares U.S. Oil & Gas Exploration & Production ETF seeks to track the investment results of the Dow Jones U.S. Select Oil Exploration & Production Index, composed of U.S. equities in the oil and gas exploration and production sector. Further information on the Reference Asset can be found at:

					https://www.ishares.com/us/products/239517/ishares-us-oil-gas-exploration-production-etf
VanEck Oil Services ETF	NYSE Arca https://www.nyse.com/quote/ARCX:OIH	Delaware Statutory Trust	OIH	US92189H6071	The VanEck Oil Services ETF seeks to replicate as closely as possible the price and yield performance of the MVIS US Listed Oil Services 25 Index, composed of U.S.-listed companies involved in oil services to the upstream oil sector, including oil equipment, oil services and oil drilling. Further information on the Reference Asset can be found at: https://www.vaneck.com/us/en/investments/oil-services-etf-oih/overview/
WisdomTree US Quality Growth Fund	NYSE Arca https://www.nyse.com/quote/ARCX:QGRW	Delaware Statutory Trust	QGRW	US97717Y4778	The WisdomTree U.S. Quality Growth Fund seeks to track the price and yield performance of the WisdomTree U.S. Quality Growth Index, a market capitalisation-weighted index of 100 U.S. large- and mid-capitalisation companies with the highest composite scores based on growth and quality factors. Further information on the Reference Asset can be found at: https://www.wisdomtree.com/investments/etfs/equity/qgrw
iShares Edge MSCI World Quality Factor UCITS ETF USD (Acc)	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00BP3QZ601-ETFP.html	Ireland	IWQU	IE00BP3QZ601	The iShares Edge MSCI World Quality Factor UCITS ETF, a sub-fund of iShares IV plc, seeks to track the performance of the MSCI World Sector Neutral Quality Index, composed of a sub-set of MSCI World stocks in developed markets exhibiting strong and stable earnings, selected on the basis of high return on equity, low leverage and stable earnings growth. Further information on the Reference Asset can be

					found at: https://www.ishares.com/uk/individual/en/products/270054/ishares-msci-world-quality-factor-ucits-etf
Avantis Emerging Markets Equity ETF	NYSE Arca https://www.nyse.com/quote/ARCX:AVEM	Delaware Statutory Trust	AVEM	US0250726041	The Avantis Emerging Markets Equity ETF is an actively managed ETF that invests in a broad set of equity securities of companies of all market capitalisations across emerging market countries, selected and weighted on the basis of valuation and profitability characteristics. Further information on the Reference Asset can be found at: https://www.avantisinvestors.com/avantis-investments/avantis-emerging-markets-equity-etf/
Schwab US TIPS ETF	NYSE Arca https://www.nyse.com/quote/ARCX:SCHP	Delaware Statutory Trust	SCHP	US8085248701	The Schwab U.S. TIPS ETF seeks to track, before fees and expenses, the total return of the Bloomberg US Treasury Inflation-Linked Bond Index (Series-L), composed of inflation-protected securities issued by the U.S. Treasury with remaining maturities of one year or more. Further information on the Reference Asset can be found at: https://www.schwabassetmanagement.com/products/schp
Xtrackers MSCI World Quality UCITS ETF	Borsa Italiana https://www.borsaitaliana.it/borsa/etf/scheda/IE00BL25JL35-ETFP.html	Ireland	XDEQ	IE00BL25JL35	The Xtrackers MSCI World Quality UCITS ETF, a sub-fund of Xtrackers (IE) plc, seeks to replicate the performance of the MSCI World Sector Neutral Quality Index (USD) Total Return Net, composed of large- and mid-capitalisation equities across global developed markets exhibiting stronger quality characteristics relative to their GICS sector peers, assessed by reference to return on equity, leverage and earnings variability. Further information on the Reference Asset can be

					found at: https://etf.dws.com/en-gb/IE00BL25JL35-msci-world-quality-ucits-etf-1c/
2x Long VIX Futures ETF	CBOE BZX https://www.cboe.com/us/equities/listings/listed_products/symbols/UVIX/	Delaware Statutory Trust	UVIX	US92891H6062	The 2x Long VIX Futures ETF is a leveraged VIX-linked ETF that seeks to provide daily investment results, before fees and expenses, that correspond generally to twice the performance of the Long VIX Futures Index. Further information on the Reference Asset can be found at: https://www.volatilityshares.com/uvix/

Additional information on the iShares $ Treasury Bond 1-3yr UCITS ETF

The U.S. Dollar (Accumulating) share class of the iShares $ Treasury Bond 1-3yr UCITS ETF is an exchange traded fund Reference Asset which is admitted to trading on the SIX Swiss Exchange, which is not a regulated market or an equivalent third country market for the purposes of the Prospectus Regulation, and is not admitted to trading on any regulated market or equivalent third country market. The Issuer has therefore provided extensive disclosure below on the iShares $ Treasury Bond 1-3yr UCITS ETF in accordance with the requirements of the Prospectus Regulation.

iShares $ Treasury Bond 1-3yr UCITS ETF

The iShares $ Treasury Bond 1-3yr UCITS ETF is a sub-fund of iShares plc which seeks to track the ICE U.S. Treasury 1-3 Year Bond Index, an index of US dollar-denominated government bonds issued by the US Treasury with a remaining maturity of between one and three years.

The U.S. Dollar (Accumulating) shares of the iShares $ Treasury Bond 1-3yr UCITS ETF are listed on the SIX Swiss Exchange at https://www.six-group.com/en/market-data/etf/etf-explorer/etf-detail.IE00BYXPSP02CHF4.html.

iShares plc was incorporated in Ireland on 21 January 2000 under registration number 319052 as an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds, and is authorised by the Central Bank of Ireland as a UCITS. Its manager is BlackRock Asset Management Ireland Limited.

iShares plc's registered office is located at 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland and its telephone number is +44 20 7743 1500. The LEI number of the iShares $ Treasury Bond 1-3yr ETF is 54930060K92G42KDXP55.

As at the date of this Base Prospectus, neither iShares plc nor the iShares $ Treasury Bond 1-3yr UCITS ETF has been assigned a credit rating.

As at the date of this Base Prospectus, the directors of iShares plc are:

William McKechnie (Chair)
Padraig Kenny
Ros O'Shea
Deirdre Somers
Manuela Sperandeo

Manuela Sperandeo is an employee of the BlackRock group, which provides management and investment management services to iShares plc. Save as described above, and so far as the Issuer is able to ascertain from information published by iShares plc, there are no conflicts of interest between members of the administrative, management and supervisory bodies of iShares plc and the private interests of such members.

iShares plc's auditors are Deloitte Ireland LLP.

iShares plc's latest annual reports for the years ended 28 February 2025 and 2026 are available at the links below, and are incorporated into and form part of this Base Prospectus:

https://www.ishares.com/gls-download/literature/annual-report/ishares-plc-annual-report-en-28-feb-25.pdf

https://www.ishares.com/gls-download/literature/annual-report/ishares-plc-annual-report-en-28-feb-26.pdf

(the "**iShares plc Annual Reports**").

Any documents referred to or incorporated by reference into the iShares plc Annual Reports shall not form part of this Base Prospectus. Any non-incorporated parts of the iShares plc Annual Reports are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by iShares plc (a) there has been no material adverse change in the prospects of the iShares $ Treasury Bond 1-3yr UCITS ETF since 28 February 2026, the date of its last published audited financial statements; and (b) there has been no significant change in the financial position or financial performance of the iShares $ Treasury Bond 1-3yr UCITS ETF since 28 February 2026, the date of its last published financial statements to the date of this Base Prospectus.

As far as the Issuer is aware or able to ascertain from information published by iShares plc, the Issuer is not aware of any governmental, legal or arbitration proceedings (including any pending or threatened proceedings) during the 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of iShares plc or the iShares $ Treasury Bond 1-3yr UCITS ETF.

The website of the iShares $ Treasury Bond 1-3yr ETF is https://www.ishares.com/uk/individual/en/products/287340/ishares-treasury-bond-1-3yr-ucits-etf. The iShares website does not form part of this Base Prospectus.

(v) Futures Contracts

A futures contract is a standardised contract traded on, or subject to the rules of, an exchange that calls for the future delivery of a specified quantity and type of a particular underlying asset at a specified time and place or alternatively may call for cash settlement. Futures contracts are traded on a wide variety of underlying assets, including bonds, interest rates, agricultural products, stock indexes, currencies, energy, metals, economic indicators and statistical measures. The notional size and calendar term of futures contracts on a particular underlying asset are identical and are not subject to any negotiation, other than with respect to price and the number of contracts traded between the buyer and seller.

Certain futures contracts settle in cash, reflecting the difference between the contract purchase/sale price and the contract settlement price. The cash settlement mechanism avoids the potential for either side to have to deliver the underlying asset. For other futures contracts, the contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying asset or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery. The difference between the price at which the futures contract is purchased or sold and the price paid for the offsetting sale or purchase, after allowance for brokerage commissions, constitutes the profit or loss to the trader.

Margin Requirements

"Initial" or "original" margin is the minimum amount of funds that parties to a futures contract must deposit with his commodity broker in order to establish an open position. Maintenance margin is the amount (generally less than initial margin) to which a party's account may decline before he must deliver additional margin so as to maintain open positions. A margin deposit is like a cash performance bond. It helps assure the party's performance of the futures contracts it purchases or sells.

The margin payments to be made on behalf of the Issuer in respect of the futures contracts will be managed by the Margin Loan Provider and such margin payments will be paid from the balance of the Margin Account. The Portfolio Administrator will monitor the balance of the Margin Account to ensure that it is sufficient to satisfy any margin payments that are required from time to time.

Rolling Forward of Futures Contracts

The vast majority of futures trades made by speculators are offset before the final expiration of the futures contracts. Alternatively, some traders might allow their positions to expire. A small group of investors, however, mainly institutions such as pension funds, endowments and money managers, might wish to extend their positions beyond the contract expiration. The strategy that allows them to extend a futures contract from one expiration to the next is referred to as rolling the futures contract (or rolling forward). A roll forward involves two elements, firstly offsetting the current position and secondly establishing a new position in the next contract period. One transaction that effects this strategy is called a calendar spread which guarantees that the two elements will be filled at the same time or not at all. This eliminates the possibility that the market moves in the interim between the elements. The Portfolio Administrator will be responsible for managing the rolling forward of futures contracts by the Issuer.

All futures contracts to be acquired by the Issuer will be listed on a CME Exchange, an ICE Exchange, a Euronext Exchange, a KRX Exchange or a Eurex Exchange (each as defined below, and each a "**Futures Exchange**"), where:

"**CME Exchange**" means Chicago Mercantile Exchange Inc. ("**CME Inc**") and any other exchange under common ownership or control with CME Inc. within the CME Group, including Board of Trade of Chicago, Inc. ("**CBOT**"), New York Mercantile Exchange, Inc, ("**NYMEX**") and Commodity Exchange Inc. ("**COMEX**").

"**ICE Exchange**" means any exchange owned or controlled, directly or indirectly, by Intercontinental Exchange , Inc. ("**ICE**").

"**Euronext Exchange**" means Euronext Milan, and any other exchange operated by a member of the Euronext N.V. group.

"**KRX Exchange**" means Korea Exchange, Inc. ("**KRX**") and any other exchange owned or controlled, directly or indirectly by KRX.

"**Eurex Exchange**" means Eurex Deutschland ("**Eurex**") and any other exchange under common ownership or control with Eurex within the Deutsche Börse AG group.

Clearing of Futures Contracts

Futures contracts listed on a CME Exchange are centrally cleared whereby the Issuer's counterparty exposure will be to the relevant clearing house of the CME Group.

Futures contracts listed on an ICE Exchange are centrally cleared whereby the Issuer's counterparty exposure will be to the relevant clearing house of ICE.

Futures contracts listed on a KRX Exchange are centrally cleared whereby the Issuer's counterparty exposure will be to the clearing house of KRX.

(vi) Mutual Funds

The Issuer may issue a Series of ETP Securities designating any of the mutual funds listed below as Reference Assets:

Name of Reference Asset	Country of Incorporation /Legal Jurisdiction	Registered Office	Ticker	ISIN	Exchange (see "Markets on which Reference Assets are admitted to trading" below)	General Description of the Reference Asset
Blackrock Smaller Companies Trust plc	United Kingdom	Exchange Place 1, 1 Semple Street, Edinburgh EH3 8BL	BRSC	GB0006436108	London Stock Exchange https://www.londonstockexchange.com/stock/BRSC/blackrock-smaller-co-trust-plc/company-page	The BlackRock Smaller Companies Trust plc is an investment trust that aims to achieve long-term capital growth for shareholders through investment mainly in smaller UK quoted companies. The company is managed by BlackRock Fund Managers Limited. The latest corporate and performance data can be found on the BlackRock Investment Management (UK) Limited website at: www.blackrock.com/uk/brsc.
Smithson Investment Trust plc	United Kingdom	6th Floor, 125 London Wall, London, EC2Y 5AS	SSON	GB00BGJWTR88	London Stock Exchange https://www.londonstockexchange.com/stock/SSON/smithson-investment-trust-plc/company-page	The Smithson Investment Trust is an investment trust whose investment policy is to invest in shares issued by small and mid-sized listed or traded companies globally with a market capitalisation (at the time of initial investment) of between £500 million to £15 billion. The Company's approach is to be a long-term investor in its chosen stocks. It will not adopt short-term trading strategies. Accordingly, it will pursue its investment policy by investing in approximately 25 to 40 companies. It is managed by Fundsmith LLP. The latest corporate and performance data can be found at: www.smithson.co.uk
Finsbury Growth and Income Trust plc	United Kingdom	52 Lothian Road, Festival Square, Edinburgh EH3 9WJ	FGT	GB0007816068	London Stock Exchange https://www.londonstockexchange.com/stock/FGT/finsbury-growth-income-trust-	Finsbury Growth & Income Trust PLC is an investment trust that invests principally in the securities of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).It is managed by Lindsell Train Limited. The latest corporate and performance data can be found at: www.finsburygt.com

					plc/company-page	
Scottish Mortgage Investment Trust PLC	United Kingdom	Calton Square, 1 Greenside Row, Edinburgh EH1 3AN.	SMT	GB00BLDYK618	London Stock Exchange https://www.londonstockexchange.com/stock/SMT/scottish-mortgage-investment-trust-plc/company-page	Scottish Mortgage Investment Trust is an investment trust that aims to identify, own and support the world's most exceptional growth companies. It aims to provide long-term funding and support for the companies and entrepreneurs building the future of our economy. It is managed by Baillie Gifford & Co. The latest corporate and performance data can be found at: http://www.scottishmortgage.co.uk/
Baillie Gifford US Growth Trust PLC	United Kingdom	3 St. Helen's Place, London, EC3A 6AB	USA	GB00BDFGHW41	London Stock Exchange https://www.londonstockexchange.com/stock/USA/baillie-gifford-us-growth-trust-plc/company-page	The Baillie Gifford US Growth Trust plc seeks to invest predominantly in listed and unlisted US companies which the Company believes have the potential to grow substantially faster than the average company, and to hold onto them for long periods of time, in order to produce long-term capital growth. The latest corporate and performance data can be found at: https://www.bailliegiffordusgrowthtrust.com/
Lindsell Train Investment Trust PLC	United Kingdom	Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY	LTI	GB0031977944	London Stock Exchange https://www.londonstockexchange.com/stock/LTI/lindsell-train-investment-trust-plc/company-page	The Lindsell Train Investment Trust PLC is a closed-ended investment trust that focuses on long-term investments and is managed by Lindsell Train Limited. The latest corporate and performance data can be found at: http://www.lindselltrain.com/
Pershing Square Holdings Limited	Bailiwick of Guernsey	Northern Trust International P.O. Box 255 Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL	PSH	GG00BPFJTF46	London Stock Exchange https://www.londonstockexchange.com/stock/PSH/pershing-square-holdings-ltd/company-page	Pershing Square Holdings Limited is an investment holding company structured as a closed-ended fund principally engaged in the business of acquiring and holding significant (but generally not controlling) positions in a concentrated number of large capitalization companies. The company's objective is to maximize its long-term compound annual rate of growth in intrinsic value per share. The latest corporate and performance data can be found at: https://pershingsquareholdings.com/

Central Securities Corporation	United States of America	630 Fifth Avenue New York, New York 10111	CET	US1551231020	New York Stock Exchange https://www.nyse.com/quote/XASE:CET	Central Securities Corporation's investment objective is long-term growth of capital. In pursuing its investment objective, the company invests primarily in equity securities that it believes are undervalued at the time of purchase and have the potential for growth. It is the company's goal to own companies that it believes will generate superior returns when compared with the broad market and preserve the company's capital in an inflationary environment. The latest corporate and performance data can be found at: http://www.centralsecurities.com/

Markets on which Reference Assets are admitted to trading

The information in this section is given in respect of each Reference Asset listed in the tables in paragraph (i) (Equity Securities), including the table of ADRs and ADSs, paragraph (iv) (Exchange Traded Funds) and paragraph (vi) (Mutual Funds) above which is admitted to trading on a regulated market, an equivalent third country market or an SME Growth Market. The market on which each such Reference Asset is admitted to trading is identified in the relevant table.

Description of the Reference Assets

Unless otherwise stated in the relevant table:

(A) each Reference Asset listed in the table of equity securities in paragraph (i) above is the ordinary shares or common stock of the relevant issuer;

(B) each Reference Asset listed in the table of ADRs and ADSs in paragraph (i) above is the American depositary receipt or American depositary share identified in that table, representing the underlying equity security identified in that table;

(C) each Reference Asset listed in the tables in paragraph (iv) above is the shares or units of the exchange traded fund identified by ISIN in those tables; and

(D) each Reference Asset listed in the table in paragraph (vi) above is the shares or units of the fund identified by ISIN in that table,

and each such Reference Asset is traded on the relevant market in the trading currency set out for that market in the table below.

Description of the markets

Each market on which such Reference Assets are admitted to trading is described below, together with the frequency at which prices of the Reference Assets admitted to trading on it are published.

Market	Trading currency	Date of establishment	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Frequency at which prices are published
New York Stock Exchange (NYSE)	USD	17 May 1792	Real-time prices disseminated through the consolidated tape and published by NYSE at https://www.nyse.com	Available at: https://www.nyse.com	Equivalent third country market. Largest stock exchange in the world by market capitalisation of listed companies; operated by NYSE Group, Inc., a subsidiary of Intercontinental Exchange, Inc.	U.S. Securities and Exchange Commission	Continuous during trading hours; closing price on each trading day
NYSE Arca	USD	7 March 2006	Real-time prices disseminated through the consolidated tape and published by NYSE at https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Equivalent third country market. A leading U.S. exchange for the listing and trading of exchange traded funds; operated by NYSE Arca, Inc., a subsidiary of Intercontinental Exchange, Inc.	U.S. Securities and Exchange Commission	Continuous during trading hours; closing price on each trading day
Nasdaq (The Nasdaq Stock Market LLC)	USD	8 February 1971	Real-time prices disseminated through the consolidated tape and published by Nasdaq at https://www.nasdaq.com	Available at: https://www.nasdaq.com	Equivalent third country market. One of the largest stock exchanges in the world by market capitalisation; operated by Nasdaq, Inc.	U.S. Securities and Exchange Commission	Continuous during trading hours; closing price on each trading day
Cboe BZX Exchange	USD	[2008 (as BATS Exchange)]	Real-time prices disseminated through the consolidated tape and published by Cboe at https://www.cboe.com/markets/us/equities	Available at: https://www.cboe.com/markets/us/equities	Equivalent third country market. Operated by Cboe BZX Exchange, Inc., a subsidiary of Cboe Global Markets, Inc.	U.S. Securities and Exchange Commission	Continuous during trading hours; closing price on each trading day
Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), including trading on Xetra (referred to in the tables above as Frankfurt Stock Exchange, Deutsche Börse, Deutsche Börse/Xetra or Börse Frankfurt)	EUR	1585; Xetra trading system introduced 1997	Real-time and closing prices published by Deutsche Börse AG at https://live.deutsche-boerse.com	Available at: https://live.deutsche-boerse.com	Regulated market (Germany). Germany's largest stock exchange; operated by Deutsche Börse AG	Exchange Supervisory Authority of the German Federal State of Hesse; Federal Financial Supervisory Authority (BaFin)	Continuous during trading hours; closing price on each trading day
Euronext Paris	EUR	1724 (Paris Bourse); part of Euronext since 2000	Real-time and closing prices published by Euronext at https://live.euronext.com	Available at: https://live.euronext.com	Regulated market (France). France's principal stock exchange; operated by Euronext Paris S.A., part of the Euronext group	Autorité des marchés financiers (AMF)	Continuous during trading hours; closing price on each trading day

Market	Trading currency	Date of establishment	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Frequency at which prices are published
Euronext Amsterdam	EUR	1602 (Amsterdam Stock Exchange); part of Euronext since 2000	Real-time and closing prices published by Euronext at https://live.euronext.com	Available at: https://live.euronext.com	Regulated market (the Netherlands). The Netherlands' principal stock exchange; operated by Euronext Amsterdam N.V., part of the Euronext group	Dutch Authority for the Financial Markets (AFM)	Continuous during trading hours; closing price on each trading day
Euronext Milan and ETFplus (Borsa Italiana) (referred to in the tables above as Euronext Milan or Borsa Italiana)	EUR	1808 (Borsa Italiana); part of Euronext since 2021	Real-time and closing prices published by Borsa Italiana at https://www.borsaitaliana.it	Available at: https://www.borsaitaliana.it	Regulated markets (Italy). Italy's principal stock exchange; operated by Borsa Italiana S.p.A., part of the Euronext group	Commissione Nazionale per le Società e la Borsa (CONSOB)	Continuous during trading hours; closing price on each trading day
Madrid Stock Exchange (BME)	EUR	1831	Real-time and closing prices published by BME at https://www.bolsasymercados.es	Available at: https://www.bolsasymercados.es	Regulated market (Spain). Spain's principal stock exchange; operated by Sociedad Rectora de la Bolsa de Valores de Madrid, part of BME, a SIX Group company	Comisión Nacional del Mercado de Valores (CNMV)	Continuous during trading hours; closing price on each trading day
Nasdaq Helsinki	EUR	1912	Real-time and closing prices published by Nasdaq Nordic at https://www.nasdaqomxnordic.com	Available at: https://www.nasdaqomxnordic.com	Regulated market (Finland). Finland's principal stock exchange; operated by Nasdaq Helsinki Ltd, part of Nasdaq, Inc.	Finnish Financial Supervisory Authority (FIN-FSA)	Continuous during trading hours; closing price on each trading day
The Stock Exchange of Hong Kong Limited (referred to in the tables above as Hong Kong Stock Exchange)	HKD	1891; unified exchange in its current form since 1986	Real-time and closing prices published by HKEX at https://www.hkex.com.hk	Available at: https://www.hkex.com.hk	[Equivalent third country market.] Hong Kong's principal stock exchange; operated by a subsidiary of Hong Kong Exchanges and Clearing Limited	Securities and Futures Commission of Hong Kong	Continuous during trading hours; closing price on each trading day

This section does not apply to Reference Assets which are not admitted to trading on a regulated market, an equivalent third country market or an SME Growth Market, including those admitted to trading only on the Korea Exchange, the Taiwan Stock Exchange or the Tokyo Stock Exchange. Information on those Reference Assets is set out in paragraph (i) above.

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Options Contracts

An options contract (an "**Option**") can be either a call or put option and is a standardised contract traded on, or subject to the rules of, an exchange. A call option gives the option buyer (the "**Option Buyer**") the right (but not the obligation) to purchase an asset or enter into a contract to purchase an asset from the option seller (the "**Option Seller**") at a future date (the "**Exercise Date**") for an agreed price (the "**Strike Price**"), in exchange for the payment of a premium. A put option gives the Option Buyer of the option the right (but not the obligation) to sell an asset or enter into a contract to sell an asset to the Option Seller of the put option on the Exercise Date at the agreed Strike Price, in exchange for the payment of a premium.

Options are traded on a wide variety of underlying assets, including bonds, interest rates, agricultural products, stock indexes, currencies, energy, metals, economic indicators and statistical measures. The notional size and calendar term of options contracts on a particular underlying asset are identical and are not subject to any negotiation, other than with respect to price and the number of contracts traded between the buyer and seller.

Certain Options settle in cash, reflecting the difference between the Strike Price and the current market price (the "**Spot Price**") of the underlying asset or contract ("**Option Underlying**") on the Exercise Date. The cash settlement mechanism avoids the potential for either side to have to deliver the Option Underlying. For other Options, the contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the Option Underlying.

Margin Requirements

"Initial" or "original" margin is the minimum amount of funds that the seller of an Option must deposit with his broker in order to establish an open position. Maintenance margin is the amount (generally less than initial margin) to which a party's account may decline before he must deliver additional margin so as to maintain open positions. A margin deposit is like a cash performance bond. It helps assure the party's performance of the Options it sells.

The margin payments to be made on behalf of the Issuer in respect of the Options will be managed by the Margin Loan Provider and such margin payments will be paid from the balance of the Margin Account. The Portfolio Administrator will monitor the balance of the Margin Account to ensure that it is sufficient to satisfy any margin payments that are required from time to time.

All Options to be sold by the Issuer will be listed on one of the exchanges listed below or on any exchange under common ownership or control with such exchange (including any parent, subsidiary, or affiliated exchange within the same corporate group):

a) BOX Exchange ("**BOX**")

b) Chicago Board Options Exchange ("**CBOE**")

c) Members Exchange ("**MEMX**")

d) Miami International Securities Exchange ("**MIAX**")

e) Nasdaq Stock Market ("**NASDAQ**")

f) New York Stock Exchange ("**NYSE**")

(the "**Option Exchanges**").

Clearing of Options Contracts

Options will be centrally cleared whereby the Issuer’s counterparty is a clearing house rather than a bank or broker. The clearing house of the Option Exchanges is The Options Clearing Corporation.

SUPPLEMENTS

The Issuer shall prepare a supplement (each a "**Supplement**") to this Base Prospectus or publish a new base prospectus whenever required by the guidelines of any stock exchange on which ETP Securities are listed or, pursuant to Article 23 of the Prospectus Regulation if there is a significant new factor, material mistake or material inaccuracy affecting any matter contained in this Base Prospectus, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared and/or pursuant to Article 23 of the Prospectus Regulation.

PURPOSE OF FINAL TERMS

In this section the expression “necessary information” means, in relation to any Tranche of ETP Securities of any Series, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the ETP Securities. In relation to any ETP Securities which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to such ETP Securities which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of ETP Securities.

Any information relating to any ETP Securities which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of ETP Securities will be contained in the relevant Final Terms.

For a Tranche of ETP Securities which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of ETP Securities which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

TERMS AND CONDITIONS OF THE ETP SECURITIES

The terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 15 March 2024 shall be deemed to be incorporated in, and form part of, this Base Prospectus ("**Terms and Conditions Version 7"**). All other parts of the Base Prospectus dated 15 March 2024 are not relevant for investors or are covered elsewhere in this Base Prospectus. The Base Prospectus dated 15 March 2024 can be viewed at:

Leverage-Shares-Base-Prospectus-(CBI)-Final-15-March-2024.pdf

The terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 17 July 2024 shall be deemed to be incorporated in, and form part of, this Base Prospectus ("**Terms and Conditions Version 8"**). All other parts of the Base Prospectus dated 17 July 2024 are not relevant for investors or are covered elsewhere in this Base Prospectus. The Base Prospectus dated 17 July 2024 can be viewed at:

Leverage-Shares-Base-Prospectus-(CBI)-Final-17-July-2024.pdf

The terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 23 June 2025 shall be deemed to be incorporated in, and form part of, this Base Prospectus ("**Terms and Conditions Version 9"**). All other parts of the Base Prospectus dated 23 June 2025 are not relevant for investors or are covered elsewhere in this Base Prospectus. The Base Prospectus dated 23 June 2025 can be viewed at:

https://leverageshares.com/documents/en-eu/prospectus/Base-Prospectus-%28CBI%29-Final-23-June-2025.pdf

The terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 11 June 2026 shall be deemed to be incorporated in, and form part of, this Base Prospectus ("**Terms and Conditions Version 10"**). All other parts of the Base Prospectus dated 11 June 2026 are not relevant for investors or are covered elsewhere in this Base Prospectus. The Base Prospectus dated 11 June 2026 can be viewed at:

https://leverageshares.com/documents/en/prospectus/Base-Prospectus-(CBI)-Final.pdf

The terms and conditions set out below shall be referred to as the "**Terms and Conditions Version 11**".

The Final Terms shall specify which version of the terms and conditions shall apply to a Series of ETP Securities.

Terms and Conditions Version 11

*The following is the text of the terms and conditions which, subject to completion by the Final Terms relating to a particular Series or Tranche of ETP Securities, will be applicable to the ETP Securities of such Series or Tranche and which will be attached to or endorsed on such ETP Securities in definitive form (or, in the case of Registered Securities, on the Individual Certificates relating to such Registered Securities). Unless the context requires otherwise, references in these terms and conditions to "**ETP Securities**" are to the ETP Securities of one Series only, not to all ETP Securities which may be issued under the Programme from time to time.*

The ETP Securities are issued under the collateralised exchange traded securities programme of the Issuer (the "**Programme**").

In respect of a Series of ETP Securities, the ETP Securities of such Series will be constituted by (i) a supplemental trust deed dated the Issue Date of the first Tranche of ETP Securities of such Series and made between, among others, the Issuer and Apex Corporate Trustees (UK) Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)), as trustee for the holders of the ETP Securities and the other persons specified therein (as amended,

supplemented, novated and/or replaced from time to time, the "**Supplemental Trust Deed**"; and (ii) a master trust deed originally dated the Programme Effective Date and as most recently amended on 17 July 2024 and made between the Issuer and the Trustee (as further amended, supplemented, novated and/or replaced from time to time, the "**Master Trust Deed**"). The Master Trust Deed and the Supplemental Trust Deed in respect of each Series of ETP Securities are referred to together as the "**Trust Deed**". These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

The obligations of the Issuer under the ETP Securities of a particular Series are secured by the Security Documents in respect of such Series.

The Issuer has entered into the following margin account agreements:

(i) a New York law governed client agreement between the Issuer and Interactive Brokers LLC dated 10 January 2025 (as amended, supplemented, novated and/or replaced from time to time, the "**IB Margin Account Agreement**");

(ii) a New York law governed customer prime broker account agreement, and related and supplemental agreements entered into between the Issuer and Morgan Stanley & Co. LLC originally dated 28 June 2024 and as amended and restated on 30 September 2024 (as further amended, supplemented, novated and/or replaced from time to time, the "**MS Margin Account Agreement**"); and

(iii) a New York law governed agreement for prime brokerage, and related and supplemental agreements entered into between the Issuer and Pershing LLC dated 22 July 2024 (as amended, supplemented, novated and/or replaced from time to time, the "**Pershing Margin Account Agreement**").

The defined term "**LS Margin Account Agreement**" herein shall mean either the IB Margin Account Agreement and/or the MS Margin Account Agreement and/or the Pershing Margin Account Agreement and/or any other agreement entered into with a Margin Loan Provider, as applicable to a Series of ETP Securities.

The LS Margin Account Agreement sets out, amongst other things, the terms on which the Margin Loan Provider will provide certain securities accounts, margin accounts, collateral accounts, margin loans and securities loans to the Issuer in respect of each Series of ETP Securities to which it is applicable.

The Portfolio Administrator has the discretion as to whether the IB Margin Account Agreement and/or the MS Margin Account Agreement and/or the Pershing Margin Account Agreement shall apply with respect to a Series of ETP Securities.

The Margin Loan Provider does not guarantee payment by the Issuer to the ETP Securityholders of amounts due in respect of the ETP Securities, and no ETP Securityholder will have any claim against any Margin Loan Provider in respect of amounts due in respect of any ETP Securities.

The Issuer, the Trustee and Flexinvest Limited entered into an Irish law governed portfolio administration agreement dated 23 June 2025 (as amended, supplemented, novated and/or replaced from time to time, the "**Flexinvest Portfolio Administration Agreement**").

The Issuer, the Trustee and FlexAdvisor Limited entered into an Irish law governed portfolio administration agreement dated 23 June 2025 (as amended, supplemented, novated and/or replaced from time to time, the "**FlexAdvisor Portfolio Administration Agreement**").

The defined term "**Portfolio Administration Agreement**" herein shall mean either the Flexinvest Portfolio Administration Agreement, the FlexAdvisor Portfolio Administration Agreement, or any other agreement entered into with a Portfolio Administrator, as applicable to a Series of ETP Securities. The Final Terms shall confirm the Portfolio Administrator and the Portfolio Administration Agreement applicable to a Series of ETP Securities.

Pursuant to the terms of the Portfolio Administration Agreement, the net proceeds of issuance of such Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of such Series, will be paid to the Margin Loan Provider, on behalf of the Issuer, and invested as follows:

- in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount (as defined below) will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate (to the degree practicable) the return of the Index or to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

- in the case of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

- in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will, at the discretion of the Portfolio Administrator be invested in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor; and

- in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

- in the case of Income Series where the Reference Assets are put options, the net proceeds of issuance of such Series of ETP Securities will be used to fund the related Margin Accounts as may be required to maintain positions in the put options in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor;

- in the case of Income Series where the Reference Assets are call options, the net proceeds of issuance of such Series of ETP Securities will be:

  (vii) used to fund the related Margin Accounts as may be required to maintain positions in the call options; and

  (viii) invested in the underlying assets of the call options, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account,

  in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor; and

- in the case of Income Series where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount (as defined below), where applicable. will be invested in the Reference Assets in order to pursue the Investment Strategy referenced by such Series, taking into account any applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not

required to be invested in Reference Assets to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

The "**Leveraged Investment Amount**" will be the amount of margin that the Margin Loan Provider will extend by way of credit to the Issuer in the Relevant Currency equal to the product of (i) the difference between the Leverage Factor and one and (ii) the net proceeds of the issuance.

An amended and restated agency agreement originally dated 18 December 2020 and as most recently amended and restated on 17 July 2024 has been entered into between the Issuer, the Trustee, the Issuing and Paying Agent and the Arranger (as amended, supplemented, novated and/or replaced from time to time, the "**U.S. Bank Agency Agreement**"), pursuant to which the Issuing and Paying Agent provides certain validation and co-ordination services in relation to the issue, payment and cancellation of the Leverage Shares ETPs.

An operating procedures agreement dated 18 December 2020 (as amended, supplemented, novated and/or replaced from time to time, the "**LS Operating Procedures Agreement**") has been entered into in order to establish certain operational procedures in relation to ETP Securities issued under the Programme between, among others, the Issuer, Interactive Broker LLC and the Initial Authorised Participant (as defined below).

A broker dealer of record agreement dated 2 November 2026 (as amended, supplemented, novated and/or replaced from time to time, the "**Broker Dealer of Record Agreement**") has been entered into between the Issuer and the Broker Dealer of Record (as defined below) pursuant to which the Broker Dealer of Record has agreed to provide certain broker dealer related services and support for the Issuer.

An amended and restated services agreement originally dated 2 February 2018 and as most recently amended and restated on 6 November 2020 (as further amended, supplemented, novated and/or replaced from time to time, the "**Services Agreement**") has been entered into between the Issuer and the Arranger (as defined below) pursuant to which the Arranger has agreed to provide certain management, administration and arrangement services to the Issuer and to discharge certain fees, costs and expenses incurred by the Issuer in respect of the Programme and the ETP Securities.

An amended and restated determination agency agreement originally dated 30 August 2019 and as most recently amended and restated on 17 July 2024 (as further amended, supplemented, novated and/or replaced from time to time, the "**Determination Agency Agreement**") has been entered into between the Issuer, the Trustee, the Arranger (as defined below) and the Determination Agent (as defined below) pursuant to which the Determination Agent has agreed to provide certain calculation services for the Issuer.

The ETP Securityholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the LS Margin Account Agreement, the Portfolio Administration Agreement, the U.S. Bank Agency Agreement, the LS Operating Procedures Agreement, the Broker Dealer of Record Agreement, the Services Agreement, the Master Definitions Schedule (as defined below), and each of the other Programme Documents (as defined below) which are applicable to them and to have notice of each set of Final Terms (as defined below) issued in respect of a Series or Tranche of ETP Securities held by such ETP Securityholders.

The terms and conditions of a Series of ETP Securities will be the conditions set out below as completed by the Final Terms applicable to such Series. References herein to the "**Conditions**" of the ETP Securities are to these terms and conditions as so completed by the Final Terms applicable to the ETP Securities.

1. Definitions

1.1 Definitions

In the Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Additional Authorised Participant**" means any Eligible Authorised Participant (other than the Initial Authorised Participant) that has entered into an Authorised Participant Agreement with the Issuer and has acceded to the LS Operating Procedures Agreement.

"**Additional Security Document**" means, any security document relating to the ETP Securities designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time but, for the avoidance of doubt, not including the Trust Deed or the Margin Account Security Agreement.

"**Adjustment Event**" means an Index Cancellation, an Index Modification, an Index Disruption or an Investment Strategy Modification.

"**Affiliate**" means, in relation to any person or entity, any other person or entity controlled, directly or indirectly, by the person or entity, any other person or entity that controls, directly or indirectly, the person or entity or any other person or entity directly or indirectly under common control with the person or entity. For these purposes, "**control**" of any entity or person means the power, directly or indirectly, either to (a) vote 10 per cent. or more of the securities having ordinary voting power for the election of directors of the relevant person or entity or (b) direct or cause the direction of the management and policies of such person or entity whether by contract or otherwise.

"**Agents**" means any agent(s) as may be appointed from time to time in relation to the ETP Securities under the Programme Documents or any other agreement with the Issuer under which such agent is appointed from time to time in relation to the ETP Securities, as applicable, and any successor or replacement and "**Agent**" means any of them.

"**Ancillary Assets**" means sovereign debt in the currency of denomination of the ETP Securities with an original maturity of less than one month which is rated at least A-1 by Standard & Poor's Ratings Services, and/or P-1 by Moody's Investors Service Ltd. and/or F1 by Fitch Ratings Limited.

"**Arranger**" means Leverage Shares Management Company Limited.

"**Arranger Fee**" means a fee charged by the Arranger in relation to each Series of ETP Securities, as modified by the Arranger from time to time, as set out in the Base Prospectus of the Issuer.

"**Authorised Participant**" means the Initial Authorised Participant and any Additional Authorised Participant.

"**Authorised Participant Agreement**" means, in respect of an Authorised Participant, the authorised participant agreement (as amended, supplemented, novated and/or replaced from time to time) entered into by the Issuer and such Authorised Participant.

"**Available Receipts**" shall have the meaning given to it in the relevant Investment Strategy.

"**Bearer Securities**" has the meaning given to it in Condition 2.

"**Broker Dealer of Record**" means Flexinvest Limited or any successor or replacement thereto or any other entity appointed as broker dealer of record in accordance with the terms of the Broker Dealer of Record Agreement.

"**CGN**" means a Global Bearer Security in classic global note form.

"**Clearing System Business Day**" means a day on which the Relevant Clearing System is open for the purpose of effecting settlement of ETP Securities.

"**Clearstream, Luxembourg**" means Clearstream Banking, S.A., Luxembourg and any successor thereto.

"**Collateral Assets**" means:

(A) in the case of Leveraged Exposures and Normal Exposures where the Reference Assets are Physical Assets:

(i) the Reference Assets of the applicable Index or Investment Strategy for such Series of ETP Securities;

(ii) Ancillary Assets; and

(iii) any cash;

(B) in the case of Short Exposures where the Reference Assets are Physical Assets:

(i) the mark to market value of securities loans;

(ii) the Ancillary Assets; and

(iii) any cash; and

(C) in the case of ETP Securities where the Reference Assets are futures contracts:

(i) the mark to market value of the futures contract;

(ii) the Ancillary Assets; and

(iii) any cash,

(D) in the case of Income Series where the Reference Assets are option contracts:

(i) the mark to market value of the option contracts;

(ii) any underlying assets of the option contracts acquired by the Issuer to (i) cover its exposure under the options in accordance with the Investment Strategy or (ii) as a result of the option contracts being physically settled;

(iii) the Ancillary Assets; and

(iv) any cash,

(E) in the case of Income Series where the Reference Assets are Physical Assets:

(i) the Reference Assets of the applicable Investment Strategy for such Series;

(ii) Ancillary Assets; and

(iii) any cash;

in each case as held in the Margin Account.

"**Common Safekeeper**" means, in relation to a Series of ETP Securities issued in NGN or NSS form, the common safekeeper for Euroclear or Clearstream, Luxembourg appointed in respect of such Series.

"**Currency Business Day**" means a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the Relevant Currency or, in the case of euros, a city in which banks in general have access to the TARGET2 System.

"**Definitive Securities**" means Bearer Securities in definitive form and includes any replacement ETP Security issued pursuant to these Conditions.

"**Denomination**" means, in respect of a Series of ETP Securities, an amount equal to its Principal Amount.

"**Determination Agent**" means Calculation Agent Services LLC and any successor or replacement thereto or any other entity appointed as determination agent in accordance with the terms of the Determination Agency Agreement.

"**Determination Agent Breach**" has the meaning given to it in Condition 10.6(B).

"**Disrupted Day**" means:

(A) in respect of any Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, any Scheduled Trading Day on which a relevant Exchange or

any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event or a Severe Disruption Event has occurred; and

(B) in respect of Index-linked Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event or a Severe Disruption Event has occurred; and

(C) in respect of any Series of ETP Securities which pursue an Investment Strategy, for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which (i) the Related Exchange fails to open for trading during its regular trading session; or (ii) a Market Disruption Event or a Severe Disruption Event has occurred.

"**Disruption Event**", in respect of a Series of ETP Securities, means any event that causes a Valuation Date in respect of that Series to be a Disrupted Day.

"**Disruption Redemption Event**" has the meaning given to it in Condition 9.3(C).

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"**EEA**" means the European Economic Area.

"**Eligible Authorised Participant**" means any entity that meets the requirements of the LS Operating Procedures Agreement.

"**ETP Securities**" means the Series of ETP Securities to which these Conditions relates or, as the context may require, any or all securities issued by the Issuer under the Programme.

"**ETP Security Value**" has the meaning given to it in Condition 5.

"**ETP Securityholder**" and "**holder**" mean the bearer of any Bearer Security or the person in whose name a Registered Security is registered (as the case may be).

"**ETP Securityholder Notice and Direction**" has the meaning given to it in Condition 8.7.

"**Euroclear**" means Euroclear Bank S.A./N.V. and any successor thereto.

"**Event of Default**" has the meaning given to it in Condition 12.

"**Event of Default Redemption Notice**" has the meaning given to it in Condition 12.

"**Exchange**" means the exchange specified in either the relevant Investment Strategy or the Final Terms.

"**Exchange Business Day**" means:

(A) in respect of any Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and

(B) in respect of any Index-linked Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which (i) in the case of Index-linked Series, the Index Sponsor publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time; and

(C) in respect of any Series of ETP Securities which pursue an Investment Strategy any Scheduled Trading Day on which all the exchanges where the Reference Assets of the Investment Strategy are listed are open for trading during their regular trading sessions, notwithstanding any such exchanges closing prior to their Scheduled Closing Time.

"**Exchange Date**" has the meaning given to it in Condition 3.1.

"**Exchange Disruption**" means any event (other than Early Closure) that disrupts or impairs (as determined by the Arranger) the ability of market participants in general to effect transactions in, or obtain market values for: (i) the Reference Asset on the Exchange; or (ii) futures or options contracts relating to the applicable Series of ETP Securities on the Related Exchange.

"**Exchangeable Bearer Securities**" has the meaning given to it in Condition 2.

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with schedule 6 of the Master Trust Deed by a majority of at least 75 per cent. of the votes cast, provided that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the ETP Securities who for the time being are entitled to receive notice of a meeting held in accordance with the Master Trust Deed shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such ETP Securityholders duly convened and held in accordance with the relevant provisions of the Master Trust Deed.

"**Final Redemption Amount**" means an amount per ETP Security calculated by the Determination Agent equal to the greater of:

(A) the Principal Protection Amount of an ETP Security; and

(B) the Pro-rata Liquidation.

"**Final Redemption Date**" means for each Series, the final redemption date specified in the Final Terms for such Series.

"**Final Redemption Settlement Date**" means the day that falls three Currency Business Days after the Final Redemption Date.

"**Final Terms**" means the final terms specifying the relevant issue details of the ETP Securities.

"**Funding and Brokerage Fees**" means, in respect of a Series, all applicable fees other than the Arranger Fees, including, but not limited to, margin interest, securities lending fees, brokerage fees and costs of transaction taxes on the sale or purchase of Reference Assets (where relevant).

"**Further Tranche**" means any Tranche of a Series of ETP Securities issued after the Series Issue Date in accordance with Condition 16.

"**Global Bearer Security**" means the ETP Securities in bearer form represented by a global security.

"**Global Registered Certificate**" means a global certificate representing ETP Securities in registered form.

"**Global Security**" means a Global Bearer Security or a Global Registered Certificate.

"**IB Margin Account Security Agreement**" means the New York law governed margin account security agreement dated 22 August 2025 entered into between the Issuer and the Trustee with respect to the IB Margin Account Agreement.

"**Income Series**" means a Series of ETP Securities that pursues an Investment Strategy with the objective of generating income and which shall be specified as an Income Series in the applicable Investment Strategy.

"**Index**" means the index specified for the ETP Securities in the Final Terms, or any Successor Index.

"**Index Business Day**" means, in respect of an Index, any day on which the Index Sponsor in respect of such Index is scheduled to publish the level of the Index.

"**Index Cancellation**" means in respect of an Index, the Index Sponsor in respect of that Index permanently cancels such Index or announces its intention to do so, and such Index Cancellation shall continue until a Successor Index is designated in accordance with Condition 9.3.

"**Index Disruption**" means in respect of an Index on any Valuation Date, the Index Sponsor fails to calculate and announce such Index.

"**Index Level**" means, in respect of an Index on any Valuation Date, the level of the Index published by the Index Sponsor.

"**Index Modification**" means in respect of an Index, the Index Sponsor announces that it shall make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events).

"**Index Sponsor**" means the index sponsor as specified in the Final Terms of a Series of ETP Securities, any successor or replacement of that index sponsor, and in respect of any Successor Index, the sponsor of that Successor Index.

"**Individual Certificate**" means, in respect of Registered Securities, a definitive certificate in registered form representing such Registered Securities.

"**Initial Authorised Participant**" means BNP Paribas Arbitrage S.N.C. and any successor thereto.

"**Initial Early Redemption Event**" has the meaning given to it in Condition 8.7.

"**Initial Tranche**" means the first Tranche of a Series of ETP Securities issued.

"**Interest Amount**" means, in respect of each ETP Security of an Income Series, and unless otherwise set out in the relevant Investment Strategy, for each Interest Payment Date, its *pro rata* entitlement to the Available Receipts for that Interest Payment Date, being the amount equal to the Available Receipts divided by the number of Interest Amount Entitled ETP Securities.

"**Interest Amount Entitled ETP Securities**" means, in respect of an Interest Payment Date, ETP Securities entitled to receive the relevant Interest Amount.

"**Interest Declaration Date**" means, the date on which an Interest Notification is published pursuant to Condition 20.3 and which, unless otherwise specified in the Final Terms, shall be at least five Clearing System Business Days prior to the related Interest Payment Date.

"**Interest Ex Date**" means, in respect of an Interest Payment Date, the date on which the ETP Security Value will not include the Interest Amounts announced for that Interest Payment Date. Unless otherwise provided in the Final Terms, the "Interest Ex Date" for an Interest Payment Date will be the date that may be designated as such by the Portfolio Administrator in its absolute discretion and which shall be specified in the Interest Notification.

"**Interest Notification**" has the meaning given to it in Condition 20.3.

"**Interest Payment Date**" means, unless otherwise specified in the Final Terms;

(1) the day that falls five (5) Clearing System Business Days after the Record Date or, if such day is not also a Currency Business Day, the immediately following day that is both a Clearing System Business Day and a Currency Business Day or any other date designated by the Portfolio Administrator in its absolute discretion,
and

(2) each other date that may be designated as such by the Portfolio Administrator in its absolute discretion and which shall be specified in an Interest Notification

provided there shall be at least one Interest Payment Date in each calendar quarter.

"**Investment Strategy**" means the investment strategy specified for the ETP Securities in the Final Terms.

"**Investment Strategy Modification**" means with respect to an Investment Strategy, the Portfolio Administrator makes operational adjustments to the Investment Strategy to ensure that, so far as possible, the basic principles and economic effect of the Investment Strategy are maintained or any material modification to the Investment Strategy or its implementation by the Portfolio Administrator.

"**Issue Date**" means the date of issuance of the relevant Tranche as specified in the Final Terms relating to such Tranche.

"**Issue Price**" means, in respect of a Tranche of ETP Securities, the amount per ETP Security specified in the Final Terms.

"**Issuer**" means Leverage Shares Public Limited Company, a public limited company incorporated under the laws of Ireland with registration number 597399.

"**Issuer Call Redemption Notice**" has the meaning given to it in Condition 8.6.

"**Issuer Redemption Notice**" has the meaning given to it in Condition 8.7.

"**Issuer's Website**" means the website having the following internet address: www.leverageshares.com or such other internet address as may be used by the Issuer and notified to ETP Securityholders and the Trustee in accordance with Condition 17.

"**Issuing and Paying Agent**" means any entity and any successor or replacement thereto, as specified in the Final Terms for each Series of ETP Securities, appointed as Issuing and Paying Agent.

"Leveraged Exposure" means a leveraged long exposure to the Reference Asset.

"**Leverage Factor**" means the leverage factor in respect of a Series of ETP Securities as specified in the relevant Final Terms.

"**London Business Day**" means a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in London.

"**Loss**" means any loss, liability, cost, claim, damages, expense (including, but not limited to, legal costs and expenses) or demand (or actions in respect thereof), judgment, interest on any judgment, assessment, fees or amounts paid in settlement of any action or claim.

"**Mandatory Redemption**" means a redemption of ETP Securities in accordance with Condition 8.7.

"**Mandatory Redemption Amount**" means an amount per ETP Security calculated by the Determination Agent equal to the greater of:

(A) the Principal Protection Amount of such ETP Security; and

(B) the Pro-rata Liquidation.

"**Mandatory Redemption Date**" means, in respect of a Mandatory Redemption Event, the date designated as such in accordance with Condition 8.7.

"**Mandatory Redemption Event**" has the meaning given to it in Condition 8.7.

"**Mandatory Redemption Settlement Date**" means, in respect of a Mandatory Redemption Event, the day that falls three Currency Business Days after the day on which the Issuer has received payment in full from the Margin Loan Provider of the amounts payable in respect of the termination of the LS Margin Account Agreement.

"**Margin Account**" means for each Series of ETP Securities, each account of the Margin Loan Provider in which the Collateral Assets and any cash in respect of a Series of ETP Securities will be held by the Margin Loan Provider on behalf of the Issuer.

“**Margin Account Security Agreement**” means the IB Margin Account Security Agreement and/or the MS Margin Account Security Agreement and/or the Pershing Margin Account Security Agreement, and/or any other security agreement entered into with respect to an LS Margin Account Agreement, as applicable to a Series of ETP Securities.

“**Margin Loan Provider**" means for each Series of ETP Securities, either Interactive Brokers LLC and/or Morgan Stanley & Co. LLC and/or Pershing LLC (and any of their respective successors) and/or any other entity appointed as margin loan provider in relation to the Programme.

"**Market Disruption Event**" means:

(A) in respect of a Series of ETP Securities for which the Final Terms specify that ‘Multiple Exchange’ is not applicable, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption which in either case the Portfolio Administrator determines in good faith and in a commercially reasonably manner to be material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure; and

(B) in respect of a Series of ETP Securities for which the Final Terms specify that ‘Multiple Exchange’ is applicable, either:

(1) the occurrence or existence, in respect of the Reference Asset, of:

(i) a Trading Disruption, which the Portfolio Administrator determines in good faith and in a commercially reasonable manner is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Reference Asset is principally traded;

(ii) an Exchange Disruption, which the Portfolio Administrator determines in good faith and in a commercially reasonable manner is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Reference Asset is principally traded; or

(iii) an Early Closure.

"**Master Definitions Schedule**" means the amended and restated schedule of definitions relating to the Programme originally dated the Programme Effective Date and as most recently amended and restated on or about 17 July 2024 (as further amended, supplemented and/or replaced from time to time).

"**Maximum Daily Redemption Limit**" means a maximum limit (if applicable) on the redemption number of ETP Securities of a Series on any Optional Redemption Pricing Date, as may be amended by the Margin Loan Provider from time to time in accordance with the terms of the LS Margin Account Agreement and the LS Operating Procedures Agreement.

MS Margin Account Security Agreement” means the New York law governed margin account security agreement dated 16 December 2024 entered into between the Issuer and the Trustee with respect to the MS Margin Account Agreement.

"**NGN**" means a Global Bearer Security in new global note form.

"**Non-Disrupted Valuation Date**" means a Valuation Date which is not a "Disrupted Day".

“**Normal Exposure**” means a +1x exposure to the Reference Asset.

"**Notice Deadline**" means 2.30 p.m. (Dublin time), provided that the Notice Deadline in respect of any Series of ETP Securities may be adjusted by agreement between the Issuer and the Margin Loan Provider with effect from the fifth calendar day following the date on which notice of such adjustment is given to the holders in accordance with Condition 17.

"**Obligor**" means each person that has an obligation to the Issuer pursuant to the Secured Property.

"**Optional Redemption**" means the redemption of ETP Securities at the option of one or more ETP Securityholders in accordance with the provisions of Condition 8.2.

"**Optional Redemption Amount**" means an amount per ETP Security calculated by the Determination Agent equal to the greater of:

(A) the Principal Protection Amount of an ETP Security; and

(B) the Pro-rata Liquidation.

"**Optional Redemption Pricing Date**" means a Valuation Date on which a Redemption Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the LS Operating Procedures Agreement.

"**Optional Redemption Settlement Date**" means the second Valuation Date after the Optional Redemption Pricing Date, provided that such Valuation Date is not a Disrupted Day and that such Valuation Date is both a Currency Business Day and a Clearing System Business Day.

"**outstanding**" means, for the purposes of the Conditions, the LS Margin Account Agreement and the Trust Deed, in relation to the ETP Securities and a Valuation Date, (i) on the Series Issue Date, the ETP Securities issued on such date, and (ii) on any Valuation Date thereafter, all the ETP Securities issued on or prior to such Valuation Date except (a) those that have been redeemed in accordance with Condition 8; (b) those that have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent and which remain available for payment against presentation and surrender of ETP Securities; (d) those that have become void or in respect of which claims have become prescribed; (e) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not paid in full the relevant subscription amount under the Authorised Participant Agreement; (f) those in respect of which a Final Redemption Settlement Date, Mandatory Redemption Settlement Date or Optional Redemption Settlement Date has occurred and in respect of which the Issuer (or the Trustee or the Issuing and Paying Agent, as the case may be) has received in full the related termination payment under the LS Margin Account Agreement; (g) those that have been purchased, settled and cancelled as provided in Condition 8.4; (h) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities; (i) (for the purpose only of determining how many ETP Securities are outstanding and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement ETP Securities have been issued and (j) any Global Bearer Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the ETP Securityholders, (2) the determination of how many ETP Securities are outstanding for the purposes of the Conditions, the LS Margin Account Agreement and the Trust Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the ETP Securityholders, those ETP Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding. For the avoidance of doubt, ETP Securities (if any) which the Issuer has agreed on or prior to such Valuation Date to redeem but in respect of which the related termination payment under the LS Margin Account Agreement has not yet been paid in full to the Issuer (or the Trustee or Issuing and Paying Agent, as applicable) shall be deemed to be "outstanding" on such Valuation Date and ETP Securities (if any) which the Issuer has agreed on or prior to such Valuation Date to issue but in respect of which payment of the relevant subscription amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "outstanding" on such Valuation Date.

"**Paying Agent**" means any entity as may be appointed from time to time as paying agent of the Issuer in accordance with Condition 10.7, and any successor or replacement thereto.

"**Payment Business Day**" means, in respect of any ETP Securities, any day (i) on which the Relevant Clearing System is open and (ii) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and the financial centre of the Relevant Currency which, in the case of a payment in EUR, is a TARGET Settlement Day.

"Pershing Margin Account Security Agreement" means the New York law governed margin account security agreement dated 16 December 2024 entered into between the Issuer and the Trustee with respect to the Pershing Margin Account Agreement.

"**Physical Assets**" means equity securities, debt securities, fixed income securities, mutual funds and units in exchanged traded funds.

"POATRs" means the Public Offers and Admissions to Trading Regulations 2024, as amended from time to time.

"**Portfolio Administrator**" means any entity and any successor or replacement thereto, as specified in the Final Terms for each Series of ETP Securities, appointed as Portfolio Administrator in accordance with the terms of the relevant Portfolio Administration Agreement.

"**Potential Event of Default**" means an event or circumstance that could, with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default.

"PRM" means the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook contained in the FCA Handbook, as amended from time to time.

"**Principal**" means the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount (as applicable).

"**Principal Amount**" means, in respect of any ETP Security, the amount in the Relevant Currency specified in the Final Terms.

"**Principal Protection Amount**" means an amount per ETP Security, in respect of each Tranche of ETP Securities, corresponding to 2.00 per cent of the Principal Amount for the ETP Security of such Tranche.

"**Pro-rata Liquidation**" means:

(1) in respect of Series of ETP Securities other than Income Series, an amount equal to the liquidation proceeds of the relevant Collateral Assets held in the Margin Account for the Series of ETP Securities, *pro rata* to the amount of ETP Securities being redeemed divided by the total number of ETP Securities for such Series, after the *pro rata* deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the *pro rata* deduction of the Arranger Fee and the Funding and Brokerage Fees.

(2) in respect of Income Series,

(A) for the purposes of determining the Optional Redemption Amount, an amount equal to the liquidation proceeds of the relevant Collateral Assets held in the Margin Account for the Income Series (less any Collateral Assets held in the Margin Account which are determined by the Determination Agent to be attributable to any Interest Amounts which have not yet been paid but for which the Interest Ex Date has passed), *pro rata* to the amount of ETP Securities being redeemed divided by the total number of ETP Securities for such Income Series, after the *pro rata* deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the pro rata deduction of the Arranger Fee and the Funding and Brokerage Fees; and

(B) for the purposes of determining the Mandatory Redemption Amount or Final Redemption Amount, an amount equal to the aggregate of:

(i) the amount determined pursuant to (A) above, and

(ii) in respect of any Interest Amount Entitled ETP Securities for which the Interest Payment Date falls on or after the due date for payment of the Mandatory Redemption Amount or Final Redemption Amount, an amount equal to the liquidation proceeds of the Collateral Assets held in the Margin Account which are determined by the Determination Agent to be attributable to the Interest Amounts which are payable on the relevant

Interest Payment Date, pro-rata to the amount of Interest Amount Entitled ETP Securities being redeemed divided by the total number of Interest Amount Entitled ETP Securities for such Income Series.

"**Proceedings**" has the meaning given to it in Condition 19.2.

"**Programme Document**" means each of the Master Trust Deed, the U.S. Bank Agency Agreement, the LS Margin Account Agreement, the Margin Account Security Agreement, the Portfolio Administration Agreement, the LS Operating Procedures Agreement, the Determination Agency Agreement, the Broker Dealer of Record Agreement, the Services Agreement and each Authorised Participant Agreement and "**Programme Documents**" means all such documents.

"**Programme Effective Date**" means 5 December 2017.

"**Programme Maximum Number of ETP Securities**" means 5,000,000,000,000.

"**Programme Party**" means a party to a Programme Document (other than the Issuer and ETP Securityholders).

"**Publication Event Redemption Notice**" has the meaning given to it in Condition 8.7.

"**Publication Failure Event**" has the meaning given to it in Condition 8.7.

"**Rebalance Business Day**" means any day which is a, Exchange Business Day and also a day on which commercial banks and foreign exchange markets settle payment in the country in which the relevant Reference Asset is admitted to trading or any other day designated as a Rebalance Business Day by the Issuer.

"Record Date" means:

(A) in respect of any Interest Payment Date, unless, otherwise specified in the Final Terms or in an Interest Notification, the Clearing System Business Day immediately following the relevant Interest Ex Date; and

(B) in respect of any other date on which a payment is to be made, the Clearing System Business Day immediately prior to the date for payment.

"**Redemption Amount**" means either the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount.

"**Redemption Account**" means, in respect of ETP Securities, a bank account to receive payments in the Relevant Currency of the Optional Redemption Amount in respect of the redemption of such ETP Securities, which account shall be:

(A) for an Authorised Participant, the bank account notified in writing for such purposes by the Authorised Participant to the Issuer, the Margin Loan Provider and the Trustee from time to time; and

(B) otherwise, the bank account specified in the Redemption Order.

"**Redemption Order**" means a Redemption Order in the form attached to the LS Operating Procedures Agreement, or such other form as may be acceptable to the Issuer in its sole discretion.

"**Redemption Limit**" means the sum of the Maximum Daily Redemption Limits applicable to the LS Margin Account Agreement relating to the ETP Securities.

"Reference Asset" means the underlying asset(s) of the relevant Index or Investment Strategy in respect of a Series of ETP Securities as specified in the Final Terms and/or Investment Strategy, as applicable.

"**Registered Securities**" has the meaning given to it in Condition 2.

"**Registrar**" means U.S. Bank Europe DAC. or any successor or replacement thereto or any other entity appointed as registrar.

"**Related Exchange**" means the exchange specified in the Final Terms.

"**Relevant Clearing System**" means (i) Euroclear, (ii) Clearstream, Luxembourg, or (iii) any other recognised clearing system in which ETP Securities of a Series may be cleared.

"**Relevant Currency**" means the currency of denomination of the ETP Securities, as specified in the Final Terms.

"**Relevant Date**" has the meaning given to it in Condition 11.

"**Relevant Provisions**" means, in respect of the Determination Agent, the provisions of the Determination Agency Agreement, the Trust Deed, and the Conditions.

"**Relevant Stock Exchange**" any stock exchange on which ETP Securities of a Series may be listed.

"**RIS**" means a regulated information service for the purposes of giving information relating to the ETP Securities and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time, including but not limited to the Regulatory News Service (the "**RNS**") of the London Stock Exchange.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Valuation Date, the scheduled weekday closing time of such Exchange or Related Exchange on such Valuation Date, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means:

(A) in respect of any Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; and

(B) in respect of any Index-linked Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and

(C) in respect of any Series of ETP Securities which pursue an Investment Strategy for which the Final Terms specify that 'Multiple Exchange' is applicable, any day on which the Related Exchange is scheduled to be open for trading for its regular trading session.

"**Secondary Early Redemption Event**" has the meaning given to it in Condition 8.7.

"**Secured Creditor**" means the Trustee, the Margin Loan Provider and the holders of the ETP Securities.

"**Secured Obligations**" means all present and future obligations of the Issuer to the Secured Creditors under the Programme Documents and each ETP Security.

"**Secured Property**" means the assets that are the subject of the security constituted by the Security Documents.

"**Securities Act**" means The United States Securities Act of 1933 as amended.

"**Security**" means, as the context requires, the security constituted by the Security Documents.

"**Security Document**" means each of the Trust Deed, the Margin Account Security Agreement and any Additional Security Document.

"**Series**" means all ETP Securities having the same ISIN or other similar identifier, including the Initial Tranche and any Further Tranche.

"**Series Issue Date**" means the date of issuance of the Initial Tranche of a Series of ETP Securities, as specified in the relevant Final Terms.

"**Severe Disruption Event**" means any event specified as such in the Final Terms.

"**Share Trustee**" means Monument Trustees Limited, with its registered office at 22 Northumberland Road, Ballsbridge, Dublin 4, Ireland and CRO number 345558, and any successor thereto.

"**Short Exposure**" means a short inversed leveraged exposure to the Reference Asset.

"**Subscription Limit**" means any applicable limit on the Issuer's ability to fund newly issued ETP Securities pursuant to the terms of the LS Operating Procedures Agreement or the LS Margin Account Agreement, as may be amended from time to time.

"**Subscription Order**" means a request from an Authorised Participant delivered to the Issuer to issue ETP Securities.

"**Subscription Settlement Date**" means the second Valuation Date after the Subscription Trade Date, provided that such Valuation Date is not a Disrupted Day and that such Valuation Date is both a Currency Business Day and a Clearing System Business Day.

"**Subscription Suspension Event**" means the delivery by the Issuer of a notice in writing to each Authorised Participant, the Issuing and Paying Agent and the Determination Agent pursuant to the LS Operating Procedures Agreement stating that with effect from the date specified in such notice subscription of the ETP Securities shall be so suspended.

"**Subscription Trade Date**" means, subject to Condition 9.2, a Valuation Date on which a Subscription Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the LS Operating Procedures Agreement.

"**Successor Index**", in respect of a Series of ETP Securities, means, if an Adjustment Event has occurred in respect of the relevant Index, such replacement index as is designated by the Issuer in accordance with Condition 9.3 provided such replacement index uses, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index.

"**TARGET Settlement Day**" means a day on which the TARGET2 System is operating.

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

"**Tax**" means any tax, duty, assessment, levy, charge or withholding of whatsoever nature imposed, levied, collected, withheld or assessed by any Authority (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Termination**" means, in respect of the LS Margin Account Agreement, the total or partial close-out of the LS Margin Account Agreement in accordance with its terms.

"**Threshold Event Date**" has the meaning given to it in Condition 8.5.

"**Tranche**" means, in relation to a Series of ETP Securities issued on any date, the ETP Securities that are issued on the same Issue Date with the same Principal Amount.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Reference Asset, or (ii) in futures or options contracts relating to the applicable Series of ETP Securities on any relevant Related Exchange.

"**Transfer Agent**" means any entity as may be appointed from time to time as transfer agent in accordance with the terms of the U.S. Bank Agency Agreement and any successor or replacement thereto.

"**Unscheduled Rebalance**" means (i) an unscheduled rebalance occurring on a Valuation Date on which the rebalancing mechanism built in the relevant Index or Investment Strategy in respect of a Series of ETP Securities has been triggered by a change in the price of the corresponding Reference Asset of such Index or Investment Strategy by more than the relevant trigger level for the Index or Investment Strategy in accordance with its methodology; and (ii) an unscheduled rebalance carried out at the discretion of the Portfolio Administrator, when the price of the relevant Reference Asset(s) increases (in the case of Short Exposures) or decreases (in the case of Leveraged Exposures) by more than the relevant trigger level for the relevant Index or Investment Strategy with respect to their closing prices on the previous trading day at any time outside the regular trading session of the exchanges where the Reference Asset(s) trade using prices that are made available to it at such time by the Margin Loan Providers.

"**Valuation Date**", (i) in respect of any Index-linked Series means each Exchange Business Day and, in respect of a Subscription Order or a Redemption Order, each Exchange Business Day; and (ii) in respect of any Series which pursues an Investment Strategy, each Exchange Business Day and in respect of a Subscription Order or a Redemption Order, each Exchange Business Day.

"**Valuation Time**" means:

(a) in respect of a Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, the Scheduled Closing Time on the Exchange on the relevant Valuation Date; and

(b) in respect of Index-linked Series where the Final Terms specify that 'Multiple Exchange' is applicable:

1. for the purposes of determining whether a Market Disruption Event has occurred (i) in respect of the Reference Asset, the Scheduled Closing Time on the Exchange, and (ii) in respect of any options contracts of future contracts on the Index, the close of trading on the Related Exchange; and

2. in all other circumstances, the time at which the official Index Level is calculated and published by the Index Sponsor; and

(c) in respect of any Series of ETP Securities which pursue an Investment Strategy, where the Final Terms specify that "Multiple Exchange" is applicable, the Scheduled Closing Time of the Related Exchange.

"**Value Adjustments**" means cash lending revenues and other revenues on collateral in respect of a Series of ETP Securities.

1.2 **Interpretation**

All capitalised terms used but not defined in these Conditions will have the meanings given to them in the Master Trust Deed, the Trust Deed and/or the Master Definitions Schedule.

2. Form and Title

The ETP Securities may be issued in bearer form (including in new global note form ("**NGN**") and in classic global note form ("**CGN**") and serially numbered ("**Bearer Securities**", which expression includes ETP Securities which are specified to be Exchangeable Bearer Securities), in registered form ("**Registered Securities**"), in bearer form exchangeable for Registered Securities ("**Exchangeable Bearer Securities**"), in each case in the Denomination(s) and Relevant Currency specified in the Final Terms. If it is stated in the Final Terms that the form of some or all of the ETP Securities is "Bearer", such ETP Securities are Bearer Securities. If it is so stated that the form of some or all of the ETP Securities is "Exchangeable Bearer", such ETP Securities are Exchangeable Bearer Securities. If it is so stated that the form of some or all of the ETP Securities is "Registered", such ETP Securities are Registered Securities. Unless otherwise stated in the Final Terms, the form of all of the ETP Securities of a particular Series on issue will be the same.

In respect of Bearer Securities relating to a Series to be issued in global form, such Bearer Securities, will (a) if the Bearer Securities are intended to be issued in NGN form, as stated in the Final Terms

relating to such Series, be delivered on or prior to the original issue date to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (b) if the Bearer Securities are intended to be issued in CGN form, as stated in the Final Terms relating to such Series be delivered on or prior to the original issue date to a common depositary for Euroclear and Clearstream, Luxembourg.

In respect of Registered Securities relating to a Series to be issued in global form, the Global Registered Certificate in respect of such Registered Securities will be registered in the name of a nominee for, and shall be deposited on its issue date with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg. Registered Securities issued under the New Safekeeping Structure shall be deposited with a Common Safekeeper for Euroclear and Clearstream, Luxembourg

All Registered Securities of the same Series shall have the same Denomination. Where Exchangeable Bearer Securities are issued, the Registered Securities for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Securities.

Title to the Bearer Securities shall pass by delivery. Title to the Registered Securities shall pass by registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the U.S. Bank Agency Agreement.

Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any ETP Security shall be deemed to be and may be treated as the absolute owner of such ETP Security for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such ETP Security shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person will be liable for so treating the holder.

3. Exchanges of Exchangeable Bearer Securities and transfers of Registered Securities and Uncertified Registered Securities

3.1 Exchange of Bearer Securities and Exchangeable Bearer Securities

The Global Bearer Security relating to Bearer Securities is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not in part for Definitive Securities if the Global Bearer Security is held on behalf of a Relevant Clearing System and the Relevant Clearing System is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does, in fact, do so.

"**Exchange Date**" means a day falling not less than 60 calendar days after the date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located.

Any such exchange may be effected on or after an Exchange Date by the holder of the Global Bearer Security surrendering the Global Bearer Security to or to the order of the Issuing and Paying Agent. In exchange for the Global Bearer Security, the Issuer shall deliver, or procure the delivery of, duly executed and authenticated Definitive Securities in an aggregate number equal to the number of ETP Securities represented by the Global Bearer Security submitted for exchange, security printed in accordance substantially in the form required under the Trust Deed.

Subject as provided in Condition 3.5, each Exchangeable Bearer Security may be exchanged in whole but not in part for the same aggregate principal amount of Registered Securities represented by an Individual Certificate at the request in writing of the relevant ETP Securityholder and upon surrender of each Exchangeable Bearer Security to be exchanged at the specified office of the Registrar. Registered Securities may not be exchanged for Bearer Securities and Bearer Securities of one Denomination may not be exchanged for Bearer Securities of another Denomination. Bearer Securities which are not Exchangeable Bearer Securities may not be exchanged for Registered Securities.

3.2 Transfer of Registered Securities in definitive form

One or more Registered Securities may be transferred upon the surrender (at the specified office of the Registrar) of the Individual Certificate representing such Registered Securities to be transferred,

together with the form of transfer endorsed on such Individual Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. In the case of a transfer of part only of a holding of Registered Securities represented by one Individual Certificate, a new Individual Certificate shall be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the ETP Securityholders. A copy of the current regulations will be made available by the Registrar to any ETP Securityholder upon request.

3.3 **Exercise of options or partial redemption in respect of Registered Securities**

In the case of an exercise of an Issuer's or an ETP Securityholder's option in respect of, or a redemption of a part of, a holding of Registered Securities represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder in respect of the balance of the holding not subject to the exercise of such option or, as the case may be, redeemed. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar.

3.4 **Delivery of new Individual Certificates**

Each new Individual Certificate to be issued pursuant to Conditions 3.2 to 3.3 will be available for delivery within five business days of surrender of the relevant Exchangeable Bearer Security or, as the case may be, the relevant Individual Certificate and, if applicable, receipt of the relevant request for exchange, form of transfer or notice of exercise together with such other evidence (if any) as may be required pursuant to the relevant Condition. Delivery of new Individual Certificate(s) shall be made at the specified office of the Registrar to whom surrender of such Individual Certificate and, if applicable, delivery of such request, form of transfer or notice of exercise shall have been made or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, notice of exercise or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified. In this Condition 3.4 "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar.

3.5 **Exchange and transfer free of charge**

Exchange and transfer of ETP Securities on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar, but upon payment by the relevant ETP Securityholder (or the giving by the relevant ETP Securityholder of such indemnity as the Registrar may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

3.6 **Closed periods**

No ETP Securityholder may require the transfer of a Registered Security to be registered or an Exchangeable Bearer Security to be exchanged for one or more Registered Security(s) (i) during the period of 15 calendar days ending on the due date for redemption of that ETP Security, (ii) during the period of 15 calendar days prior to any date on which ETP Securities may be redeemed by Optional Redemption pursuant to Condition 8.2 or by the Issuer at its option pursuant to Condition 8.6, (iii) after any such ETP Security has been drawn for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Security called for redemption may, however, be exchanged for one or more Registered Security(s) in respect of which the Individual Certificate is simultaneously surrendered not later than any Record Date.

4. Constitution and status

Each Series of ETP Securities is constituted by the applicable Trust Deed and secured by the applicable Security Documents. The ETP Securities of each Series are secured, limited recourse debt obligations of the Issuer, at all times ranking pari passu and without any preference among themselves, secured in the manner described in Condition 6 and recourse in respect of which is limited in the manner described in Condition 6.6 and Condition 13.

5. ETP Security Value

The "**ETP Security Value**" in respect of any Valuation Date (which is not a Disrupted Day and on which an Unscheduled Rebalance does not occur) shall be calculated as follows:

(i) the ETP Security Value on the immediately preceding Valuation Date; adjusted by

(ii) the change in the value of the Collateral Assets in respect of a Series of ETP Securities since such preceding Valuation Date; minus

(iii) the applicable Funding and Brokerage Fees; minus

(iv) any Interest Amounts not yet paid but in respect of which the Interest Ex Date of the relevant Interest Payment Date has passed; minus

(v) the Arranger Fee, plus

(vi) any Value Adjustments

provided that on the Issue Date of each Tranche, the ETP Security Value will be equal to the Issue Price of the ETP Security. Unless otherwise specified, amounts and values for each Valuation Date shall be calculated as at the Valuation Time for such Valuation Date.

6. Security

6.1 Security

(A) The Security in respect of the ETP Securities shall be constituted by the Security Documents, as described below. Additional Security Documents may be entered into in respect of particular Series if required by the Trustee.

(1) Pursuant to the Trust Deed, the Secured Obligations of the Issuer shall be secured by:

(a) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to the ETP Securities; and

(b) a first fixed charge over (i) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (ii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the LS Margin Account Agreement and the Portfolio Administration Agreement and (iii) all of the Issuer's rights as against the Margin Loan Provider in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider, in each case, to the extent that they relate to the ETP Securities, in favour of the Trustee for its benefit and for the benefit of the Secured Creditors.

(2) With respect to the IB Margin Account Agreement, the Issuer and the Trustee have entered into the IB Margin Account Security Agreement. Pursuant to the IB Margin Account Security Agreement the Secured Obligations of the Issuer shall be secured by:

(a) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the IB Margin Account Agreement to the extent that they relate to such Series of ETP Securities to which the IB Margin Account Agreement applies; and

(b) granting a continuing lien on and security interest in favour of the Trustee in all

of the Issuer's rights as against the Margin Loan Provider under the IB Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to such Series of ETP Securities to which the IB Margin Account Agreement applies; and

(c) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to such Series of ETP Securities to which the IB Margin Account Agreement applies.

(3) With respect to the MS Margin Account Agreement, the Issuer and the Trustee have entered into the MS Margin Account Security Agreement. Pursuant to the MS Margin Account Security Agreement the Secured Obligations of the Issuer shall be secured by:

(a) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the MS Margin Account Agreement to the extent that they relate to such Series of ETP Securities to which the MS Margin Account Agreement applies; and

(b) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the MS Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to such Series of ETP Securities to which the MS Margin Account Agreement applies; and

(c) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to such Series of ETP Securities to which the MS Margin Account Agreement applies.

(4) With respect to the Pershing Margin Account Agreement, the Issuer and the Trustee have entered into the Pershing Margin Account Security Agreement. Pursuant to the Pershing Margin Account Security Agreement the Secured Obligations of the Issuer shall be secured by:

(a) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the Pershing Margin Account Agreement to the extent that they relate to such Series of ETP Securities to which the Pershing Margin Account Agreement applies; and

(b) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the Pershing Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to such Series of ETP Securities to which the Pershing Margin Account Agreement applies; and

(c) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to such Series of ETP Securities to which the Pershing Margin Account

Agreement applies.

(B) The Security created by the Security Documents in respect of the ETP Securities is granted to the Trustee as continuing security for the Secured Obligations. In accordance with the Security Documents, prior to any enforcement of the Security, the Trustee will be deemed to release from such Security without the need for any notice or other formalities:

(1) sums held by the Issuing and Paying Agent, the Registrar and/or the Margin Loan Provider, as applicable, to the extent required for payment of any sum in respect of the ETP Securities and/or under the Programme Documents which is due and payable to be duly made (which for the avoidance of doubt shall include, without limitation, amounts payable in respect of Principal and Interest Amounts to the ETP Securityholders in accordance with these Conditions, amounts payable to the Margin Loan Provider under the LS Margin Account Agreement and Optional Redemption Amounts in respect of the ETP Securities payable to any Authorised Participant by the Issuer);

(2) any part of the Secured Property to the extent required to be delivered to or to the order of the Margin Loan Provider pursuant to the terms of the LS Margin Account Agreement;

(3) any part of the Secured Property to the extent required to facilitate the acquisition or sale of any Collateral Assets in accordance with the terms of the Conditions and the Portfolio Administration Agreement; and

(4) any part of the Secured Property to the extent required to comply with and subject to the provisions of Conditions 6.6 and 6.7.

6.2 **Money received by the Trustee prior to enforcement of Security**

(A) Pursuant to the terms of the Trust Deed, the Issuer agrees, on any date on which a payment of Principal or an Interest Amount under these Conditions in respect of any ETP Securities becomes due, unconditionally to pay the Trustee (or to the order of the Trustee) in same day cleared funds, in accordance with the Trust Deed, in the case of a payment of Principal, the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount, as applicable, and in the case of a payment of a Interest Amount, the relevant Interest Amount, in respect of the ETP Securities which is due and payable on that date.

Notwithstanding anything to the contrary in these Conditions or the Trust Deed, (1) payment of Principal or an Interest Amount due under the ETP Securities pursuant to the Conditions made to the Issuing and Paying Agent and/or the Registrar as provided in the U.S. Bank Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of Principal or Interest Amounts in respect of the ETP Securities to the Trustee for the account of the ETP Securityholders except to the extent that there is a failure by the Issuing and Paying Agent and/or the Registrar to pass such payment to the relevant ETP Securityholders (whether via payment through the Relevant Clearing System or otherwise) and (2) a payment of Principal or an Interest Amount made after the due date or as a result of the ETP Securities becoming repayable following an Event of Default or the occurrence of a Mandatory Redemption Event shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent and/or the Registrar or the Trustee and notice to such effect has been given by the Issuing and Paying Agent to the ETP Securityholders, except to the extent that there is failure by the Issuing and Paying Agent and/or the Registrar to pass such payment to the relevant ETP Securityholders (whether via payment through the Relevant Clearing System or otherwise). Under the terms of the Trust Deed, the Trustee holds the benefit of this covenant on trust for itself and the ETP Securityholders according to their respective interests.

(B) Save for any moneys received in connection with the realisation or enforcement of all or part of the Security, all moneys received by or on behalf of the Trustee in relation to the Issuer's covenant to pay Principal and Interest Amounts pursuant to Condition 6.2(A) will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them:

(1) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by or payable to the Trustee under or pursuant to the relevant Security Documents (including, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Trustee's remuneration) required to be paid by the Trustee in connection with the performance of its obligations under the relevant Security Documents and the Trustee's remuneration);

(2) secondly, in payment of any amounts owing to the Margin Loan Provider under the LS Margin Account Agreement, including margin interest, securities lending and brokerage fees;

(3) thirdly, in payment of any amounts owing to the Arranger in respect of the Arranger Fee;

(4) fourthly, in payment of any amounts owing to the holders of the relevant ETP Securities pari passu and rateably; and

(5) fifthly, in payment of any balance to the Issuer for itself.

If the Trustee holds any moneys in respect of ETP Securities that have become void or in respect of which claims have become prescribed, the Trustee will hold them on trust as described above.

6.3 **Enforcement of Security constituted by the Security Documents**

The Security constituted by the Security Documents in respect of the ETP Securities shall become enforceable upon the occurrence of an Event of Default pursuant to Condition 12 below.

6.4 **Realisation of Security constituted by the Security Documents**

At any time after the Security constituted by the Security Documents has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by holders of at least a majority of the ETP Securities then outstanding or by an Extraordinary Resolution of the ETP Securityholders (a copy of which has been provided to the Trustee), in each case subject to its having been pre-funded and/or secured and/or indemnified to its satisfaction by the ETP Securityholders in accordance with the Trust Deed, enforce the Security constituted by the Security Documents.

To do this, the Trustee may, at its discretion, (i) enforce and/or terminate any relevant Programme Document relating to the ETP Securities in accordance with its or their terms, and/or take action against the relevant Obligor(s) and/or (ii) take possession of and/or realise all or part of the assets over which the Security constituted by the Security Documents shall have become enforceable and may in its discretion, sell, call in, collect and convert into money all or part of such assets, in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual ETP Securityholders.

The Trustee may, in writing, appoint a receiver or receivers over all or part of the assets over which the Security constituted by the Security Documents shall have become enforceable and may remove any receiver so appointed and appoint another in its place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise.

Neither the Trustee nor any receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any assets or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such assets or from any act or omission to such assets or otherwise unless such loss or damage shall be caused by its own fraud, gross negligence or wilful default.

The Trustee shall not be required to take any action in relation to the Security constituted by the Security Documents which may (i) be illegal or contrary to any applicable law or regulation or (ii) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.

6.5 **Application of proceeds of enforcement of Security**

Pursuant to the terms of the Security Documents, following enforcement of the security the Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the security constituted by the relevant Security Documents (whether by way of liquidation or enforcement and after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer) as follows:

(A) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the ETP Securities to the Trustee or any receiver under or pursuant to the relevant Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar Tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents and the Trustee's remuneration);

(B) secondly, in payment of any amounts owing to the Margin Loan Provider under the LS Margin Account Agreement, including margin interest securities lending and brokerage fees;

(C) thirdly, in payment of any amounts owing to the Arranger in respect of the Arranger Fee;

(D) fourthly, in payment of any amounts owing to the ETP Securityholders *pari passu* and rateably; and

(E) fifthly, in payment of any balance to the Issuer for itself.

6.6 **Shortfall after application of proceeds; Limited recourse and non-petition**

In respect of any claim against the Issuer in relation to the ETP Securities, with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement; the Programme Parties and the ETP Securityholders shall have recourse only to the Secured Property in respect of such ETP Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 6 and the Security Documents, as applicable, any outstanding claim against the Issuer, whether secured or unsecured, remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, with the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, none of the Programme Parties, the ETP Securityholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

With the exception of the Margin Loan Provider with respect to the LS Margin Account Agreement, none of the Programme Parties or the ETP Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the sums, assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single Series with the ETP Securities).

The LS Margin Account Agreement does not contain limited recourse provisions with respect to the liabilities of the Issuer. If following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash in accordance with the applicable orders of priority and the Trust Deed, a claim remains outstanding against the Issuer by the Margin Loan Provider, such claim may be made against assets attributable to other outstanding Series of ETP Securities on a pro rata basis. The Broker Dealer of Record, however, has agreed to indemnify the Issuer against any loss, cost, claim, action, demand or expense which the Issuer may incur as a result of any such claims by the Margin Loan Provider.

The provisions of this Condition 6.6 shall survive notwithstanding any redemption of the ETP Securities or the termination or expiration of any Programme Document.

6.7 **Issuer's rights as beneficial owner of Secured Property**

Notwithstanding Condition 14.1, at any time before the Security constituted by the Security Documents becomes enforceable, the Issuer may, without the sanction of an Extraordinary Resolution and without the prior written consent of the Trustee:

(A) take such action in relation to the Secured Property relating to the ETP Securities as may be required by the Programme Documents; and

(B) exercise any rights incidental to the ownership of the assets which are the subject of the Security constituted by the Security Documents which are exercisable by the Issuer and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any such ownership interests in respect of such property,

provided that the Issuer shall not exercise any rights with respect to such assets if it is directed to the contrary by the Trustee or by an Extraordinary Resolution and, if such direction is given, the Issuer shall act only in accordance with such direction.

7. Restrictions

So long as any of the ETP Securities remain outstanding, the Issuer shall not, without the prior written consent of the Trustee, the Portfolio Administrator and (other than in respect of paragraphs (B), (C) and (F)), the Margin Loan Provider:

(A) engage in any business activities, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):

(1) issue, enter into, amend, redeem, exchange or repurchase and cancel or reissue or resell all or some only of the ETP Securities of any Series under the Programme as may be provided in these Conditions and the Trust Deed and the Programme Documents and in connection therewith enter into or amend any Programme Documents accordingly;

(2) acquire and own rights, property or other assets which are to comprise Secured Property for a Series of ETP Securities issued under the Programme so as to enable it to discharge its obligations under such Series, and any relevant Programme Document relating to such Series;

(3) perform its respective obligations under any ETP Securities issued under the Programme, and any relevant Programme Document entered into by it in connection with such Series, and any agreements incidental to the granting of Security relating to any such Series of ETP Securities or incidental to the issue and constitution of any Series of ETP Securities issued under the Programme;

(4) engage in any activity in relation to the Secured Property, the Collateral Assets, the LS Margin Account Agreement or any other Programme Document contemplated or permitted by the Conditions, the LS Margin Account Agreement or such Programme Document relating to any Series of ETP Securities;

(5) subject to as provided in the Trust Deed and in the Conditions relating to any Series of ETP Securities enforce any of its rights whether under the Trust Deed, any other Programme Document or otherwise under any agreement entered into in relation to any Series of ETP Securities or any Secured Property relating to any such Series;

(6) issue unsecured debt securities, on the conditions that (i) the proceeds of such debt securities shall be used by the Issuer to disburse loans to the holder(s) of such debt securities; and (ii) the holder of such debt securities shall have no right to enforce the obligations of the Issuer thereunder; and

(7) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);

(B) cause or permit the LS Margin Account Agreement, the Portfolio Administration Agreement or the terms of the Security granted under the Security Documents and the order of priority specified in the Conditions and the Trust Deed, as applicable, to be amended, terminated or discharged (other than as contemplated or permitted by the Trust Deed, the LS Margin Account Agreement, the Portfolio Administration Agreement and/or the Conditions relating to such Series of ETP Securities);

(C) release any party to the LS Margin Account Agreement, the Trust Deed, the Portfolio Administration Agreement or any other relevant Programme Document relating to a Series of ETP Securities from any existing obligations thereunder (other than as contemplated or permitted by the Trust Deed, LS Margin Account Agreement, the Portfolio Administration Agreement, any relevant Programme Document and/or the Conditions relating to such Series of ETP Securities);

(D) have any subsidiaries;

(E) sell, transfer or otherwise dispose of any assets that are the subject of the Security constituted by the Security Documents or any other part of the Secured Property in respect of any Series of ETP Securities or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant ETP Securities of any such Series, the LS Margin Account Agreement, the Portfolio Administration Agreement, the U.S. Bank Agency Agreement, the Trust Deed for any such Series and any other Programme Document relating to any such Series as may be applicable, including liens of any Margin Loan Provider;

(F) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of the LS Margin Account Agreement, the Portfolio Administration Agreement, the Conditions, the Trust Deed or any other Programme Document relating to any Series of ETP Securities (other than as contemplated or permitted by the Conditions and the relevant Programme Documents);

(G) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Trust Deed and the Conditions for any Series of ETP Securities);

(H) have any employees (provided this shall not prevent the appointment of the directors);

(I) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation and which are held by the Share Trustee or its nominee) or make any distribution to its shareholders;

(J) declare any dividends;

(K) open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Series of ETP Securities, the Portfolio Administration Agreement, the LS Margin Account Agreement or any Secured Property relating to a Series of ETP Securities or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the Trustee so as to form part of the relevant Secured Property relating to such Series of ETP Securities, or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;

(L) purchase, own, or otherwise acquire any real property (including office premises or like facilities);

(M) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;

(N) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;

(O) except as contemplated by any relevant Programme Document, the Conditions relating to a Series of ETP Securities, and/or the agreements contemplated by paragraph (A)(6) above, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property for any such Series of ETP Securities, to any other entity or person;

(P) subject as provided in paragraph (A) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 and 16) issuing further ETP Securities under the Programme (which may or may not form a single Series with the ETP Securities of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such ETP Securities, provided that:

(1) if such further ETP Securities are not to form a single Series with any other Series of ETP Securities, such further ETP Securities and obligations are secured on assets of the Issuer other than (i) the assets which are the subject of the Security constituted by the Security Documents relating to any other Series of ETP Securities and (ii) the Issuer's share capital;

(2) such further ETP Securities and obligations are secured *pari passu* upon the assets which are the subject of the Security constituted by the Security Documents relating to the Series of ETP Securities with which such ETP Securities are to form a single Series; and

(3) in connection with such issue of further ETP Securities, the Margin Loan Provider agrees to any increase of the economic exposure under the LS Margin Account Agreement which is necessary to facilitate the issue of such further ETP Securities.

provided that the Issuer shall not take any action (even where the prior written consent of the Trustee, the Portfolio Administrator and the Margin Loan Provider is obtained) if such action is, in the opinion of the Issuer, inconsistent with the objects of the Issuer as specified in its memorandum and articles of association.

8. Redemption

8.1 Final redemption

Unless previously redeemed in whole as provided below, each ETP Security shall become due and payable on its Final Redemption Settlement Date at its Final Redemption Amount.

8.2 Optional Redemption

(A) An ETP Securityholder which is also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or part of its holding of ETP Securities at the Optional Redemption Amount by submitting to the Issuer a valid Redemption Order in accordance with the relevant Authorised Participant Agreement and the LS Operating Procedures Agreement.

(B) An ETP Securityholder which is not also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or any part of its holding of such ETP Securities at the Optional Redemption Amount by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the ETP Securityholders in accordance with Condition 17 in respect of any Valuation Date that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered. Any such announcement may be

general or subject to conditions, and any such Redemption Order which is not in accordance with any such conditions shall not be valid.

(C) Any ETP Security that is subject to Optional Redemption in accordance with this Condition 8.2 as a result of the delivery of a Redemption Order, shall become due and payable on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount.

8.3 **Redemption Orders**

(A) A Redemption Order shall only be valid if:

(1) other than in the limited circumstances set out in Condition 8.2(B), it is delivered by an ETP Securityholder that is an Authorised Participant;

(2) it specifies the number and Series of any ETP Securities to be redeemed;

(3) it is received by the Issuer between 8.00 a.m. (Dublin time) and the Notice Deadline on any Valuation Date;

(4) it specifies the Redemption Account into which the Optional Redemption Amount shall be payable in respect of any ETP Security to be redeemed;

(5) the number of ETP Securities to be redeemed would not result in any Maximum Daily Redemption Limit, or any other applicable limitation on redemption under the LS Operating Procedures Agreement, being exceeded (for the purposes of which, Redemption Orders shall be dealt with in order of their actual receipt by the Issuer), unless the Margin Loan Provider nonetheless agrees to that Maximum Daily Redemption Limit, or other applicable limitation, being exceeded (and if the Margin Loan Provider does not so agree, such Redemption Order will be valid under this Condition 8.3(A)(5) in respect of the greatest number of ETP Securities that would not result in any Maximum Daily Redemption Limit being exceeded);

(6) the Redemption Order is received or deemed to have been received before the occurrence of a Mandatory Redemption Event;

(7) on the day it is received (or deemed to have been received by the Issuer) until the Optional Redemption Pricing Date (if different) none of the following events has occurred and is continuing:

(a) an Event of Default;

(b) a Margin Loan Provider Event of Default; or

(c) an Adjustment Event;

(8) it is not invalid pursuant to Condition 8.3; or

(9) unless the Issuer otherwise agrees in its absolute discretion, such Redemption Order is submitted by an Authorised Participant on any day and no other Redemption Order has been submitted by that Authorised Participant on or in respect of such day in respect of the same Series.

(B) If the Issuer determines that a Redemption Order is invalid in whole or in part, it shall notify the ETP Securityholder of that fact as soon as reasonably practicable and no ETP

Securities may be redeemed pursuant to a Redemption Order that the Issuer has determined in its absolute discretion is invalid.

(C) The Issuer shall not be obliged to redeem any ETP Securities pursuant to a Redemption Order where the Margin Loan Provider has not confirmed the termination of the relevant proportion of the LS Margin Account Agreement in accordance with the provisions of the LS Margin Account Agreement and the LS Operating Procedures Agreement.

(D) Where a Redemption Order is received by the Issuer on a Valuation Date after the Notice Deadline, such Redemption Order should be void unless the Margin Loan Provider provides its consent for the Issuer to treat such Redemption Order as if it had been received by it prior to the Notice Deadline.

(E) Within one London Business Day after the Optional Redemption Pricing Date in respect of any Redemption Order, which shall be postponed to the next London Business Day in case such day is not a London Business Day, the Issuer shall notify the relevant ETP Securityholder of the Optional Redemption Amount payable in respect of ETP Securities which are the subject of that Redemption Order, calculated as provided above.

(F) The Issuer may change or vary the procedures for the submission of Redemption Orders on five calendar days' prior notice to the ETP Securityholders in accordance with Condition 17 and these Conditions shall be interpreted accordingly.

8.4 **Settlement of Optional Redemptions**

(A) The Issuer may at its discretion elect to satisfy requests for the Optional Redemption of ETP Securities by transfer of the appropriate number of ETP Securities to one or more Authorised Participants from ETP Securityholders requesting redemption, and for that purpose the Issuer may authorise any person on behalf of the ETP Securityholder to execute one or more instruments of transfer in respect of the relevant number of ETP Securities provided that the amount payable to the ETP Securityholder shall nonetheless be an amount equal to the relevant Optional Redemption Amount and the relevant Optional Redemption Settlement Date shall be the date of such transfer.

(B) The Issuer may in accordance with the relevant Authorised Participant Agreement and the LS Operating Procedures Agreement agree with any ETP Securityholder which is also an Authorised Participant to satisfy any requests for the Optional Redemption of any ETP Securities by the transfer to, or to the order of, such ETP Securityholder on the Optional Redemption Settlement Date of Collateral Assets with a value determined by the Determination Agent to be equal to the Optional Redemption Amount.

8.5 **Suspension of Optional Redemptions**

(A) If on any Valuation Date (a "**Threshold Event Date**") the ETP Security Value falls to less than 2.00 per cent. of the Principal Amount of the ETP Securities:

(1) the Issuer shall give notice convening a meeting of ETP Securityholders on a date not more than 120 calendar days after the Threshold Event Date for the purpose of considering an Extraordinary Resolution which would have the effect of reducing the Principal Amount of the ETP Securities to an amount which is not less than 2.00 per cent. of the ETP Security Value as at the Threshold Event Date, in which event any suspension implemented pursuant to paragraph (2) below will cease only if such Extraordinary Resolution is passed; and

(2) the Issuer may, but shall not be obliged to, at any time after the Threshold Event Date, for so long as the ETP Security Value continues to be less than 2.00 per

cent. of the Principal Amount of the ETP Securities, suspend the right to request redemption of ETP Securities pursuant to Condition 8.2.

(B) If the Margin Loan Provider has defaulted in its obligations under the LS Margin Account Agreement and such default is continuing (such event, a "**Margin Loan Provider Event of Default**"), the Issuer may at any time and from time to time while such Margin Loan Provider Event of Default is continuing suspend the right to request redemption of the ETP Securities pursuant to Condition 8.2.

In each case, subject as provided in this Condition 8.5, the Issuer may at its discretion terminate any such suspension at any time.

The following provisions shall apply where Optional Redemptions have been suspended:

(i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Programme Parties and the ETP Securityholders in accordance with Condition 17, as soon as reasonably practicable, but the failure to give such any such notice shall not prevent the exercise of such discretions;

(ii) any such suspension may continue for a period of up to 60 calendar days, and may continue thereafter at the discretion of the Issuer (1) in the case of a suspension pursuant to Condition 8.5(A)(2), if the Extraordinary Resolution referred to in Condition 8.5(A)(1) above has not been passed; or (2) in the case of a suspension pursuant to Condition 8.5(B), for so long as the Margin Loan Provider Event of Default is continuing; and

(iii) any suspension shall not affect any Optional Redemption pursuant to a Redemption Order, the Optional Redemption Pricing Date for which had passed before the suspension commenced, but any Redemption Order in respect of ETP Securities submitted or deemed to be received on a Valuation Date when the right to request redemption of the ETP Securities pursuant to Condition 8.2 is suspended pursuant to this Condition 8.5 shall be invalid.

8.6 **Issuer Call Redemption Event**

The Issuer may, on giving an irrevocable notice to the Margin Loan Provider and the ETP Securityholders in accordance with Condition 17, elect to redeem all or some only of the ETP Securities and designate a Mandatory Redemption Date for such purposes, provided that the date designated as the Mandatory Redemption Date shall not be earlier than the fifth calendar day following the date of the relevant notice (such notice an "**Issuer Call Redemption Notice**"). In the event that only some of the outstanding ETP Securities are called for redemption pursuant to an Issuer Call Redemption Notice, a *pro rata* portion of each ETP Securityholder's ETP Securities shall be subject to such redemption.

For the purposes of Condition 8.7, a Mandatory Redemption Event in the form of an "**Issuer Call Redemption Event**" will occur on the Mandatory Redemption Date designated in the Issuer Call Redemption Notice (or if such day is not a Valuation Date on the first following Valuation Date). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the Programme Parties on the same date as such notice is given to the Margin Loan Provider and the ETP Securityholders.

8.7 **Mandatory Redemption Events**

Each of the following events shall be a mandatory redemption event in respect of the ETP Securities (each a "**Mandatory Redemption Event**"):

(A) *Disruption Redemption Event*: the occurrence of a Disruption Redemption Event. For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the fifth Exchange Business Day after the date of the notice from the Issuer to the ETP Securityholders in accordance with Condition 9.3(C);

(B) *Threshold Redemption Event:* if on any Valuation Date falling on or after the 200th calendar day following a Threshold Event Date, the ETP Security Value is less than 2.00 per cent. of

the Principal Amount of such ETP Securities, the Issuer shall designate a Mandatory Redemption Date in respect of the ETP Securities;

(C) *Termination of appointment of Agent or Authorised Participants:* any of the Determination Agent, the Issuing and Paying Agent, the Registrar, the Portfolio Administrator and/or all of the Authorised Participants in relation to the ETP Securities resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an "Agent Redemption Event Notice") to the Programme Parties and the ETP Securityholders in accordance with Condition 17. For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the fifth Exchange Business Day after the date of the Agent Redemption Event Notice;

(D) *Publication failure*: if the ETP Security Value in respect of the ETP Securities has not been published by or on behalf of the Issuer for 14 consecutive Non-Disrupted Valuation Dates (a "Publication Failure Event") and the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least a majority of the ETP Securities then outstanding (an "ETP Securityholder Notice and Direction") to give a notice under this Condition 8.7(D) to the Issuer, the Trustee will, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a "Publication Event Redemption Notice") to the Issuer, copied to each of the Programme Parties. Any such ETP Securityholder Notice and Direction must be substantially in the form set out in the U.S. Bank Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and/or the Trustee. For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the fifth Business Day following the date of the Publication Event Redemption Notice. The Trustee shall not be responsible for or liable to the Issuer, any ETP Securityholder or any Programme Party for investigating, verifying, determining or monitoring whether a Publication Failure Event has occurred or exists and, unless and until the Trustee receives an ETP Securityholder Notice and Direction, the Trustee shall be entitled to assume that no such event has occurred;

(E) *Change in law or regulation:* on or after the Series Issue Date (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority):

(1) the Issuer has (or reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Collateral Asset, and/or (y) perform its obligations under the ETP Securities and/or the LS Margin Account Agreement; or

(2) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the ETP Securities and/or the LS Margin Account Agreement (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation),

the Issuer may give notice to the Programme Parties and the ETP Securityholders in accordance with Condition 17 that the ETP Securities are to be redeemed and designate a Mandatory Redemption Date for such purposes, provided that the date designated as the Mandatory Redemption Date shall not be earlier than the fifth Exchange Business Day following the date of the relevant notice (such notice an "**Issuer Redemption Notice**");

(F) *Margin Account Termination Event:* if the LS Margin Account Agreement terminates prior to the redemption of all the ETP Securities for any reason (a "**Margin Account Termination**

Event"). For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the date of termination of the LS Margin Account Agreement; and

(G) *Issuer Call Redemption Event:* an Issuer Call Redemption Event occurs pursuant to Condition 8.6.

Notwithstanding anything to the contrary in the Conditions or any Programme Document, if at any time following the occurrence of a Mandatory Redemption Event (the "**Initial Early Redemption Event**") an event or circumstance which would otherwise constitute or give rise to a Mandatory Redemption Event occurs (the "**Secondary Early Redemption Event**") in respect of which the Mandatory Redemption Date relating thereto occurs (or would occur) prior to the date that would have been the Mandatory Redemption Date in respect of the Initial Early Redemption Event, the Secondary Early Redemption Event shall prevail and all references to the "**Mandatory Redemption Event**" in the Conditions and the Programme Documents shall be construed accordingly.

8.8 **Mandatory Redemption Amount**

If any of the Mandatory Redemption Events listed in Condition 8.7 occurs, each ETP Security shall become due and payable on the related Mandatory Redemption Settlement Date at its Mandatory Redemption Amount.

The Issuer shall give notice to the ETP Securityholders of the Mandatory Redemption Date and the Mandatory Redemption Settlement Date of the ETP Securities as soon as reasonably practicable in accordance with Condition 17.

8.9 **ETP Securities as Debt Securities**

Each ETP Security is a debt security and at all times prior to its redemption in accordance with the Conditions represents an obligation of the Issuer to repay the outstanding Principal Amount of that ETP Security together with, to the extent payable in accordance with the Conditions, any interest. Notwithstanding the foregoing, the payment by the Issuer of the Redemption Amount (being the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount) on the redemption of each ETP Security in accordance with the Conditions shall represent the repayment of the outstanding Principal Amount and to the extent that the applicable Redemption Amount:

(A) exceeds the outstanding Principal Amount, any such excess shall constitute interest in respect of such ETP Security; and

(B) is less than the outstanding Principal Amount, the Issuer shall have no further available funds to pay the deficit, any claim in respect of such deficit shall be extinguished and the Issuer shall have no further obligation in respect of such deficit.

The payment by the Issuer of any amount of interest which is comprised in the Redemption Amount in accordance with paragraph (A) above shall be in addition to and without prejudice to any other payments of interest which the Issuer is otherwise required to make in accordance with the Conditions. The failure of the Issuer to repay any outstanding Principal Amount in the circumstances described in paragraph (B) above shall not constitute an Event of Default.

9. Disruption Events, Adjustments Events and postponement

9.1 **Disruption Events and determination of Index Level**

If a Valuation Date is a Disrupted Day, then with respect to a Series of ETP Securities:

(A) the calculation and publication of the ETP Security Value in respect of such Valuation Date will be postponed to the next following Valuation Date that is not a Disrupted Day;

(B) the Issuer shall use reasonable efforts, to the extent that all required information is available to it, to publish an indicative price in respect of each ETP Security on the Issuer's Website, solely for information purposes.

9.2 **Postponement of settlement of subscriptions and Optional Redemptions**

(A) If a Subscription Order or a Redemption Order (which is determined to be valid in accordance with the terms of the LS Operating Procedures Agreement) is received by the Issuer on a Valuation Date which is a Disrupted Day, then such Subscription Order or Redemption Order shall be deemed to have been received by the Issuer on the day on which the ETP Security Value is deemed to be determined in respect of that Valuation Date. No additional amount shall be payable to any Authorised Participant (or any ETP Securityholder acquiring ETP Securities from, or selling ETP Securities to, an Authorised Participant) in connection with the postponement of Subscription Settlement Date or Optional Redemption Settlement Date, as applicable.

(B) A Subscription Order delivered by an Authorised Participant which has been deferred in accordance with Condition 9.2(A) may be withdrawn by that Authorised Participant in accordance with the terms of the LS Operating Procedures Agreement.

9.3 **Adjustments**

(A) If an Adjustment Event has occurred the Issuer will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to designate a Successor Index and/or make one or more adjustments to the terms of the Conditions of the ETP Securities to account for the economic effect on the LS Margin Account Agreement, the Portfolio Administration Agreement and the ETP Securities of the relevant Adjustment Event.

(B) If the Issuer determines that it is appropriate to designate a Successor Index and/or make such adjustments referred to in (A) above, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner the nature and effective date of such designation and/or adjustment(s), and notify the Programme Parties and, in accordance with Condition 17, the ETP Securityholders of the occurrence of such Adjustment Event and the details of the Successor Index and any adjustments to the Conditions and any related adjustments to the terms of the LS Margin Account Agreement and the Portfolio Administration Agreement as soon as reasonably practicable upon making such determinations.

With effect from the effective date of any such designation and/or adjustments, the Issuer and the Programme Parties shall take into account the relevant Successor Index and adjustment(s) so notified to it when making any determination and/or calculation it is required to make under the Conditions and the terms of the relevant Programme Documents, as appropriate, and the Conditions of the ETP Securities and the terms of the Programme Documents shall be construed accordingly. Neither the consent of the Trustee nor the consent of the ETP Securityholders will be required for any such designation of a Successor Index and/or adjustment to the Conditions of the ETP Securities, provided that no such adjustment or amendment may be made which would, in the Trustee's opinion, affect its rights, protections or impose more onerous obligations on the Trustee without its consent.

(C) If after the occurrence of an Adjustment Event which is continuing, no Successor Index has been designated and the Issuer determines that it is not appropriate to make such adjustments referred to in (A) above, the Issuer will notify the Programme Parties and, in accordance with Condition 17, the ETP Securityholders that the ETP Securities will be redeemed and, for the

purposes of Condition 8.7, a Mandatory Redemption Event in the form of a "**Disruption Redemption Event**" will occur.

10. Payments, calculations, Agents and records

10.1 Payments net of Taxes

All payments in respect of the ETP Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments in respect of the ETP Securities, the ETP Securityholders will be subject to, and shall not be entitled to receive amounts to compensate for, any such Tax or deduction or any other amounts withheld or deducted pursuant to Condition 10.3. No Event of Default shall occur as a result of any such withholding or deduction.

10.2 Payments

(A) Payments of Principal and Interest Amounts in respect of Definitive Securities will, subject to Conditions 10.2(C) and 10.3, be made against presentation and surrender (or endorsement in the case of partial payments or payments of Interest Amounts) of the relevant ETP Securities at the specified office of any Paying Agent outside the United States, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to, an account denominated in such currency with a Bank**.**

"**Bank**" means a bank in the principal financial centre of the currency of payment or, in the case of euros, a city in which banks in general have access to the TARGET2 System.

(B) For as long as the ETP Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depository, common safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the ETP Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant Clearing System as owning ETP Securities represented by such Global Security must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any ETP Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.

(C) Notwithstanding the foregoing, for so long as the ETP Securities are represented by a Global Security, if any amount payable in respect of such ETP Securities is payable in U.S. dollars, such U.S. dollar payments shall be made at the specified office of a Paying Agent in the U.S. if:

(1) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount due in respect of the ETP Securities in the manner provided above when due;

(2) payment of the full amount due at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of the amount due in U.S. dollars; and

(3) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

10.3 Payments subject to fiscal laws

All payments in respect of the ETP Securities will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 10.1 and

(ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 10.1). No commission or expenses shall be charged to the ETP Securityholders in respect of such payments.

10.4 **Calculations**

(A) The Determination Agent will, as soon as reasonably practicable on such date and/or at such time as the Determination Agent is required in accordance with the Determination Agency Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.

(B) The calculation by the Determination Agent of any amount, price, rate or value required to be calculated by the Determination Agent under the Relevant Provisions shall be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the ETP Securityholders and the Programme Parties.

10.5 **Calculation by Trustee**

If at any time after the Security has become enforceable pursuant to Condition 6.3 and the Determination Agent does not make any calculation relating to the ETP Security Value, Final Redemption Amount, Optional Redemption Amount, Mandatory Redemption Amount or Interest Amount when required pursuant to the Conditions and the Programme Documents, then the Trustee may appoint an agent on its behalf to make any calculation in place of the Determination Agent provided that the Trustee shall have been pre-funded and/or secured and/or indemnified to its satisfaction by one or more ETP Securityholders in accordance with the Trust Deed. Any such calculation made on behalf of the Trustee shall for the purposes of the Conditions and the Programme Documents be deemed to have been made by the Determination Agent. In doing so, the appointed agent shall apply the provisions of the Conditions and/or the relevant Programme Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. In the absence of fraud, gross negligence and wilful default, the Trustee directly or its agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, the ETP Securityholders or any Programme Party for any calculation (or any delay in making any calculation) so made.

10.6 **Determination Agent**

(A) Subject as provided in the Conditions and the Determination Agency Agreement, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Determination Agent for so long as any of the ETP Securities are outstanding. If the Determination Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides services of a similar type to those required of the Determination Agent under the Relevant Provisions or a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) that the Issuer reasonably determines is capable of making the calculation(s) required to be made by the Determination Agent under the Relevant Provisions to act as such in its place.

(B) The Determination Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any ETP Securityholder, any other Programme Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Determination Agent of its obligations under the Determination Agency Agreement, the Conditions and the other Relevant Provisions provided that nothing shall relieve the Determination Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Determination Agent (any such act or

omission, a "Determination Agent Breach").

(1) If the Determination Agent would, but for the operation of this Condition 10.6(B)(1), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any ETP Securityholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from either (i) the failure by any other Programme Party to provide any notice, instruction or direction which such Programme Party is required or permitted to give under the Conditions or any relevant Programme Document or (ii) a delay in the delivery by any other Programme Party of any notice, instruction or direction which such Programme Party is required or permitted to give to the Determination Agent under the Conditions or any relevant Programme Document.

(2) If the Determination Agent would, but for the operation of this Condition 10.6(B)(2), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any ETP Securityholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from the reliance by the Determination Agent upon a rate, amount, quotation, value or other calculation or determination notified to the Determination Agent pursuant to the Conditions and/or any relevant Programme Document which is made by another Programme Party in accordance with the Conditions and the terms of any relevant Programme Document.

(C) The Determination Agent has no obligation towards or relationship of agency or trust with any ETP Securityholder.

(D) The Determination Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Determination Agency Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Determination Agency Agreement against or on the part of the Determination Agent. The Determination Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the Trust Deed or any other Programme Document unless otherwise agreed pursuant to the Relevant Provisions.

10.7 **Appointment of Agents**

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any ETP Securityholder. The Issuer may at any time without requiring the prior written approval of the Trustee or the ETP Securityholders but subject to and in accordance with the provisions of the relevant Programme Documents, terminate the appointment of an Agent, replace an Agent or appoint additional or other Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Programme Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent and a Registrar , (ii) a Determination Agent, (iii) a Portfolio Administrator, and (iv) such other agents as may be required by any stock exchange on which the ETP Securities may be listed. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the ETP Securityholders by the Issuer in accordance with Condition 17.

Pursuant to the terms of the Trust Deed, at any time after an Event of Default or a Potential Event of Default has occurred in relation to the ETP Securities, the Trustee may (i) by notice in writing to the Issuer, the Issuing and Paying Agent and any other Paying Agents, the Registrar, the Portfolio Administrator, any Transfer Agents, and/or the Determination Agent, require any and all of such Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Trust Deed and the ETP Securities *mutatis mutandis* on the terms of the U.S. Bank Agency Agreement and/or the Portfolio Administration Agreement and/or the Determination Agreement, as applicable (with consequential amendments as necessary) and except that the Trustee's liability for the indemnification, remuneration and all other expenses of such Agents (if any) shall be limited to the amounts for the time being held by the Trustee in respect of the ETP

Securities on the terms of the Trust Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6.5) to discharge such liability); or (b) deliver the ETP Securities and all moneys, documents and records held by them in respect of the ETP Securities to or to the order of the Trustee or as the Trustee directs in such notice, and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the ETP Securities to or to the order of the Trustee and not to the Issuing and Paying Agent, and/or the Registrar with effect from the receipt of any such notice by the Issuer; and from then until such notice is withdrawn, proviso (1) of Condition 6.2(A) shall cease to have effect.

10.8 **Authorised Participants**

Notwithstanding anything to the contrary in these Conditions, for the avoidance of doubt, neither the approval of ETP Securityholders by way of an Extraordinary Resolution of ETP Securityholders or otherwise or the consent of the Trustee is required (without limitation) in connection with the accession of a new Authorised Participant to the Programme or the termination of the appointment of an existing Authorised Participant (including the Initial Authorised Participant). Without prejudice to the forgoing and Condition 8.7(C), the Issuer shall use reasonable endeavours to at all times maintain at least one Authorised Participant.

10.9 **Business day convention and non-Payment Business Days**

(A) If any date for payment in respect of any ETP Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.

(B) If any date referred to in the Conditions would otherwise fall on a day that is not a Valuation Date, then such date shall be postponed to the next day that is a Valuation Date.

10.10 **Records**

For so long as the ETP Securities are represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 10.10 means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the ETP Securities) shall be conclusive evidence of the number of the ETP Securities represented by the Global Security and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of ETP Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

10.11 **Negotiability of Global Bearer Security**

If the ETP Securities are Bearer Securities represented by a Global Bearer Security, the Global Bearer Security is a bearer document and negotiable and accordingly:

(A) is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;

(B) the holder of the Global Bearer Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption or otherwise payable in respect of the Global Bearer Security and the Issuer waives as against such holder and any previous holder of the Global Bearer Security all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by the Global Bearer Security; and

(C) payment upon due presentation of the Global Bearer Security will operate as a good

discharge against such holder and all previous holders of the Global Bearer Security.

11. Prescription

Claims against the Issuer for payment under the Conditions in respect of the ETP Securities shall be prescribed and become void unless made within 10 years (in the case of Principal) and 5 years (in the case of Interest Amounts) from the date on which the payment of Principal or Interest Amount in respect of the ETP Securities first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount outstanding was made or (if earlier) the date seven days after that on which notice is duly given to the ETP Securityholders that, upon further presentation of the ETP Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the "**Relevant Date**") save that if the ETP Securities are in global bearer form claims in respect of Principal or Interest Amounts in respect of the relevant Global Bearer Security shall become void unless the Global Bearer Security is presented for payment within a period of 10 years (in the case of Principal) and 5 years (in the case of Interest Amounts) from the appropriate Relevant Date.

12. Events of Default

If any of the following events (each, an "**Event of Default**") occurs, the Trustee at its discretion may or will, if so directed in writing by holders of at least a majority of the ETP Securities then outstanding or if so directed by an Extraordinary Resolution, a copy of which has been provided to the Trustee (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction by one or more ETP Securityholders in accordance with the Trust Deed), give notice to the Issuer (copied to each Programme Party) (such notice an "**Event of Default Redemption Notice**") that the ETP Securities are, and they shall immediately become, due and payable at their Final Redemption Amount:

(A) the Issuer defaults in the payment of any sum due in respect of the ETP Securities or any of them for a period of 14 calendar days or more;

(B) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under the ETP Securities, the Trust Deed or any other Programme Document, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);

(C) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;

(D) an examiner is appointed in respect of the Issuer; or

(E) a Margin Loan Provider Event of Default or Margin Loan Provider insolvency occurs

The Issuer will, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the ETP Securityholders in accordance with Condition 17 and to the Authorised Participant(s).

The Issuer has undertaken in the Trust Deed that, on each anniversary of the issue date of the first Series of ETP Securities issued under the Programme and also within 14 calendar days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that as at a date not more than five calendar days prior to the date of the certificate no Event of Default, or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default, has occurred.

13. Enforcement

Pursuant to the terms of the Trust Deed, only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer, as it may think fit to enforce the rights of the holders of the ETP Securities against the Issuer whether the same arise under general law, the Trust Deed or the ETP Securities, any other Programme Document or otherwise, but, in each case, it need not take any such action or step or institute proceedings unless in accordance with the terms of the Trust Deed, the Trustee is so directed by an Extraordinary Resolution a copy of which has been provided to the Trustee or notified in writing by holders of at least a majority of the ETP Securities then outstanding and it shall have been secured and/or pre-funded and/or indemnified to its satisfaction.

None of the Secured Creditors shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Security Documents, fails or neglects to do so within a reasonable time and such failure is continuing.

The ETP Securityholders acknowledge and agree that only the Trustee may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Security Documents.

The Trustee shall not be required to take any action in relation to the Security constituted by the Security Documents which may (i) be illegal or contrary to any applicable law or regulation or (ii) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.

14. Meetings of ETP Securityholders, modification, waiver, substitution and restrictions

14.1 Meetings of ETP Securityholders

The Trust Deed contains provisions for convening meetings of the ETP Securityholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the ETP Securities (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such ETP Securities).

The quorum at any such meeting for passing an Extraordinary Resolution will be two or more ETP Securityholders or agents present in person holding or representing in the aggregate more than 50 per cent. of the number of the ETP Securities for the time being outstanding or, at any adjourned such meeting, two or more ETP Securityholders or agents present in person being or representing ETP Securityholders, whatever the number of the ETP Securities so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the ETP Securityholders, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the ETP Securities (ii) to reduce or cancel the principal amount payable on redemption of, the ETP Securities, (iii) to change any method of calculating the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount, (iv) to change the currency or currencies of payment or Denomination of the ETP Securities, (v) to take any steps which as specified in the Trust Deed may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (vi) to modify the provisions concerning the quorum required at any meeting of ETP Securityholders or the majority required to pass an Extraordinary Resolution, (vii) to modify the provisions of the Trust Deed concerning this exception or (viii) to modify any other provisions specifically identified for this purpose in the Trust Deed will only be binding if passed at a meeting of the ETP Securityholders, the quorum at which shall be two or more ETP Securityholders or agents present in person holding or representing in the aggregate not less than 75 per cent. of the number of ETP Securities for the time being outstanding, or at any adjourned meeting, two or more ETP Securityholders or agents present in person being or representing in the aggregate not less than 10 per cent. of the number of the ETP Securities so held or represented (provided that at an adjourned meeting convened for the purpose of reducing the Principal Amount of the ETP Securities following a Threshold Event Date, the quorum shall be two or more ETP Securityholders or agents whatever the number of ETP Securities so held or represented). The holder of a Bearer Security or Registered Security in global form representing all of the ETP Securities for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the ETP Securities for the time being

outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of ETP Securityholders.

14.2 **Modification of the relevant Programme Documents**

(A) Subject to Condition 14.3(F), the Trustee may agree, without the consent of the ETP Securityholders, to (i) any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed and/or any other Programme Document to which the Trustee is a party that is in the opinion of the Trustee not materially prejudicial to the interests of the ETP Securityholders. Any such modification, authorisation or waiver will be binding on the ETP Securityholders and, if the Trustee so requires, such modification will be notified by the Issuer to the ETP Securityholders in accordance with Condition 17 as soon as reasonably practicable. This Condition 14.2(A) shall not limit the authority of the Issuer to make any of the modifications to these Conditions, the Trust Deed and/or any other Programme Document as set out in Condition 14.2(B).

(B) The Issuer may agree, without of the consent of the Trustee or the ETP Securityholders, to any modification to these Conditions, the Trust Deed and/or any other Programme Document (whether or not the Trustee is a party thereto), including any modification which is made:

(1) in connection with the accession of a new Authorised Participant to the Programme or the termination of the appointment of an existing Authorised Participant (including the Initial Authorised Participant);

(2) in connection with any variation of the terms of appointment of an Agent, the termination of the appointment of an Agent, the replacement of an Agent, the appointment of additional Agents or any variation or amendment to the terms of any Programme Document;

(3) in connection with any variation of the terms of appointment of a Margin Loan Provider, the termination of the appointment of a Margin Loan Provider, the replacement of a Margin Loan Provider, the appointment of additional Margin Loan Providers or any variation or amendment to the terms of any LS Margin Account Agreement;

(4) in connection with an amendment to the terms of the Programme to extend the range of assets which may be included as Collateral Assets for any Series of ETP Securities to be issued following the date of the relevant amendments;

(5) in connection with an amendment to the terms of the Programme to facilitate the issue of Series of ETP Securities which pursue actively managed Investment Strategies, such Series to be issued following the date of the relevant amendment;

(6) in order to facilitate any application for the admission of the ETP Securities of any Series to listing or trading on any stock exchange;

(7) in order to effect the transfer of the LS Margin Account Agreement to a new Margin Loan Provider or to make amendments consequent upon such transfer;

(8) to effect any adjustment to the Conditions of the ETP Securities and/or the terms of the LS Margin Account Agreement pursuant to Condition 9.3 as a consequence of the occurrence of an Adjustment Event provided that:

(a) the adjustments so agreed have the consequence that at the time of the adjustments there is no negative change to the ETP Security Value in respect of the ETP Securities; and

(b) the adjustments do not take effect until at least three calendar days have elapsed after they are announced to the ETP Securityholders in accordance with Condition 17; or

(9) to effect any adjustment (including but not limited to: (i) any amendment to a Programme Document, the Conditions of a Series of ETP Securities, the Supplemental Trust Deed or a Security Document; and (ii) any adjustment related to or concerning the matters contemplated by paragraphs (1) to (8) above but not otherwise permitted by those paragraphs) which the Issuer considers to be necessary or desirable for the Programme or any Series of ETP Securities provided that:

(a) such modifications are notified to ETP Securityholders at least 10 Business Days in advance of becoming effective;

(b) the Issuer certifies in the notice to ETP Securityholders that, in the opinion of the Issuer, such modifications are not materially prejudicial to the interests of the ETP Securityholders; and

(c) following such adjustment becoming effective, the Issuer shall, as soon as practicable, notify such adjustment(s): (i) to the ETP Securityholders of each of the relevant Series in accordance with Condition 17 (*Notices*) of the relevant Series; and (ii) where relevant, to any stock exchange on which the relevant ETP Securities are admitted to trading.

To the extent that the consent of the Trustee is required in order to give effect to any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which the Issuer certifies to the Trustee is necessary or desirable to be made for the purposes described in paragraphs (1) to (9) above, the Trustee shall agree, without the consent of the ETP Securityholders, to such modification provided however that the Trustee shall not be required to agree to any modification or any other matter which would, in the Trustee's sole opinion, have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) adding to or increasing the obligations, liabilities or duties or decreasing the rights, powers, authorisation, indemnities, discretions or protections of the Trustee.

14.3 **Substitution**

The Trustee may, without the consent of the ETP Securityholders, but subject to the prior consent of each Authorised Participant and the Margin Loan Provider, agree to the substitution, in place of the Issuer (or of any previous substitute) as the principal debtor under the Security Documents, the other Programme Documents to which it is a party and the ETP Securities of each Series, of any other company (incorporated in any jurisdiction) (any such substitute company being the "**Substituted Obligor**"), provided that:

(A) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Security Documents and the ETP Securities of each Series (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Security Documents and the ETP Securities as the principal debtor in place of the Issuer;

(B) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Security Documents and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted

Obligor;

(C) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;

(D) the Trustee will be satisfied (if it requires, by reference to legal opinions) that (a) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the ETP Securities of each Series and any Programme Document have been obtained and (b) such approvals and consents are at the time of substitution in full force and effect;

(E) the Issuer and the Substituted Obligor will execute and the Issuer shall procure that the Margin Loan Provider and any other Programme Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective and comply with such other requirements in the interests of the ETP Securityholders as the Trustee may direct;

(F) in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the ETP Securities, agree to a change of the law from time to time governing such ETP Securities and/or the Supplemental Trust Deed and/or the Security Documents, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such ETP Securityholders;

(G) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the ETP Securityholders; and

(H) a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

An agreement by the Trustee pursuant to this Condition 14.3 and the Security Documents will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Security Documents, the ETP Securities and the other relevant Programme Documents. The Substituted Obligor shall give notice of the substitution to the ETP Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 14.3 and the Security Documents, the Substituted Obligor shall be deemed to be named in these Conditions, the Security Documents, the other Programme Documents and the ETP Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Security Documents, the other Programme Documents and the ETP Securities shall be deemed to be amended as necessary to give effect to the substitution.

14.4 **Entitlement of the Trustee**

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions under the relevant Programme Documents, the Trustee will have regard solely to the interests of the ETP Securityholders as a Series and will not have regard to the consequences of such exercise for individual ETP Securityholders and the Trustee will not be entitled to require, nor shall any ETP Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any Tax consequence of any such exercise upon individual ETP Securityholders.

So long as the ETP Securities are in global form and such Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of ETP Securityholders, the Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

14.5 **Prohibition on U.S. persons**

ETP Securities may not be legally or beneficially owned by any U.S. person at any time nor offered, sold or delivered within the United States or to U.S. persons. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of ETP Securities who contravenes such prohibition to void the transfer of such ETP Securities to such legal or beneficial owner or to redeem any such ETP Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such ETP Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefor or the ETP Security Value prevailing at the time such transfer is voided. Terms used in this Condition 14.5 have the meanings given to them by Regulation S under the Securities Act.

14.6 **ERISA prohibition**

ETP Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of, (a)(i) an "**Employee Benefit Plan**" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibility requirements of Title I of ERISA, (ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") applies (a "**Plan**") or (iii) an entity whose constituent assets include "**Plan Assets**" (as determined pursuant to the "Plan Assets Regulation" issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity or (b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a "**Similar Law**") unless its acquisition and holding and disposition of such Security, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of ETP Securities who contravenes such prohibition to void the transfer of such ETP Securities to such legal or beneficial owner or to redeem any such ETP Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the issuer selling such ETP Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefor or the ETP Security Value prevailing at the time such transfer is voided. Terms used in this Condition 14.6 have the meanings given to them by the Code.

15. Replacement of ETP Securities

If an ETP Security in bearer form is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent or such other Paying Agent, as the case may be, as may, from time to time, be designated by the Issuer for the purpose and notice of whose designation is given to ETP Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed ETP Security is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such ETP Security) and otherwise as the Issuer may require. Mutilated or defaced ETP Securities must be surrendered before replacements will be issued.

16. Issue of further Tranches and Series of ETP Securities

16.1 Further Tranches

Subject to Condition 6, the Issuer may, from time to time (without the consent of the Trustee or any ETP Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as the ETP Securities in all respects and so that such further issue shall be consolidated and form a single Series with the ETP Securities or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

Only an Authorised Participant may request that the Issuer issue additional Tranches of the ETP Securities by delivering a valid Subscription Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement.

The Issuer will only accept a Subscription Order and issue ETP Securities if:

(A) a Subscription Order is given by an Authorised Participant and determined to be valid by or on behalf of the Issuer;

(B) the acceptance of such Subscription Order will not cause any Subscription Limit for the ETP Securities or the LS Margin Account Agreement to be exceeded;

(C) in connection with such issue of ETP Securities, the Margin Loan Provider agrees to any increase of the economic exposure under the LS Margin Account Agreement which is necessary to facilitate the issue of such ETP Securities; and

(D) all conditions precedent to an issue of the ETP Securities are satisfied.

The Issuer shall have no obligation to issue further ETP Securities and no obligation to accept any Subscription Orders from (but excluding) the fifth Valuation Date preceding the Final Redemption Date of the ETP Securities.

In accordance with the terms of the Authorised Participant Agreement(s), the LS Operating Procedures Agreement and the LS Margin Account Agreement, the Issuer will not be obliged to accept any Subscription Order and/or issue ETP Securities if (i) a Subscription Suspension Event has occurred and is continuing, and/or (ii) a Mandatory Redemption Event has occurred and/or a Margin Loan Provider Event of Default has occurred and/or (iii) the Margin Loan Provider does not consent to increase the economic exposure under the LS Margin Account Agreement by a *pro rata* amount. If an Issuer Call Redemption Notice is delivered the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Exchange Business Day preceding the related Mandatory Redemption Date designated in such notice. If an Issuer Redemption Notice is delivered by the Issuer the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Exchange Business Day preceding the related Mandatory Redemption Valuation Date designated in such notice. If the Margin Loan Provider elects for the LS Margin Account Agreement to terminate on the last day of its scheduled term and such date falls before the Final Redemption Date of the ETP Securities the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Exchange Business Day preceding the scheduled termination date of the LS Margin Account Agreement. If a Margin Account Termination Event is designated or occurs under the LS Margin Account Agreement, the last day on which the Issuer is required to accept a valid Subscription Order shall be the date of the notice designating such event. If a Mandatory Redemption Event occurs, the last day on which the Issuer is required to accept a valid Subscription Order shall be the date of the notice designating such event.

The Issuer may suspend the issuance of further ETP Securities at any time. If a Subscription Suspension Event occurs, the Issuer shall not be obliged to accept any Subscription Orders for the ETP Securities with effect from the date of suspension specified in the relevant notice to the Determination Agent and the Authorised Participants until such time (if any) as the Issuer notifies such Programme Parties that it shall recommence the issue of further Tranches of the ETP Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Valuation Date following the date of such notice. The Issuer shall give notice to ETP Securityholders in accordance with Condition 17 of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

In relation to any Subscription Order which has been accepted by or on behalf of the Issuer but in respect of which the Subscription Settlement Date has not yet occurred as at the date of the occurrence of an Event of Default, each such Subscription Order shall automatically be cancelled with effect from the date of the occurrence of such Event of Default.

In relation to any Subscription Order which is valid but in respect of which the ETP Securities are pending issue and settlement to the relevant Authorised Participant as at the Mandatory Redemption Date, the Final Redemption Date or the date of delivery of an Event of Default Redemption Notice (due to the Subscription Settlement Date not having occurred at such date, the relevant Authorised

Participant not having delivered in full the relevant subscription amount on a Subscription Settlement Date falling prior to such date, or otherwise), any such Subscription Order shall automatically be cancelled with effect from such Mandatory Redemption Date, Final Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable).

If at any time after the occurrence of the Subscription Settlement Date in respect of which the relevant Authorised Participant has not paid in full the related subscription amount a Mandatory Redemption Event occurs, the Final Redemption Date occurs or an Event of Default Redemption Notice is delivered, the ETP Securities issued on any such Subscription Settlement Date which are pending settlement to the relevant Authorised Participant shall automatically be cancelled with effect from the date of the occurrence of such Mandatory Redemption Date, Final Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable). ETP Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.

In relation to any Subscription Order, in satisfaction of the relevant subscription amount, the Issuer may agree with the relevant Authorised Participant to accept the delivery to, or to the order of, the Issuer of Reference Assets which the Determination Agent determines have a value on the Subscription Settlement Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to or greater than the subscription amount.

Any new securities forming a single Series with the ETP Securities and which are expressed to be constituted by the Trust Deed and secured by the Security Documents will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by the Security Documents without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed or the Programme Maximum Number of ETP Securities and shall be secured by the Secured Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to "**Secured Creditors**", "**Secured Property**", "**Secured Obligations**" and "**ETP Securities**" shall be construed accordingly.

17. Notices

17.1 All notices to holders of ETP Securities shall be valid if:

(A) they are:

(1) published in daily newspapers with general circulation in Ireland (which is expected to be in the *Irish Times*) and in the United Kingdom (which is expected to be in the *Financial Times*); and/or

(2) published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or

(3) published on the Issuer's Website;

(B) for so long as the ETP Securities are listed on any Relevant Stock Exchange, they are published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority; and

(C) for so long as the ETP Securities are in global form, notices required to be given in respect of the ETP Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Relevant Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the ETP Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.

17.2 If, in the opinion of the Trustee, any such publications above are not practicable, notice shall be validly given if published in another leading daily newspaper with general circulation in the

relevant country.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

18. Relevant Clearing System

None of the Issuer, the Trustee, the Agents or the Margin Loan Providers will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

19. Governing law and jurisdiction

19.1 Governing law

The Trust Deed and the ETP Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Irish law.

19.2 Jurisdiction

The courts of Ireland are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any ETP Securities and, accordingly, any legal action or proceedings arising out of or in connection with any ETP Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the ETP Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

20. Interest Amounts

20.1 Application of this Condition

This Condition 20 shall apply to each Series which is an Income Series.

20.2 Payment of Interest Amounts

The Issuer shall on each Interest Payment Date, make a payment in respect of each ETP Security in an amount equal to the Interest Amount.

20.3 Interest Notification

On each Interest Declaration Date, the Issuer shall cause the following details to be notified to ETP Securityholders in accordance with Condition 17 (such notification, an "**Interest Notification**"):

(A) the Interest Payment Date;

(B) the amount of the Interest Amount, if any, to be paid on the Interest Payment Date;

(C) the Interest Ex Date; and

(D) the Record Date.

20.4 Reduction of ETP Security Value

The payment of an Interest Amount shall result in a corresponding reduction in the ETP Security Value on the relevant Interest Ex Date.

20.5 **Payment of Final Redemption Amounts and Mandatory Redemption Amounts**

The payment of any Final Redemption Amount or Mandatory Redemption Amount in respect of an ETP Security shall satisfy the obligation of the Issuer to pay any Interest Amount to which such ETP Security is entitled for which the Interest Payment Date falls on or after the due date for payment of the Final Redemption Amount or Mandatory Redemption Amount and no additional payment shall be made in respect of such Interest Amount.

FORM OF FINAL TERMS

Pro Forma Final Terms for an issue by Leverage Shares Public Limited Company under its Collateralised Exchange Traded Securities Programme

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[**Prohibition of sales to EEA retail investors**: the ETP Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

(b) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in Regulation (EU) 2017/1129.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the ETP Securities or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the ETP Securities or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.][1]

[The MIFID II product governance legends below are not applicable where a target market assessment is not being included, otherwise one of the following legends should be selected.]

[[2][**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the ETP Securities has led to the conclusion that: (i) the target market for the ETP Securities is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the ETP Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the ETP Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the ETP Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

OR

[3][**MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the ETP Securities has led to the conclusion that: (i) the target market for the ETP Securities is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; ***EITHER*** [4][and (ii) all channels for distribution of the ETP Securities are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution

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[1] This legend is required if "Prohibition of Sales to EEA Retail Investors" is specified as being "Applicable" (See Part B, Paragraph 7).

[2] Include this legend if following the ICMA 1 "all bonds to all professionals" target market approach.

[3] Include this legend if parties have agreed to a retail target market. This may be the case if (1) following the ICMA 2 retail approach which would only be the case in relation to a low denomination issue and for bonds which are not ESMA complex or certain ESMA complex bonds only (as explained in the ICMA 2 paper) (2) a more detailed bespoke target market assessment and review is intended or (3) an alternative proportionate approach is to be followed.

[4] Include for bonds that are not ESMA complex.

services][5] ***OR*** [6][(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the ETP Securities to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the ETP Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the ETP Securities.]

Final Terms dated: [ ]

Leverage Shares Public Limited Company

(a public company incorporated with limited liability in Ireland)

LEI: 635400TLFJSNHVSOFH59

Issue of

[*number*] [*Series*]

pursuant to the

Collateralised Exchange Traded Securities Programme

(the "**ETP Securities**")

This document constitutes the Final Terms of the ETP Securities described herein.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of ETP Securities in any Member State of the EEA (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the ETP Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the ETP Securities may only do so in circumstances in which no obligation arises for the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any dealer has authorised, nor do they authorise, the making of any offer of the ETP Securities in any other circumstances.[7]]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of ETP Securities in any Member State of the EEA (each, a "**Relevant Member State**")] will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the ETP Securities. Accordingly any person making or intending to make an offer of the ETP Securities may only do so:

(i) in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer; or

(ii) in those EU Non-exempt Offer Jurisdictions mentioned in the following paragraph, provided such person is one of the persons mentioned in the following paragraph and that such offer is made during

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[5] This list may not be necessary, especially for bonds that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

[6] Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

[7] Include this legend for an exempt offer in a Relevant Member State of ETP Securities with a denomination of less than €100,000 is anticipated.

the Offer Period specified for such purpose therein.

An offer of the ETP Securities may be made by the Issuer or by the Authorised Participant [other than pursuant to Article 1 of the Prospectus Regulation in [ ] ("**EU Non-exempt Offer Jurisdictions**")] during the period of 12 months from the Base Prospectus Date (as defined below) (the "**Offer Period**").

The Issuer has not authorised, and does not authorise, the making of any offer of ETP Securities in any other circumstances.[8]]

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and he expression "**Central Bank**" means the Central Bank of Ireland in its capacity as the competent authority in Ireland under the Prospectus Regulation.

PART A – CONTRACTUAL TERMS

[Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated [ ] 2026 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**" and the "**Base Prospectus Date**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.] / [Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 11 June 2026 which is incorporated by reference in the Base Prospectus dated [ ] 2026 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**" and the "**Base Prospectus Date**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.]/ [Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 23 June 2025 which is incorporated by reference in the Base Prospectus dated [ ] 2026 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**" and the "**Base Prospectus Date**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.] [Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 17 July 2024 which is incorporated by reference in the Base Prospectus dated [ ] 2026 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**" and the "**Base Prospectus Date**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.]/ [Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 15 March 2024 which is incorporated by reference in the Base Prospectus dated [ ] 2026 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**" and the "**Base Prospectus Date**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.] This document constitutes the Final Terms of the ETP Securities described herein and has been prepared for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus (and any supplement thereto).

Full information on Leverage Shares Public Limited Company (the "**Issuer**") and the offer of the ETP Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus (together with any supplement thereto) is available on the website of the Issuer at [https://leverageshares.com/?page_id=16514.] A summary of the ETP Securities to which these Final Terms relate is included as an Annex hereto. Terms used in these Final Terms bear the same meaning as in the Base Prospectus.

[Scenario (a) – No public offer or admission to trading in Switzerland

The ETP Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act of 15 June 2018, as amended (the "**FinSA**"), and will not be admitted to trading on a trading venue in Switzerland. Neither the Base Prospectus nor these Final Terms nor any other offering or marketing material relating to the ETP Securities (i) constitutes a prospectus within the meaning of the FinSA, (ii) has been or will be filed with or approved by a Swiss review body pursuant to the FinSA or (iii) may be publicly distributed or otherwise made publicly available in Switzerland.]

[[9]OR]

[Scenario (b) - Public offer and/or admission to trading in Switzerland

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[8] *Include this legend for a non-exempt offer.*

[9] Select either scenario (a) or scenario (b) and delete the other.

The Base Prospectus dated 11 June 2026 [and the supplement(s) dated [ ]] were filed with [SIX Exchange Regulation AG]/[•] as review body (the "**Swiss Review Body**") pursuant to article 54(2) of the Swiss Financial Services Act of 15 June 2018, as amended (the "**FinSA**") for recognition in accordance with article 54(2) of the FinSA as a base prospectus within the meaning of article 45 of the FinSA, and published in accordance with the FinSA. The Swiss Review Body has not reviewed or approved the Base Prospectus [as so supplemented] or these Final Terms.]

The particulars in relation to this issue of ETP Securities are as follows: [Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs. Italics denote guidance for completing the Final Terms.]

1.	Series of ETP Securities to which these Final Terms apply:	[ ]
2.	Tranche:	[ ]
3.	Number of ETP Securities to which these Final Terms apply:	[ ]
4.	Issue Date:	[ ]
5.	Series Issue Date:	[*insert date of issuance of the initial Tranche of the Series*]
6.	Issue Price:	[USD/EUR/GBP/CHF/HKD/JPY/KRW] [ ] per ETP Security
7.	Principal Amount:	[ ] per ETP Security
8.	Maximum number of ETP Securities of this Series which may be issued:	[ ]
9.	Minimum transferable number of ETP Securities:	One
10.	Trading Method:	Unit
11.	Relevant Currency:	[USD/EUR/GBP/CHF/HKD/JPY/KRW]
12.	Final Redemption Date:	[ ] .
13.	Denomination:	[Principal Amount]
14.	Investment Objective	[*To track the [insert relevant Index from the list set out in the section "Description of the Indices" in the Base Prospectus]]/[To pursue the [insert relevant Investment Strategy from the list set out in the section "Description of the Investment Strategies" in the Base Prospectus*]]
15.	Income Series	[Applicable] / [Not applicable]
16.	Exposure Type[10]	[Leveraged Exposure/Short Exposure/Normal Exposure] / Not applicable]

[10] Only relevant where the relevant Series tracks an Index. Not applicable where the relevant Series pursues an Investment Strategy.

17.	Leverage Factor[11]	[ ] /[Not applicable]
18.	Rebalance Period[12]	*[Daily/weekly ending on the [●] Rebalance Business Day of the week /monthly ending on the [●] Rebalance Business Day of the month /other period] [Not Applicable]*
19.	Exchange:[13]	[ ]/[Not applicable]
20.	Related Exchange:	[ ]/[Not applicable]
21.	Multiple Exchange: [14]	[Applicable]/[Not Applicable]
22.	Reference Asset:[15]	*"[The Reference Asset[s] in respect of the ETP Securities is the following: [equity securities] [and]/[or] [debt securities] [and]/[or] [mutual funds] [and]/[or] [fixed income securities] [and]/[or] [ETFs] [and]/[or] [futures contracts] [and]/[or] [options contracts] / [ ]*
23.	Severe Disruption Event: [16]	[ ]/[Not Applicable]
24.	Condition 20 (*Interest Amounts*):	[Applicable] [17] / [Not Applicable]
	(i) Interest Payment Dates:	[As per the Conditions] /[Specify other dates]
25.	Form of ETP Securities:	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Registered Notes:[Global Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] NGN Form: [yes]/[no]
26.	Portfolio Administrator:	[Flexinvest Limited]/[FlexAdvisor Limited]/[ ]
27.	Issuing and Paying Agent:	U.S. Bank Europe DAC.
28.	Registrar:	U.S. Bank Europe DAC.
29.	Portfolio Administration Agreement	[Flexinvest Portfolio Administration Agreement]/[FlexAdvisor Portfolio Administration Agreement]/[ ]
30.	Terms and Conditions which apply to this Series:	[Terms and Conditions Version 7]/[Terms and Conditions Version 8/Terms and Conditions Version 9/ Terms and Conditions Version 10]

31.	Authorised Participant:	As per Issuer's website
32.	Agency Agreement:	U.S. Bank Agency Agreement
33.	Operating Procedures Agreement:	LS Operating Procedures Agreement.

[The Issuer accepts the responsibility for the information contained in these Final Terms]. [[ ] has been extracted from [ ]. The Issuer confirms that such additional information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[11] Only relevant where the relevant Series tracks an Index. Not applicable where the relevant Series pursues an Investment Strategy.

[12] Only relevant to Series which pursue an investment strategy where the investment strategy does not specify the Rebalance Period.

[13] Only relevant where the relevant Series tracks an Index. Not applicable where the relevant Series pursues an Investment Strategy.

[14] Only relevant where the relevant Series tracks an Index. Not applicable where the relevant Series pursues an Investment Strategy.

[15] For single stock Index tracking Series and Series pursuing an Investment Strategy where the the underying Reference Asset is a single equity security or ADR/ADS, insert the relevant equity security or ADR/ADS from the equity security table or ADR/ADS tables set out in the section "Description of Reference Assets" in the Base Prospectus. For all other Series, list the category which the Reference Asset falls into.

[16] Only relevant where the relevant Series tracks an Index Not applicable where the relevant Series pursues an Investment Strategy.

[17] Only relevant to Series which are Income Series.

PART B – OTHER INFORMATION

1. Listing and admission to trading:

[Application has been made to the Financial Conduct Authority ("**FCA**") for the ETP Securities to which these Final Terms apply to be admitted to the Official List of the FCA. Application has been made to the London Stock Exchange for the ETP Securities to which these Final Terms apply to be admitted to trading on the Main Market of the London Stock Exchange.

Please note that admission to the UK Official List and to trading on the London Stock Exchange is not admission to trading under the Prospectus Regulation, but is admission to trading for the purposes of the PRM]

[Please note that the admission to trading on the stock exchanges listed below is under the Prospectus Regulation:]

[Application has been made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on Deutsche Börse Xetra.]

[Application has been made to the Italian Stock Exchange (Borsa Italiana) for the Series of ETP Securities to which these Final Terms apply to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on [the Italian Stock Exchange]/[SeDex]].

[Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on Euronext Paris, the regulated market operated by Euronext Pars.]

[Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam.]

[Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on the regulated market of Börse Stuttgart].

[Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on the regulated market of the Madrid Stock Exchange].

2. Notification

The Central Bank has provided the competent authorities of Italy, Germany, France, Spain, the Netherlands, Poland, Belgium, Sweden, Norway and Austria with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation. This should not be considered as an endorsement of the quality of the securities that are the subject of these Final Terms and investors should make their own assessment as to the suitability of investing in the securities.

3. Interests of natural and legal persons involved in the issue

[So far as the Issuer is aware, no person involved in the offer of the ETP Securities has an interest material to the offer]

Names and addresses of additional Paying Agent(s) (if any):	[ ]

4. Distribution

Non-exempt Offer:	[Not Applicable] [An offer of the ETP Securities may be made by the Authorised Offerors specified in Paragraph 7 of Part B below other than pursuant to Article 1 of the Prospectus Regulation in Ireland, Italy, Germany, France, Spain, the Netherlands, Poland, Belgium, Sweden Norway and Austria ("**EU Non-exempt Offer Jurisdictions**") during the Offer Period. See further Paragraph 7 of Part B below.] *[N.B. Consider any local regulatory requirements necessary to be fulfilled as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the prospectus (and any supplement) has been notified]*
Additional Selling Restrictions:	[Not Applicable]

5. Information about the past and the further performance of an Index and its volatility[18]

Information about the past and further performance of the Index and its volatility can be obtained from:	[*Include name of the Index and details of where information about the past and future performance of the Index and its volatility can be obtained.*]/[N/A]

6. Operational Information

ISIN Code:	[ ]
Common Code:	[ ]
Names and addresses of additional Paying Agent(s) (if any):	[ ]
Main accounts relating to the Reference Asset(s):	[The Reference Asset will be held by the Margin Loan Provider in the Margin Account.]/[*other]*

7. Terms and Conditions of the Offer[19]

Offer Price:	[Issue Price][*specify*]
	12 months from the Base Prospectus Date

[18] *Only applicable to the extent that the Investment Objective of the Series is specified to be Index tracking otherwise this paragraph is not applicable. Not applicable to Series which pursue an Investment Strategy.*
[19] *Only applicable to non-exempt offers; otherwise this section 7 will be deleted.*

Time period, including any possible amendments, during which the offer will be open:	
Conditions to which the offer is subject:	[Not Applicable/[*insert any applicable additional conditions to offer*]/Offers of the ETP Securities are conditional upon their issue and, as between the Authorised Offeror(s) and their customers, any further conditions as may be agreed between them]
Description of the application process:	[Not Applicable/*give details*]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*give details*]
Details of the minimum and/or maximum amount of application:	[Not Applicable/*give details*]
Details of the method and time limited for paying up and delivering the ETP Securities:	[Not Applicable/The ETP Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/*give details*]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]
Whether tranche(s) have been reserved for certain countries:	[Not Applicable/Offers may be made by offerors authorised to do so by the Issuer in [ ] to any person [ ]. In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Regulation.
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/*give details*]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*give details*]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/*give details*]
Name and address of financial intermediary/ies authorised to use the Base Prospectus, as	Each Authorised Participant expressly named as an Authorised Offeror on the Issuer's website (www.leverageshares.com).

completed by these Final Terms (the "**Authorised Offerors**"):

Prohibition of Sales to EEA Retail Investors: [Applicable/Not applicable]

8.	Intended to be held in a manner which would allow Eurosystem eligibility	[Yes. Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

ANNEX 1 – ISSUE SPECIFIC SUMMARY

[Issue specific summary of the ETP Securities to be inserted if (i) the ETP Securities are to be listed on a regulated market in the EEA or (ii) publicly offered in a member state of the EEA]

ANNEX 2 – SOLACTIVE FAANG+ INVESTMENT STRATEGY SAMPLE PORTFOLIO[12]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE SOLACTIVE FAANG+ INVESTMENT STRATEGY SAMPLE PORTFOLIO

The Reference Assets of the Solactive FAANG+ Investment Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "Solactive FAANG+ Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Solactive FAANG+ Investment Strategy, the Solactive FAANG+ Portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Solactive FAANG+ Sample Portfolio.

[12] *Annex 2 is only relevant for Series of ETP Securities which pursue the Solactive FAANG+ Investment Strategy*

Solactive FAANG+Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	Meta Platforms Inc.	US30303M1027	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:META	10%
2	Apple Inc.	US0378331005	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:AAPL	10%
3	Amazon.com Inc.	US0231351067	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:AMZN	10%
4	Netflix Inc.	US64110L1061	United States of America	Nasdaq	https://www.nasdaq.com/market-activity/stocks/nflx	10%
5	Microsoft Corp.	US5949181045	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:MSFT	10%
6	Alphabet Inc.	US02079K3059	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:GOOG	10%
7	Tesla Inc.	US88160R1014	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:TSLA	10%
8	NVIDIA Corp	US67066G1040	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:NVDA	10%
9	Salesforce.com Inc.	US79466L3024	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:CRM	10%
10	Advanced Micro Devices, Inc.	US0079031078	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:AMZN	10%

Information in respect of equity securities in the Solactive FAANG+ Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found

1	Meta Platforms Inc.	US30303M1027	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
2	Apple Inc.	US0378331005	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
3	Amazon.com Inc.	US0231351067	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
4	Netflix Inc.	US64110L1061	Nasdaq	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
5	Microsoft Corp.	US5949181045	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
6	Alphabet Inc.	US02079K3059	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
7	Tesla Inc.	US88160R1014	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
8	NVIDIA Corp	US67066G1040	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
9	Salesforce.com Inc.	US79466L3024	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
10	Advanced Micro Devices, Inc.	US0079031078	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com

ANNEX 3– BUFFETTIQUE INVESTMENT STRATEGY SAMPLE PORTFOLIO[13]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE BUFFETTIQUE INVESTMENT STRATEGY SAMPLE PORTFOLIO

The Reference Assets of the Buffettique Investment Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "Buffettique Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Buffettique Investment Strategy, the Buffettique portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Buffettique Sample Portfolio.

[13] *Annex 3 is only relevant for Series of ETP Securities which pursue the Buffettique Investment Strategy*

Buffettique Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	LS 1x Amazon Tracker ETP	XS2337104231	Ireland	Euronext Amsterdam	https://live.euronext.com/en/product/etfs/xs2337104231-xams/1x-amzn/amzn	5%
2	Meta Platforms Inc.	US30303M1027	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:META	5%
3	LS 1x Tesla Tracker ETP	XS2337093798	Ireland	Euronext Amsterdam	https://live.euronext.com/en/product/etfs/XS2337093798-XAMS	5%
4	Netflix, Inc	US64110L1061	United States of America	Nasdaq	https://www.londonstockexchange.com/stock/NFLX/leverageshares/company-page https://www.nasdaq.com/market-activity/stocks/nflx	5%
5	Leverage Shares 2x Long Berkshire Hathaway ETP Securities	XS2399369110	Ireland	Euronext Amsterdam	https://live.euronext.com/en/product/etfs/XS2399369110-XAMS	20%
6	Finsbury Growth and Income Trust plc	GB0007816068	United Kingdom	London Stock Exchange	https://www.londonstockexchange.com/stock/FGT/finsbury-growth-income-trust-plc/company-page	10%
7	Scottish Mortgage Investment Trust plc	GB00BLDYK618	United Kingdom	London Stock Exchange	https://www.londonstockexchange.com/stock/SMT/scottish-mortgage-investment-trust-plc/company-page	10%
8	Blackrock Smaller Companies Trust plc	GB0006436108	United Kingdom	London Stock Exchange	https://www.londonstockexchange.com/stock/BRSC/blackrock-smaller-co-trust-plc/company-page	10%
9	Smithson Investment Trust plc	GB00BGJWTR88	United Kingdom	London Stock Exchange	https://www.londonstockexchange.com/stock/SSON/smithson-investment-trust-plc/company-page	10%
10	Pershing Square Holdings Limited	GG00BPFJTF46	Bailiwick of Guernsey	London Stock Exchange	https://www.londonstockexchange.com/stock/PSH/pershing-square-holdings-ltd/company-page	10%

11	Central Securities Corporation	US1551231020	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XASE:CET	10%

Information in respect of equity securities in the Buffettique Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	LS 1x Amazon Tracker ETP	XS2337104231	Euronext Amsterdam	continuous during market hours	1602, current form 2000	https://www.euronext.com/en	Available at: https://www.euronext.com/en/markets/amsterdam	Regulated Market	The Netherlands Authority for the Financial Markets (Dutch: Autoriteit Financiële Markten)	https://www.euronext.com/en
2	Meta Platforms Inc.	US30303M1027	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Regulated Market	Securities and Exchange Commission	www.nyse.com
3	LS 1x Tesla Tracker ETP	XS2337093798	Euronext Amsterdam	continuous during market hours	1602, current form 2000	https://www.euronext.com/en	Available at: https://www.euronext.com/en/markets/amsterdam	Regulated Market	The Netherlands Authority for the Financial Markets (Dutch: Autoriteit Financiële Markten)	https://www.euronext.com/en
4	Netflix Inc.	US64110L1061	Nasdaq	continuous during market hours	February 8, 1971	www.nasdaq.com https://www.londonstockexchange.com/	Available at: www.nasdaq.com	Regulated Market	Securities and Exchange Commission	www.nasdaq.com
5	Leverage Shares 2x Long Berkshire Hathaway	XS2399369110	Euronext Amsterdam	continuous during market hours	1602, current form 2000	https://www.euronext.com/en	Available at: https://www.euronext.com/en/markets/amsterdam	Regulated Market	The Netherlands Authority for the Financial Markets (Dutch: Autoriteit Financiële Markten)	https://www.euronext.com/en

	ETP Securities									
11	Central Securities Corporation	US1551231020	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com

ANNEX 4– VANILLA FUNDS BALANCED PORTFOLIO GBP STRATEGY SAMPLE PORTFOLIO[13]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE VANILLA FUNDS BALANCED PORTFOLIO GBP STRATEGY SAMPLE PORTFOLIO

The Reference Assets of the Vanilla Funds Balanced Portfolio GBP Strategy portfolio listed or disclosed in this Annex are a sample portfolio only. This is called the "Vanilla Funds Balanced Portfolio GBP Strategy Sample Portfolio" On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Vanilla Funds Balanced Portfolio GBP Strategy, the Vanilla Funds Balanced Portfolio GBP Strategy portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Vanilla Funds Balanced Portfolio GBP Strategy Sample Portfolio.

[13] *Annex 4 is only relevant for Series of ETP Securities which pursue the Vanilla Funds Balanced Portfolio GBP Strategy.*

Vanilla Funds Balanced Portfolio GBP Strategy Sample Portfolio

	Name of Reference Asset	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	Invesco Physical Gold ETC	IE00B579F325	Jersey	London Stock Exchange	https://www.londonstockexchange.com/stock/SGLS/invesco/company-page	4.50%
2	VanEck Vectors Semiconductor UCITS ETF	IE00BMC38736	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/SMH/van-eck-global/company-page	4.00%
3	WisdomTree Global Quality Dividend Growth UCITS ETF	IE00BZ56SW52	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/GGRA/wisdomtree/company-page	10.00%
4	XTrackers MSCI World Information Technology UCITS ETF 1C	IE00BM67HT60	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/XDWT/deutsche-bank/company-page	5.50%
5	iShares Edge MSCI EM Minimum Volatility UCITS ETF USD (Acc)	IE00B8KGV557	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/EMV/ishares/company-page	6.50%
6	SPDR MSCI World Energy UCITS ETF	IE00BYTRR863	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/WNRG/street-global-advisors/company-page	5.00%
7	Invesco Nasdaq-100 UCITS ETF	IE0032077012	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/EQQQ/invesco/company-page	6.50%
8	iShares MSCI India UCITS ETF	IE00BZCQB185	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/NDIA/ishares/company-page	7.50%
9	L&G Cyber Security UCITS ETF	IE00BYPLS672	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/USPY/legal-and-general-asset-management/company-page	3.50%
10	iShares Edge MSCI USA Value Factor UCITS ETF	IE00BD1F4M44	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IUVF/ishares/company-page	4.00%
11	Lyxor Core MSCI World (DR) UCITS ETF	LU1781541179	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/LCWL/amundi/company-page	6.00%
12	iShares £ Ultrashort Bond UCITS ETF GBP (Dist)	IE00BCRY6441	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/ERNS/ishares/company-page	10.00%
13	iShares $ Treasury Bond 1-3yr UCITS ETF - GBP Hedged (Dist)	IE00BDFK1N50	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IBTG/ishares/company-page	9.00%
14	iShares UK Gilts 0-5yr UCITS ETF GBP (Dist)	IE00B4WXJK79	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IGLS/ishares/company-page	8.00%

15	Invesco US Treasury Bond 0-1 Year UCITS ETF GBP Hdg Dist	IE00BKWD3F20	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/TIGB/invesco/company-page	10.00%

ANNEX 5– VANILLA FUNDS BALANCED PORTFOLIO USD STRATEGY SAMPLE PORTFOLIO[13]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE VANILLA FUNDS BALANCED PORTFOLIO USD STATEGY SAMPLE PORTFOLIO

The Reference Assets of the Vanilla Funds Balanced Portfolio USD Strategy portfolio listed or disclosed in this Annex are a sample portfolio only. This is called the "Vanilla Funds Balanced Portfolio USA Strategy Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Vanilla Funds Balanced Portfolio USD Strategy, the Vanilla Funds Balanced Portfolio USD Strategy portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Vanilla Funds Balanced Portfolio USD Strategy Sample Portfolio.

[13] *Annex 5 is only relevant for Series of ETP Securities which pursue the Vanilla Funds Balanced Portfolio USD Strategy.*

Vanilla Funds Balanced Portfolio USD Strategy Sample Portfolio

	Fund Name	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	SPDR Gold Minishares ETF	US98149E3036	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:GLDM	5.00%
2	ETFMG Prime Cyber Security ETF	US26924G2012	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:HACK	3.50%
3	iShares MSCI Emerging Markets Min Vol Factor ETF	US4642865335	United States of America	New York Stock Exchange	https://www.nyse.com/quote/BATS:EEMV	4.00%
4	Vanguard Total World Stock ETF	US9220427424	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:VT	7.50%
5	iShares MSCI India ETF	US46429B5984	United States of America	New York Stock Exchange	https://www.nyse.com/quote/BATS:INDA	4.00%
6	iShares MSCI Intl Small-Cap Multifactor ETF	US46434V2667	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:ISCF	5.00%
7	iShares Core S&P 500 ETF	US4642872000	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:IVV	7.00%
8	iShares Global Energy ETF	US4642873412	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:IXC	5.00%
9	iShares Global Tech ETF	US4642872919	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:IXN	6.50%
10	Invesco QQQ Trust	US46090E1038	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNMS:QQQ	5.50%
11	Schwab U.S. Large Cap Value ETF	US8085244098	United States of America	New York Stock Exchange	https://www.nyse.com/quote/index/SCHV.IV	7.00%
12	iShares 0-3 Month Treasury Bond ETF	US46436E7186	United States of America	New York Stock Exchange	https://www.nyse.com/quote/ARCX:SGOV	18.50%
13	Vanguard Short-Term Treasury ETF	US92206C1027	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNMS:VGSH	7.50%
14	iShares iBonds Dec 2025 Term Treasury ETF	US46436E8663	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNMS:IBTF	8.00%
15	iShares iBonds Dec 2026 Term Treasury ETF	US46436E8580	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNMS:IBTG	6.00%

Information in respect of securities in the Vanilla Balanced Portfolio USD Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	SPDR Gold Minishares ETF	US98149E3036	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
2	ETFMG Prime Cyber Security ETF	US26924G2012	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
3	iShares Edge MSCI Min Vol Emerging Markets ETF	US4642865335	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
4	Vanguard Total World Stock ETF	US9220427424	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
5	iShares MSCI India ETF	US46429B5984	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
6	iShares MSCI Intl Small-Cap Multifactor ETF	US46434V2667	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
7	iShares Core S&P 500 ETF	US4642872000	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
8	iShares Global Energy ETF	US4642873412	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
9	iShares Global Tech ETF	US4642872919	New York Stock Exchange	Continuous during market	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com

				hours						
10	Invesco QQQ Trust	US46090E1038	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
11	Schwab U.S. Large Cap Value ETF	US8085244098	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
12	iShares 0-3 Month Treasury Bond ETF	US46436E7186	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
13	Vanguard Short-Term Treasury ETF	US92206C1027	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
14	iShares iBonds Dec 2025 Term Treasury ETF	US46436E8663	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
15	iShares iBonds Dec 2026 Term Treasury ETF	US46436E8580	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com

ANNEX 6– VANILLA FUNDS BLUE CHIP PORTFOLIO USD STRATEGY SAMPLE PORTFOLIO[13]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE VANILLA FUNDS BLUE CHIP PORTFOLIO USD STATEGY SAMPLE PORTFOLIO

The Reference Assets of the Vanilla Funds Blue Chip Portfolio USD Strategy portfolio listed or disclosed in this Annex are a sample portfolio only. This is called the "Vanilla Funds Blue Chip Portfolio USA Strategy Sample Portfolio".On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Vanilla Funds Blue Chip Portfolio USD Strategy, the Vanilla Funds Blue Chip Portfolio USD Strategy portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Vanilla Funds Blue Chip Portfolio USD Strategy Sample Portfolio.

[13] *Annex 6 is only relevant for Series of ETP Securities which pursue the Vanilla Funds Blue Chip Portfolio USD Strategy.*

Vanilla Funds Blue Chip Portfolio USD Strategy Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	Berkshire Hathaway INC Class B	US0846707026	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:BRK.A	25.00%
2	Meta Platforms Inc Class A	US3030M1027	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:META	6.00%
3	Amazon.com Inc	US0231351067	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:AMZN	6.00%
4	Apple Inc	US0378331005	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:AAPL	6.00%
5	Alphabet Inc Class C	US02079K1079	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:GOOG	6.00%
6	Exxon Mobil Corp	US30231G1022	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:XOM	6.00%
7	Microsoft Corp	US5949181045	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:MSFT	6.00%
8	Tesla Inc	US88160R1014	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:TSLA	6.00%
9	Chevron Corp	US1667641005	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:CVX	6.00%
10	Charter Communications	US161175BY99	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:CHTR	2.47%
11	T-Mobile Us	US8725901040	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:TMUS	2.42%
12	Eog Resources Inc	US26875P1012	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:EOG	2.38%
13	At+T Inc	US00206R1023	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:T	2.48%
14	Nvidia Corp	US67066G1040	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:NVDA	2.34%
15	Broadcom Inc	US11135F1012	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:AVGO	2.23%
16	Conocophillips	US20825C1045	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:COP	2.29%
17	Schlumberger Nv	AN8068571086	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:SLB	2.27%

18	McDonald's Corp	US5801351017	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:MCD	2.30%
19	Home Depot Inc	US4370761029	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:HD	2.25%
20	Lowes Companies Inc	US5486611073	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNYS:LOW	2.07%
21	Adobe Inc	US00724F1012	United States of America	New York Stock Exchange	https://www.nyse.com/quote/XNGS:ADBE	1.50%

Information in respect of securities in the Vanilla Funds Blue Chip Portfolio USD Strategy Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	Berkshire Hathaway INC Class B	US0846707026	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
2	Meta Platforms Inc Class A	US3030M1027	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
3	Amazon.com Inc	US0231351067	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
4	Apple Inc	US0378331005	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
5	Alphabet Inc Class C	US02079K1079	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
6	Exxon Mobil Corp	US30231G1022	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
7	Microsoft Corp	US5949181045	New York Stock Exchange	Continuous during market	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com

				hours						
8	Tesla Inc	US88160R1014	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
9	Chevron Corp	US1667641005	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
10	Charter Communications	US161175BY99	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
11	T-Mobile Us	US8725901040	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
12	EOG Resources Inc	US26875P1012	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
13	At+T Inc	US00206R1023	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
14	Nvidia Corp	US67066G1040	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
15	Broadcom Inc	US11135F1012	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
16	Conocophillips	US20825C1045	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
17	Schlumberger Nv	AN8068571086	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
18	McDonald’s Corp	US5801351017	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com

19	Home Depot Inc	US4370761029	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
20	Lowes Companies Inc	US5486611073	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
21	Adobe Inc	US00724F1012	New York Stock Exchange	Continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com

ANNEX 7 – RELAY RACE INVESTMENT STRATEGY SAMPLE PORTFOLIO[20]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE RELAY RACE INVESTMENT STRATEGY SAMPLE PORTFOLIO

The Reference Assets of the Relay Race Investment Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "Relay Race Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Relay Race Investment Strategy, the Relay Race portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Relay Race Sample Portfolio.

[20] Annex 7 is only relevant for Series of ETP Securities which pursue the Relay Race Investment Strategy

Relay Race Sample Portfolio

	Name of the issuer	Ticker	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	iShares Russell 2000 ETF	IWM	US4642876555	United States of America	NYSE Arca	https://www.nyse.com/quote/ARCX:IWM	10%
2	Invesco QQQ Trust ETF	QQQ	US46090E1038	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/funds-and-etfs/qqq	10%
3	SPDR S&P 500 ETF Trust	SPY	US78462F1030	United States of America	NYSE Arca	https://www.nyse.com/quote/ARCX:SPY	10%
4	CVS Health Corp.	CVS	US1266501006	United States of America	NYSE	https://www.nyse.com/quote/XNYS:CVS	20%
5	CAVA Group Inc.	CAVA	US1489291021	United States of America	NYSE	https://www.nyse.com/quote/XNYS:CAVA	10%
6	Citi Trends, Inc.	CTRN	US17306X1028	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/ctrn	2.5%
7	Corteva, Inc.	CTVA	US22052L1044	United States of America	NYSE	https://www.nyse.com/quote/XNYS:CTVA	7.5%
8	Caesars Entertainment, Inc.	CZR	US12769G1004	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/czr	15%

9	Enphase Energy, Inc.	ENPH	US29355A1079	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/enph	7.5%
10	Kemper Corporation	KMPR	US4884011002	United States of America	NYSE	https://www.nyse.com/quote/XNYS:KMPR	7.5%

Information in respect of equity securities in the Relay Race Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	**ISIN**	**Regulated/Equivalent Market**	**Frequency at which prices are published**	**Date of establishment of market**	**How price information is published**	**Indication of daily trading volumes**	**Standing of market**	**Regulatory authority of market**	**Link to where information on the obligations can be found**
1	iShares Russell 2000 ETF	US4642876555	NYSE Arca	Continuous during market hours	2006	https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nyse.com/quote/ARCX:IWM
2	Invesco QQQ Trust ETF	US46090E1038	NASDAQ	Continuous during market hours	1971	https://www.nasdaq.com/	Available at: https://www.nasdaq.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nasdaq.com/market-activity/funds-and-etfs/qqq
3	SPDR S&P 500 ETF Trust	US78462F1030	NYSE Arca	Continuous during market hours	2006	https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nyse.com/quote/ARCX:SPY
4	CVS Health Corp.	US1266501006	NYSE	Continuous during market hours	1792	https://www.nyse.com/	Available at: https://www.nyse.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nyse.com/quote/XNYS:CVS

5	CAVA Group Inc.	US1489291021	NYSE	Continuous during market hours	1792	https://www.nyse.com/	Available at: https://www.nyse.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nyse.com/quote/XNYS:CAVA
6	Citi Trends, Inc.	US17306X1028	NASDAQ	Continuous during market hours	1971	https://www.nasdaq.com/	Available at: https://www.nasdaq.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nasdaq.com/market-activity/stocks/ctrn
7	Corteva, Inc.	US22052L1044	NYSE	Continuous during market hours	1792	https://www.nyse.com/	Available at: https://www.nyse.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nyse.com/quote/XNYS:CTVA
8	Caesars Entertainment, Inc.	US12769G1004	NASDAQ	Continuous during market hours	1971	https://www.nasdaq.com/	Available at: https://www.nasdaq.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nasdaq.com/market-activity/stocks/czr
9	Enphase Energy, Inc.	US29355A1079	NASDAQ	Continuous during market hours	1971	https://www.nasdaq.com/	Available at: https://www.nasdaq.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nasdaq.com/market-activity/stocks/enph
10	Kemper Corporation	US4884011002	NYSE	Continuous during market hours	1792	https://www.nyse.com/	Available at: https://www.nyse.com/	Regulated Market	U.S. Securities and Exchange Commission (SEC)	https://www.nyse.com/quote/XNYS:KMPR

ANNEX 8 – PANTARAI A·D·A·P·T INVESTMENT STRATEGY SAMPLE PORTFOLIO[21]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE PANTARAI A·D·A·P·T INVESTMENT STRATEGY SAMPLE PORTFOLIO

The Reference Assets of the PANTARAI A·D·A·P·T Investment Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "PANTAR.AI Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the PANTARAI A·D·A·P·T Investment Strategy, the PANTAR.AI Sample Portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the PANTAR.AI Sample Portfolio.

[21] Annex 8 is only relevant for Series of ETP Securities which pursue the PANTAR.AI Investment Strategy

PANTARAI Sample Portfolio

	Name of the issuer	Ticker	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	Amundi Euro Stoxx 50 - UCITS ETF DR - EUR (D)	V50D	LU1681047319	Luxembourg	Deutsche Borse	https://www.boerse-frankfurt.de/en/etf/amundi-euro-stoxx-50-ucits-etf-dr-eur-d?currency=EUR	3%
2	Amundi EURO STOXX 50 II UCITS ETF Acc	MSE	FR0007054358	France	Euronext Paris	https://live.euronext.com/en/product/etfs/FR0007054358-XPAR	17%
3	AMUNDI US Treasury Bond 7-10Y UCITS ETF EUR-H Acc	AE52	LU1407888137	Luxembourg	Deutsche Borse	https://www.boerse-frankfurt.de/en/etf/amundi-us-treasury-bond-7-10y-ucits-etf-eur-hedged-acc?currency=EUR	16%
4	BNP Paribas Easy EURO STOXX 50 UCITS ETF EUR C	ETDD	FR0012739431	France	Euronext Paris	https://live.euronext.com/en/product/etfs/fr0012739431-xpar	2%
5	BNP Paribas Easy S&P 500 UCITS ETF EUR C	ESE	FR0011550185	France	Euronext Paris	https://live.euronext.com/en/product/etfs/fr0011550185-xpar	5%
6	iShares $ Treasury Bd 7-10y UCITS ETF EUR Dist	0ACM	IE00BGPP6697	Ireland	London Stock Exchange	https://www.londonstockexchange.com/market-stock/0ACM/ishares-treasury-bd-7-10y-ucits-e/overview	15%
7	iShares Edge MSCI Europe Min Vol UCITS ETF EUR Acc	MVEU	IE00B86MWN23	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/MVEU/ishares/company-page	2%

8	iShares Edge MSCI Europe Momentum Factor UCITS ETF	IEFM	IE00BQN1K786	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IEFM/ishares/company-page	8%
9	iShares Edge MSCI USA Momentum Factor UCITS ETF	IUMO	IE00BD1F4N50	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IUMO/ishares/company-page	4%
10	iShares Physical Gold ETC	IGLN	IE00B4ND3602	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IGLN/ishares/company-page	8%
11	SPDR Bloomberg Barclays 1-3Y Eu Govt Bd UCITS ETF	EU13	IE00B6YX5F63	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/EU13/street-global-advisors/company-page	14%
12	Xtrackers II Eurozone Gov Bond 1-3 UCITS ETF 1C	DBXP	LU0290356871	Luxembourg	Deutsche Borse	https://www.boerse-frankfurt.de/en/etf/xtrackers-ii-eurozone-government-bond-1-3-ucits-etf-1c?currency=EUR	6%

Information in respect of equity securities in the PANTARAI Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/ Equivalent	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	Amundi Euro Stoxx 50 - UCITS ETF DR - EUR (D)	LU1681047319	Deutsche Borse	Continuous during market hours	December 30,1992	https://www.deutsche-boerse.com/dbg-en/	Available at: https://www.deutsche-boerse.com/dbg-en/	Regulated Market	BaFin – Bundesanstalt für Finanzdienstleistungsaufsicht / CONSOB – Commissione Nazionale per le Società e la Borsa	https://www.deutsche-boerse.com/dbg-en/
2	Amundi EURO STOXX 50 II UCITS ETF Acc	FR0007054358	Euronext Paris	Continuous during market hours	September 22,2000	https://www.euronext.com/en/markets/paris	Available at: https://www.euronext.com/en/markets/paris	Regulated Market	AMF – Autorité des Marchés Financiers	https://www.euronext.com/en/markets/paris

3	AMUNDI US Treasury Bond 7-10Y UCITS ETF EUR-H Acc	LU1407888137	Deutsche Borse	Continuous during market hours	December 30,1992	https://www.deutsche-boerse.com/dbg-en/	Available at: https://www.deutsche-boerse.com/dbg-en/	Regulated Market	BaFin – Bundesanstalt für Finanzdienstleistungsaufsicht	https://www.deutsche-boerse.com/dbg-en/
4	BNP Paribas Easy EURO STOXX 50 UCITS ETF EUR C	FR0012739431	Euronext Paris	Continuous during market hours	September 22,2000	https://www.euronext.com/en/markets/paris	Available at: https://www.euronext.com/en/markets/paris	Regulated Market	AMF – Autorité des Marchés Financiers	https://www.euronext.com/en/markets/paris
5	BNP Paribas Easy S&P 500 UCITS ETF EUR C	FR0011550185	Euronext Paris	Continuous during market hours	September 22,2000	https://www.euronext.com/en/markets/paris	Available at: https://www.euronext.com/en/markets/paris	Regulated Market	AMF – Autorité des Marchés Financiers	https://www.euronext.com/en/markets/paris

6	Xtrackers II Eurozone Gov Bond 1-3 UCITS ETF 1C	LU0290356871	Deutsche Borse	Continuous during market hours	December 30,1992	https://www.deutsche-boerse.com/dbg-en/	Available at: https://www.deutsche-boerse.com/dbg-en/	Regulated Market	**Financial Services Authority (FCA) / BaFin** – Bundesanstalt für Finanzdienstleistungsaufsicht	https://www.deutsche-boerse.com/dbg-en/

ANNEX 9 – ANDOVA AI, QUANTUM & FRONTIER TECH INVESTMENT STRATEGY[22]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE ANDOVA AI, QUANTUM & FRONTIER TECH SAMPLE PORTFOLIO

The Reference Assets of the Andova AI, Quantum & Frontier Tech Investment Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "Andova AI Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Andova AI, Quantum & Frontier Tech Investment Strategy, the Andova AI Sample Portfolio shall comprise cash and/or other equity securities which are different from the constituents of the Andova AI Sample Portfolio.

[22] Annex 9 is only relevant for Series of ETP Securities which pursue the Andova Ai, Quantum & Frontier Tech Investment Strategy

ANDOVA AI Strategy Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	Apple Inc	US0378331005	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/aapl	4.00%
2	Archer Aviation Inc	US03945R1023	United States of America	NYSE	https://www.nyse.com/quote/XNYS:ACHR	1.00%
3	Astera Labs Inc	US04626A1034	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/alab	2.00%
4	Ambarella Inc	KYG037AX1015	Cayman Islands	NASDAQ	https://www.nasdaq.com/market-activity/stocks/amba	2.00%
5	Advanced Micro Devices Inc	US0079031078	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/amd	2.00%
6	Amazon.com Inc	US0231351067	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/amzn	3.00%
7	Arm Holdings PLC - ADR	US0420682058	United Kingdom	NASDAQ	https://www.nasdaq.com/market-activity/stocks/arm	1.00%
8	ASML Holding NV	USN070592100	The Netherlands	NASDAQ	https://www.nasdaq.com/market-activity/stocks/asml	1.00%
9	Broadcom Inc	US11135F1012	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/avgo	3.00%
10	Alibaba Group Holding Limited	US01609W1027	Cayman Islands	NYSE	https://www.nyse.com/quote/XNYS:BABA	1.00%
11	Bloom Energy Corp	US0937121079	United States of America	NYSE	https://www.nyse.com/quote/XNYS:BE	2.00%
12	Baidu Inc	US0567521085	Cayman Islands	NASDAQ	https://www.nasdaq.com/market-activity/stocks/bidu	1.00%
13	Constellation Energy Corp	US21037T1097	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/ceg	1.00%
14	Credo Technology Group Holding Ltd	KYG254571055	Cayman Islands	NASDAQ	https://www.nasdaq.com/market-activity/stocks/crdo	2.00%
15	Crowdstrike Holdings Inc	US22788C1053	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/crwd	1.00%
16	CoreWeave Inc	US21873S1087	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/crwv	2.00%

17	Datadog Inc	US23804L1035	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/ddog	1.00%
18	Ginkgo Bioworks Holdings Inc	US37611X1000	United States of America	NYSE	https://www.nyse.com/quote/XNYS:DNA	2.00%
19	EHang Holdings Ltd - ADR	US26853E1029	Cayman Islands	NASDAQ	https://www.nasdaq.com/market-activity/stocks/eh	1.00%
20	Fluence Energy Inc	US34379V1035	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/flnc	2.00%
21	Alphabet Inc Class C	US02079K1079	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/goog	1.00%
22	Alphabet Inc Class A	US02079K3059	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/googl	1.00%
23	Grail Inc	US3847471014	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/gral	1.00%
24	IONQ Inc	US46222L1089	United States of America	NYSE	https://www.nyse.com/quote/XNYS:IONQ	2.00%
25	Joby Aviation Inc	KYG651631007	United States of America	NYSE	https://www.nyse.com/quote/XNYS:JOBY	1.00%
26	Legend Biotech Corp	US52490G1022	Cayman Islands	NASDAQ	https://www.nasdaq.com/market-activity/stocks/legn	1.00%
27	Mobileye Global Inc	US60741F1049	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/mbly	2.00%
28	Mongodb Inc	US60937P1066	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/mdb	1.00%
29	Meta Platforms Inc	US30303M1027	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/meta	3.00%
30	Marvell Technology Inc	US5738741041	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/mrvl	1.00%
31	Microsoft Corp	US5949181045	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/msft	6.00%
32	Micron Technology Inc	US5951121038	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/mu	1.00%
33	NVIDIA Corp	US67066G1040	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/nvda	8.00%
34	ON Semiconductor Corp	US6821891057	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/on	1.00%
35	Oracle Corp	US68389X1054	United States of America	NYSE	https://www.nyse.com/quote/XNYS:ORCL	1.00%
36	Ouster Inc	US6901451079	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/oust	2.00%

37	Palo Alto Networks Inc	US6974351057	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/panw	1.00%
38	Palantir Technologies Inc	US69608A1088	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/pltr	1.00%
39	D-Wave Quantum Inc	US26740W1099	United States of America	NYSE	https://www.nyse.com/quote/XNYS:QBTS	2.00%
40	Qualcomm Inc	US7475251036	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/qcom	1.00%
41	Quantumscape Corp	US74767V1098	United States of America	NYSE	https://www.nyse.com/quote/XNYS:QS	2.00%
42	Rigetti Computing Inc	US76655K1034	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/rgti	2.00%
43	SentinelOne Inc	US81730H1095	United States of America	NYSE	https://www.nyse.com/quote/XNYS:S	1.00%
44	Schrodinger Inc	US80810D1037	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/sdgr	2.00%
45	Solid Power Inc	US83422N1054	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/sldp	2.00%
46	Super Micro Computer Inc	US86800U3023	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/smci	2.00%
47	Nuscale Power Corp	US67079K1007	United States of America	NYSE	https://www.nyse.com/quote/XNYS:SMR	2.00%
48	Synopsys Inc	US8716071076	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/snps	1.00%
49	Stem Inc	US85859N3008	United States of America	NYSE	https://www.nyse.com/quote/XNYS:STEM	2.00%
50	Symbotic Inc	US87151X1019	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/sym	2.00%
51	Tempus AI Inc	US88023B1035	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/tem	1.00%
52	Tesla Inc	US88160R1014	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/tsla	2.00%
53	Taiwan Semiconductor Manufacturing Company (TSMC)	US8740391003	Taiwan	NYSE	https://www.nyse.com/quote/XNYS:TSM	3.00%
54	Viking Therapeutics Inc	US92686J1060	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/vktx	1.00%
55	Xcel Energy Inc	US98389B1008	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/xel	1.00%

56	Zscaler Inc	US98980G1022	United States of America	NASDAQ	https://www.nasdaq.com/market-activity/stocks/zs	1.00%

Information in respect of equity securities in the ANDOVA AI Strategy Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/ Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	Apple Inc	US0378331005	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
2	Archer Aviation Inc	US03945R1023	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
3	Astera Labs Inc	US04626A1034	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
4	Ambarella Inc	KYG037AX1015	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
5	Advanced Micro Devices Inc	US0079031078	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
6	Amazon.com Inc	US0231351067	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
7	Arm Holdings PLC - ADR	US0420682058	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com

8	ASML Holding NV	USN070592100	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
9	Broadcom Inc	US11135F1012	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
10	Alibaba Group Holding Limited	US01609W1027	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
11	Bloom Energy Corp	US093712107 9	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
12	Baidu Inc	US056752108 5	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
13	Constellation Energy Corp	US21037T1097	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
14	Credo Technology Group Holding Ltd	KYG254571055	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
15	Crowdstrike Holdings Inc	US22788C1053	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
16	CoreWeave Inc	US21873S1087	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
17	Datadog Inc	US23804L1035	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
18	Ginkgo Bioworks Holdings Inc	US37611X1000	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com

19	EHang Holdings Ltd - ADR	US26853E1029	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
20	Fluence Energy Inc	US34379V1035	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
21	Alphabet Inc Class C	US02079K1079	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
22	Alphabet Inc Class A	US02079K3059	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
23	Grail Inc	US38474710 14	NASDAQ GS	continuous during market hours	July 3, 2006	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
24	IONQ Inc	US46222L1089	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
25	Joby Aviation Inc	KYG651631007	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
26	Legend Biotech Corp	US52490G1022	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
27	Mobileye Global Inc	US60741F1049	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
28	Mongodb Inc	US60937P1066	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
29	Meta Platforms Inc	US30303M1027	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com

30	Marvell Technology Inc	US5738741041	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
31	Microsoft Corp	US5949181045	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
32	Micron Technology Inc	US5951121038	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
33	NVIDIA Corp	US67066G1040	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
34	ON Semiconductor Corp	US6821891057	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
35	Oracle Corp	US68389X1054	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
36	Ouster Inc	US6901451079	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
37	Palo Alto Networks Inc	US6974351057	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
38	Palantir Technologies Inc	US69608A1088	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
39	D-Wave Quantum Inc	US26740W1099	NYSE	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
40	Qualcomm Inc	US7475251036	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com

41	Quantumscape Corp	US74767V1098	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
42	Rigetti Computing Inc	US76655K1034	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
43	SentinelOne Inc	US81730H1095	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
44	Schrodinger Inc	US80810D1037	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
45	Solid Power Inc	US83422N1054	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
46	Super Micro Computer Inc	US86800U3023	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
47	Nuscale Power Corp	US67079K1007	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
48	Synopsys Inc	US8716071076	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
49	Stem Inc	US85859N3008	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
50	Symbotic Inc	US87151X1019	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com

51	Tempus AI Inc	US88023B1035	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
52	Tesla Inc	US88160R1014	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
53	Taiwan Semiconductor Manufacturing Company (TSMC)	US8740391003	New York Stock Exchange	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent market	Securities and Exchange Commission	www.nyse.com
54	Viking Therapeutics Inc	US92686J1060	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
55	Xcel Energy Inc	US98389B1008	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com
56	Zscaler Inc	US98980G1022	NASDAQ	continuous during market hours	February 8, 1971	www.nasdaq.com	Available at: www.nasdaq.com	Equivalent market	Securities and Exchange Commission	www.nasdaq.com

ANNEX 10 – NG TACTICAL GROWTH INVESTMENT STRATEGY[23]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE NG TACTICAL GROWTH SAMPLE PORTFOLIO

The Reference Assets of the NG Tactical Growth Investment Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "NG Tactical Growth Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the NG Tactical Growth Investment Strategy, the NG Tactical Growth Sample Portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the NG Tactical Growth Sample Portfolio.

[23] Annex 10 is only relevant for Series of ETP Securities which pursue the NG Tactical Growth Investment Strategy

NG Tactical Growth Strategy Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	iShares MSCI EM UCITS ETF USD (Acc)	IE00B4L5YC18	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/IEMA/ishares/company-page	18%
2	Xtrackers MSCI Europe UCITS ETF 1C	LU0274209237	Luxembourg	London Stock Exchange	https://www.londonstockexchange.com/stock/XMEU/deutsche-bank/company-page	15%
3	Invesco Physical Gold ETC	IE00B579F325	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/SGLD/invesco/company-page	10%
4	XTrackers MSCI World Information Technology UCITS ETF 1C	IE00BM67HT60	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/XDWT/deutsche-bank/company-page	9%
5	iShares Russell 1000 Growth ETF	US4642876142	United States of America	NYSE Arca	https://www.nyse.com/quote/ARCX:IWF	9%
6	VanEck Defense UCITS ETF Acc	IE000YYE6WK5	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/DFNS/van-eck-global/company-page	8%
7	SPDR S&P US Consumer Discretionary Select Sector UCITS ETF	IE00BWBXM278	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/SXLY/street-global-advisors/company-page	8%
8	SPDR S&P US Health Care Select Sector UCITS ETF	IE00BWBXM617	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/SXLV/street-global-advisors/company-page	8%
9	KraneShares CSI China Internet UCITS ETF	IE00BFXR7892	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/KWEB/kraneshares-icav/company-page	5%
10	L&G Gold Mining UCITS ETF	IE00B3CNHG25	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/AUCO/legal-and-general-asset-management/company-page	5%
11	VanEck Vectors Semiconductor UCITS ETF	IE00BMC38736	Ireland	London Stock Exchange	https://www.londonstockexchange.com/stock/SMH/van-eck-global/company-page	5%

Information in respect of equity securities in the NG Tactical Growth Strategy Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	iShares Russell 1000 Growth ETF	US4642876142	NYSE Arca	continuous during market hours	March 7, 2006	https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Equivalent Market	Securities and Exchange Commission	https://www.nyse.com/markets/nyse-arca

ANNEX 11 – SHORT CONTANGO LONG GOLD STRATEGY[24]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE SHORT CONTANGO LONG GOLD SAMPLE PORTFOLIO

The Reference Assets of the Short Contango Long Gold Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "Short Contango Long Gold Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Short Contango Long Gold Strategy, the Short Contango Long Gold Portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Short Contango Long Gold Sample Portfolio.

[24] Annex 11 is only relevant for Series of ETP Securities which pursue the Short Contango Long Gold Strategy

Short Contango Long Gold Strategy Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	SPDR Gold Trust	US78463V1070	United States of America	NYSE ARCA	https://www.nyse.com/quote/ARCX:GLD	100%
2	Proshares Ultra Bloomberg Natural Gas	US74347Y7638	United States of America	NYSE ARCA	https://www.nyse.com/quote/ARCX:BOIL	-16.5%
3	2x Long VIX Futures ETF	IE00B579F325	United States of America	CBOE BZX	https://www.cboe.com/us/equities/listings/listed_products/symbols/UVIX/	-12.5%
4	Cash	N/A	N/A	N/A	N/A	29%

Information in respect of equity securities in the Short Contango Long Gold Strategy Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	SPDR Gold Trust	US78463V1070	NYSE ARCA	continuous during market hours	March 7, 2006	https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Equivalent Market	Securities and Exchange Commission	https://www.nyse.com/markets/nyse-arca
2	Proshares Ultra Bloomberg Natural Gas	US74347Y7638	NYSE ARCA	continuous during market hours	March 7, 2006	https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Equivalent Market	Securities and Exchange Commission	https://www.nyse.com/markets/nyse-arca
3	2x Long VIX Futures ETF	IE00B579F325	CBOE BZX	continuous during market hours	November 1, 2027	https://www.cboe.com/markets/us/equities	Available at: https://www.cboe.com/markets/us/equities	Equivalent Market	Securities and Exchange Commission	https://www.cboe.com/markets/us/equities

ANNEX 12– SHORT CONTANGO LONG EQUITY STRATEGY[25]

COMPOSITION AND ADDITIONAL INFORMATION RELATING TO THE SHORT CONTANGO LONG EQUITY SAMPLE PORTFOLIO

The Reference Assets of the Short Contango Long Equity Strategy listed or disclosed in this Annex are a sample portfolio only. This is called the "Short Contango Long Equity Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Short Contango Long Equity Strategy, the Short Contango Long Equity Portfolio shall comprise of cash and/or other equity securities which are different from the constituents of the Short Contango Long Equity Sample Portfolio.

[25] Annex 12 is only relevant for Series of ETP Securities which pursue the Short Contango Long Equity Strategy

Short Contango Long Equity Strategy Sample Portfolio

	Name of Issuer	ISIN	Governing Law	Market on which equity security is listed	Link to where information on the obligations can be found	Weighting
1	Invesco QQQ Trust, Series 1	US46090E1038	United States of America	NYSE	https://www.nyse.com/quote/XNMS:QQQ	100%
2	Proshares Ultra Bloomberg Natural Gas	US74347Y7638	United States of America	NYSE ARCA	https://www.nyse.com/quote/ARCX:BOIL	-16.5%
3	2x Long VIX Futures ETF	IE00B579F325	United States of America	CBOE BZX	https://www.cboe.com/us/equities/listings/listed_products/symbols/UVIX/	-12.5%
4	Cash	N/A	N/A	N/A	N/A	29%

Information in respect of equity securities in the Short Contango Long Equity Strategy Sample Portfolio which are admitted to trading on a regulated or equivalent market

	Name of Issuer	ISIN	Regulated/Equivalent Market	Frequency at which prices are published	Date of establishment of market	How price information is published	Indication of daily trading volumes	Standing of market	Regulatory authority of market	Link to where information on the obligations can be found
1	Invesco QQQ Trust, Series 1	US46090E1038	NYSE	continuous during market hours	May 17, 1792	www.nyse.com	Available at: www.nyse.com	Equivalent Market	Securities and Exchange Commission	www.nyse.com
2	Proshares Ultra Bloomberg Natural Gas	US74347Y7638	NYSE ARCA	continuous during market hours	March 7, 2006	https://www.nyse.com/markets/nyse-arca	Available at: https://www.nyse.com/markets/nyse-arca	Equivalent Market	Securities and Exchange Commission	https://www.nyse.com/markets/nyse-arca
3	2x Long VIX Futures ETF	IE00B579F325	CBOE BZX	continuous during market hours	November 1, 2027	https://www.cboe.com/markets/us/equities	Available at: https://www.cboe.com/markets/us/equities	Equivalent Market	Securities and Exchange Commission	https://www.cboe.com/markets/us/equities

SETTLEMENT AND CLEARING OF ETP SECURITIES

Custodial and depositary or safekeeping links have been (or will be) established with Euroclear and Clearstream, Luxembourg to facilitate the initial issuance of ETP Securities. Transfers within Euroclear, and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and other amounts with respect to book-entry interests in the ETP Securities held through Euroclear and Clearstream, Luxembourg will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SUMMARY OF PROVISIONS RELATING TO THE ETP SECURITIES WHILE IN GLOBAL FORM

A Series of ETP Securities may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series comprising either Bearer Securities, Exchangeable Bearer Securities or Registered Securities as specified in the applicable Final Terms. The summary that follows is only in relation to Bearer Securities (including Exchangeable Bearer Securities) and Registered Securities.

Bearer Securities may be issued in the new global note form (a "**New Global Note**" or "**NGN**") or, if not intended to be issued in NGN form, will be issued in classic global note form (a "**Classic Global Note**" or "**CGN**") as specified in the applicable Final Terms, or in such other form as the relevant parties may agree.

The NGN form has been introduced to allow for the possibility of ETP Securities being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that ETP Securities in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the Eurosystem, provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for notes in NGN form were to be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 would only be eligible as collateral for Eurosystem operations if the NGN form was used.

Following the introduction of the NGN form in June 2006, the Eurosystem required the international central securities depositories (including Euroclear and Clearstream, Luxembourg) to review the custody arrangements for international debt securities in global registered form. Further to this review, the New Safekeeping Structure has been introduced to allow for the possibility of securities being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Initial Issue of ETP Securities

If the Bearer Securities are stated in the applicable Final Terms to be issued in NGN form, the Bearer Securities will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Bearer Securities or the Registered Securities with the Common Safekeeper does not necessarily mean that the ETP Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Bearer Securities which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to a common depositary.

If the Bearer Security is a CGN, upon the initial deposit of a Bearer Security with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Securities in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the related Registered Security to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of ETP Securities equal to the nominal amount thereof for which it has subscribed and paid. If the Bearer Security is a NGN, the nominal amount of the ETP Securities shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of ETP Securities represented by the Bearer Security and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

ETP Securities that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, ETP Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or any other clearing system ("**Alternative Clearing System**") as the holder of an ETP Security represented by a Bearer Security or Registered Security must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Bearer Security or the holder of the underlying Registered Securities, as the case may be, and in relation to all other rights arising under the Bearer Security or Registered Security, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the ETP Securities for so long as the ETP Securities are represented by such Bearer Security or Registered Security and such obligations of the Issuer will be discharged by payment to the bearer of such Bearer Security or the holder of the underlying Registered Securities, as the case may be, in respect of each amount so paid.

Exchange

Bearer Securities

Each Bearer Security will be exchangeable, free of charge to the holder, in whole but not in part, for Definitive Securities only if the Bearer Security is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

On or after any due date for exchange, the holder of a Bearer Security may surrender such Bearer Security to or to the order of the Issuing and Paying Agent. In exchange for any Bearer Security, the Issuer will deliver, or procure the delivery of, an equal aggregate number of duly executed and authenticated Definitive Securities. The Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Securities**" means, in relation to any Bearer Security, the definitive Bearer Securities for which such Bearer Security may be exchanged. Definitive Securities will be security printed. On exchange in full of each Bearer Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Securities.

Registered Securities

If the Final Terms state that the ETP Securities are to ETP Securities represented by a Registered Security on issue, the following will apply in respect of transfers of ETP Securities held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the ETP Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the ETP Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of ETP Securities represented by any Registered Security may only be made in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the registered holder has given the Registrar not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer.

Amendments to Conditions while ETP Securities in global form

The Global Securities contain provisions that apply to the ETP Securities that they represent, some of which modify the effect of the Conditions set out in this Base Prospectus. The following is a summary of those provisions:

Meetings

For the purposes of any meeting of ETP Securityholders, the holder of the ETP Securities represented by a Global Security shall be treated as being two persons for the purposes of any quorum requirements of a meeting of ETP Securityholders and, at any such meeting, the holder of a Global Security shall be treated as having one vote in respect of each ETP Security represented by such Global Security.

Cancellation

Cancellation of any ETP Security represented by a Global Security that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the number of ETP Securities represented by the relevant Global Security which shall always represent the aggregate number of ETP Securities outstanding from time to time.

Issuer's call option

Any option of the Issuer provided for in the Conditions of any ETP Securities while such ETP Securities are represented by a Global Security shall be exercised by the Issuer giving notice to the ETP Securityholders within the time limits set out in and containing the information required by the Conditions.

NGN nominal amount

Where the ETP Securities of a Series are represented by a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the ETP Securities, as the case may be, is entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the ETP Securities represented by such Global Bearer Security shall be adjusted accordingly.

Trustee's Powers

In considering the interests of ETP Securityholders while any Global Security is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Security and may consider such interests as if such accountholders were the holders of the ETP Securities represented by such Global Security.

SUMMARY OF THE PROGRAMME DOCUMENTS

The following are summaries of certain provisions of the principal agreements entered into by the Issuer in relation to the Programme which are qualified in its entirety by reference to the detailed provisions of each such agreement. The following summaries do not purport to be complete, and prospective investors must refer to each programme agreement for detailed information regarding such agreement.

Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in the Conditions.

Trust Deed

The ETP Securities of each Series shall be constituted by the Trust Deed, which shall comprise the master trust deed originally dated the Programme Effective Date and as most recently amended on 17 July 2024 and made between the Issuer and the Trustee, as further amended, supplemented, novated and/or replaced from time to time, (the "**Master Trust Deed**"), as supplemented and amended by a supplemental trust deed dated the Issue Date relating to that Series and dated the date of issuance of the first Tranche of ETP Securities of such Series and made between the Issuer and the Trustee (the "**Supplemental Trust Deed**"). Each Trust Deed will be governed by Irish law.

The relevant Trust Deed contains the provisions setting out the various obligations of the Issuer and the Trustee with respect to the relevant Series of ETP Securities, and will set out the covenants given by the Issuer in relation to such Series, including, without limitation, its covenant to pay, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated within the applicable Trust Deed (most importantly, in relation to the issue and performance of the ETP Securities) and its duties with respect to its obligations under the ETP Securities. Each Trust Deed will also set out the basis for the remuneration and indemnification of the Trustee in respect of its duties, the conditions for appointment, retirement and removal and contains provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties.

Any trustee in respect of a Series of ETP Securities may retire upon giving not less than 60 calendar days' prior written notice to the Issuer, and the ETP Securityholders may by Extraordinary Resolution remove any trustee, provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor trustee. If a sole trust corporation in respect of a Series of ETP Securities gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation is appointed as the Trustee for such Series but if it fails to do so before the expiry of such 60 calendar day notice period, the Trustee will have the power to appoint a new trustee.

Pursuant to the Trust Deed, together with the Margin Account Security Agreement (as described below) in respect of a Series of ETP Securities, the Secured Obligations of the Issuer relating to that Series shall be secured in favour of the Trustee, for its benefit and the benefit of the Secured Creditors, by the security over the Secured Property, as described in the section of this Base Prospectus headed "*Security Arrangements*".

The Trust Deed is available on the Issuer's website at www.leverageshares.com.

The LS Margin Account Agreement

On 10 January 2025 the Issuer entered into a New York law governed customer agreement with Interactive Brokers LLC (as amended, supplemented, novated and/or replaced from time to time, the "**IB Margin Account Agreement**").

The Issuer entered into a New York law governed customer prime broker account agreement, and related and supplemental agreements with Morgan Stanley & Co. LLC originally dated 28 June 2024, as amended and restated on 30 September 2024 (as further amended, supplemented, novated and/or replaced from time to time, the "**MS Margin Account Agreement**").

The Issuer entered into a New York law governed agreement for prime brokerage and related and supplemental agreements with Pershing LLC dated 22 July 2024 (as amended, supplemented, novated and/or replaced from time to time, the "**Pershing Margin Account Agreement**").

The defined term "**LS Margin Account Agreement**" herein shall mean either the IB Margin Account Agreement and/or the MS Margin Account Agreement and/or the Pershing Margin Account Agreement, as applicable to a Series of ETP Securities.

The Portfolio Administrator has the discretion as to whether the IB Margin Account Agreement and/or the MS Margin Account Agreement and/or the Pershing Margin Account Agreement shall apply with respect to a Series of ETP Securities.

The LS Margin Account Agreement sets out, amongst other things, the terms on which the Margin Loan Provider will provide certain securities accounts, margin accounts, collateral accounts, margin loans and securities loans to the Issuer in respect of each Series of ETP Securities.

The Margin Loan Provider does not guarantee payment by the Issuer to the ETP Securityholders of amounts due in respect of the ETP Securities, and no ETP Securityholder will have any claim against any Margin Loan Provider in respect of amounts due in respect of any ETP Securities.

Margin Account Security Agreement

On 22 August 2025 the Issuer and Trustee entered into a New York law governed security agreement pursuant to which the Issuer granted security interests in favour of the Trustee for its benefit and for the benefit of the Secured Creditors over the Issuer's rights, title, interest and benefit under the IB Margin Account Agreement and the Issuer's rights as against the Margin Loan Provider under the IB Margin Account Agreement to the extent that they relate to Series of ETP Securities where the IB Margin Agreement applies (the "**IB Margin Account Security Agreement**").

On 16 December 2024 the Issuer and Trustee entered into a New York law governed security agreement pursuant to which the Issuer granted security interests in favour of the Trustee for its benefit and for the benefit of the Secured Creditors over the Issuer's rights, title, interest and benefit under the MS Margin Account Agreement and the Issuer's rights as against the Margin Loan Provider under the MS Margin Account Agreement to the extent that they relate to Series of ETP Securities where the MS Margin Agreement applies (the "**MS Margin Account Security Agreement**").

On 16 December 2024 the Issuer and Trustee entered into a New York law governed security agreement pursuant to which the Issuer granted security interests in favour of the Trustee for its benefit and for the benefit of the Secured Creditors over the Issuer's rights, title, interest and benefit under the Pershing Margin Account Agreement and the Issuer's rights as against the Margin Loan Provider under the Pershing Margin Account Agreement to the extent that they relate to Series of ETP Securities where the Pershing Margin Agreement applies (the "**Pershing Margin Account Security Agreement**").

The "**Margin Account Security Agreement**" means the IB Margin Account Security Agreement and/or the MS Margin Account Security Agreement and/or the Pershing Margin Account Security Agreement, as applicable to a Series of ETP Securities.

Agency Agreement

The Issuer, the Trustee, U.S. Bank Europe DAC and the Arranger have entered into an Irish law governed agency agreement originally dated 18 December 2020 as amended and restated on 17 July 2024 (the "**U.S. Bank Agency Agreement**").

The U.S. Bank Agency Agreement sets out the duties and obligations of U.S. Bank Europe DAC in its capacity as Issuing and Paying Agent, Registrar and Transfer Agent in relation to (i) the issue, payment, replacement and cancellation of the ETP Securities, (ii) the exchange of Global Securities for Definitive Securities (if applicable), and (iii) the basis for the remuneration and indemnification of such agents in respect of their respective duties.

The U.S. Bank Agency Agreement also sets out the terms for the appointment, resignation (by at least 60 calendar days' prior notice to the Issuer, the Arranger and the Trustee) and termination of the appointment of the Issuing and Paying Agent (by at least 60 calendar days' prior notice from the Issuer or on the occurrence of certain events, such as where such agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

Determination Agency Agreement

The Issuer, the Trustee, the Determination Agent, and the Arranger entered into an Irish law governed amended and restated determination agency agreement originally dated 30 August 2019 and as most recently amended and restated on 17 July 2024 (the "**Determination Agency Agreement**").

The Determination Agency Agreement sets out the duties and obligation of the Determination Agent in relation (i) to making such non-discretionary calculations and give such notices of the outcome thereof as expressly required to be performed by it under the Programme Documents, and (ii) as soon as practicable on each date on which or at such time at which the Determination Agent is expressly required under the Programme Documents to calculate any amount, price, rate or value to give any notice relating thereto, making such calculations and delivering such notices expressly required to be given by it (in its capacity as Determination Agent) in accordance with the Programme Documents and obtaining any quotation, rate or value required in connection therewith as soon as reasonably practicable or as otherwise specified in the Programme Documents.

The Determination Agency Agreement also sets out the terms for the appointment and termination of the appointment of the Determination Agent i) by at least 60 days' prior notice from any party to each other party; ii) by any party giving prior written notice in writing to the other parties that such party has materially failed to perform its duties and obligations and has failed to remedy such failure within 60 days of being so notified; iii) by any party giving 60 days prior notice in writing to the other parties prior to the "liquidation" of any one or more Series; or iv) immediately on the occurrence of certain events, such as where the Determination Agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

Portfolio Administration Agreement

The Issuer, the Trustee, Flexinvest Limited and the Arranger entered into an Irish law governed portfolio administration agreement dated 23 June 2025 (the "**Flexinvest Portfolio Administration Agreement**").

The Issuer, the Trustee, FlexAdvisor Limited and the Arranger entered into an Irish law governed portfolio administration agreement dated 23 June 2025 (the "**FlexAdvisor Portfolio Administration Agreement**").

The defined term "**Portfolio Administration Agreement**" herein shall mean either the Flexinvest Portfolio Administration Agreement or the FlexAdvisor Portfolio Administration Agreement or any other agreement entered into with a Portfolio Administrator, as applicable to a Series of ETP Securities. The Final Terms shall confirm the Portfolio Administrator and the Portfolio Administration Agreement applicable to a Series of ETP Securities.

Pursuant to the terms of the Portfolio Administration Agreement, the net proceeds of issuance of such Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of such Series, will be paid to the Margin Loan Provider, on behalf of the Issuer, and invested as follows:

- in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor**.** Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate (to the degree practicable) the return of the Index or to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

- in the case of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return

of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

- in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will, at the discretion of the Portfolio Administrator be invested in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor;

- in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

- in the case of Income Series where the Reference Assets are put options, the net proceeds of issuance of such Series of ETP Securities will be used to fund the related Margin Accounts as may be required to maintain positions in the put options in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor;

- in the case of Income Series where the Reference Assets are call options, the net proceeds of issuance of such Series of ETP Securities will be:

    - used to fund the related Margin Accounts as may be required to maintain positions in the call options; and

    - invested in the underlying assets of the call options, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account,

  in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor; and

- in the case of Income Series where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount, if applicable, will be invested in the Reference Assets in order to pursue the Investment Strategy referenced by such Series, taking into account any applicable Leverage Factor, where applicable**.** Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

For the actively managed Investment Stratrgies, the Portfolio Administrator will also act as investment manager.

Each of the Issuer, the Trustee and the Portfolio Administrator may terminate the Flex Portfolio Administration Agreement in respect of one or more Series of ETP Securities by giving not less than ninety (90) calendar days written notice to the other parties thereto.

Where the Portfolio Administration Agreement has been terminated, the Issuer will use reasonable endeavours to procure that a reputable portfolio administrator enters into an agreement with the Issuer and the Trustee to replace the Portfolio Administrator as provider of the services under the Portfolio Administration Agreement.

At any time prior to the occurrence of a Margin Loan Provider Event of Default, a Margin Account Termination Event or an Event of Default under the ETP Securities, the Portfolio Administrator may novate, assign or

otherwise transfer its obligations as Portfolio Administrator under the Portfolio Administration Agreement to one or more entities (the "**Replacement Portfolio Administrator**"), provided that:

(A) the Portfolio Administrator and the Replacement Portfolio Administrator enter into arrangements satisfactory to the Issuer (including, without limitation, the provision of such legal opinion as the Issuer may require);

(B) following such transfer the portfolio administration agreement with the Replacement Portfolio Administrator is subject to security arrangements on the same terms mutatis mutandis as the Portfolio Administration Agreement prior to such transfer and shall form part of the Secured Property;

(C) not less than 10 calendar days' prior notice of any such transfer is given to ETP Securityholders in accordance with Condition 17; and

(D) the Replacement Portfolio Administrator is deemed, on the date of the novation, assignment or transfer, to assume all the obligations of the Portfolio Administrator to the Issuer and the Trustee under the Portfolio Administration Agreement, and to give to the Issuer and the Trustee all the representations, warranties and undertakings given by the Portfolio Administrator under the Portfolio Administration Agreement.

Authorised Participant Agreements

The Issuer has entered into an amended and restated authorised participant agreement with the Initial Authorised Participant originally dated the Programme Effective Date and as most recently amended and restated on 18 December 2020 (the "**Initial Authorised Participant Agreement**"). Such Initial Authorised Participant Agreement sets out the terms on which the Initial Authorised Participant will act as Authorised Participant in relation to each Series of ETP Securities issued by the Issuer under the Programme.

The Initial Authorised Participant Agreement sets out the conditions for appointment, resignation ((i) if there is more than one Authorised Participant in respect of the relevant Series of ETP Securities by at least 30 calendar days' prior notice to the Issuer and each other Programme Party; (ii) if the Initial Authorised Participant is the only Authorised Participant in respect of the relevant Series of ETP Securities by at least six months' prior notice to the Issuer and each other Programme Party; (iii) if the Issuer commits any material breach of its obligations under the Initial Authorised Participant Agreement and such breach (if capable of being remedied) is not cured within 15 calendar days of becoming aware of, or if notified of such breach, immediately; or (iv) the Initial Authorised Participant determines, in good faith and in a commercially reasonable manner, that the conduct of the Issuer or any other Programme Party is materially detrimental to the reputation or development potential of the business of the Initial Authorised Participant or its affiliates or the relationships of those entities with third parties, immediately) and termination (by the Issuer with immediate effect if an Authorised Participant Bankruptcy Event occurs and in any other circumstance by at least 30 calendar days' prior notice) of the appointment of the relevant Authorised Participant, unless there is more than one Authorised Participant, in which case the Issuer may terminate the appointment of any Authorised Participant with immediate effect for a material breach of its obligations which to the extent such breach is capable of being remedied is not remedied within 15 calendar days of the relevant Authorised Participant becoming aware of, or its receiving notice from the Issuer, the Issuing and Paying Agent, the Margin Loan Provider or the Trustee of such breach or if the Issuer determines, in good faith and in a commercially reasonable manner, that the conduct of such Authorised Participant is materially detrimental to the reputation or development potential of the business of the Issuer or any other Programme Party or the relationships of those entities with third parties). The Initial Authorised Participant Agreement includes an indemnity from the Issuer relating to the representations and warranties given by the Issuer in such agreement.

The Issuer has entered into an authorised participant agreements with the Second Authorised Participant, Third Authorised Participant, Fourth Authorised Participant, Fifth Authorised Participant, Sixth Authorised Participant, Seventh Authorised Participant, Eighth Authorised Participant and Ninth Authorised Participant. Such agreements set out the terms on which such Authorised Participants will act as Authorised Participants in relation to each Series of ETP Securities issued by the Issuer under the Programme.

Operating Procedures Agreement

The Issuer, the Initial Authorised Participant, the Third Authorised Participant, the Trustee, the Issuing and Paying Agent and the Determination Agent, amongst others have entered into an Irish law governed operating procedures agreement dated 18 December 2020 (to which each Additional Authorised Participant has acceded and to which any further Eligible Authorised Participant which accedes to the Programme after the Programme Effective Date will be required to accede) (the "**LS Operating Procedures Agreement**") setting out the relevant procedures by which any Authorised Participant may subscribe for ETP Securities of a Series from the Issuer, or redeem ETP Securities of a Series to the Issuer.

Broker Dealer of Record Agreement

The Issuer and the Broker Dealer of Record have entered into an Irish law governed broker dealer of record agreement dated 2 November 2026 (the "Broker Dealer of Record Agreement") pursuant to which the Broker Dealer of Record has been appointed to provider certain broker dealer related services and support for the Issuer.

Under the terms of the Broker Dealer of Record Agreement, the Broker Dealer of Record agrees to indemnify the Issuer against any loss, liability, cost, claim, action, demand or expense which the Issuer may incur as a result of any claim against the Issuer by the Margin Loan Provider in respect of any Series which the LS Margin Account Agreement applies to (the "**Relevant Series**"). Furthermore, pursuant to the terms of the Broker Dealer of Record Agreement, the Broker Dealer of Record undertakes to maintain a minimum capital equal to the value of 5% of the Collateral Assets of the Largest Series. The Largest Series means any Relevant Series, the Collateral Assets of which has the highest value of all Relevant Series in issue at any time.

Corporate Services Agreement

The Issuer and Apex IFS Limited (the "**Corporate Administrator**") have entered into an Irish law governed agreement dated 31 January 2017 (the "**Corporate Services Agreement**") pursuant to which the Issuer has appointed the Corporate Administrator to perform certain corporate administration services on its behalf.

The Corporate Services Agreement also sets out the terms for the appointment, resignation and termination of the appointment of the Corporate Administrator.

Services Agreement

The Issuer and Leverage Shares Management Company Limited (the "**Arranger**") have entered into an Irish law governed amended and restated services agreement originally dated 2 February 2018 and as most recently amended and restated on 6 November 2020 (the "**Services Agreement**") pursuant to which the Issuer has engaged the Arranger to provide certain management, administration and arrangement services on its behalf.

In consideration of the Issuer establishing the Programme and issuing Series of ETP Securities from time to time, the Arranger has agreed to pay, as they become payable and in any event promptly following a request by the Issuer, all fees, costs and expenses incurred by the Issuer or the Arranger in relation to the Programme and the ETP Securities including the remuneration and expenses of the Issuing and Paying Agent, the Determination Agent, the Trustee, any Paying Agents, the Registrar, any Transfer Agent, any costs of listing and admission to trading of the Programme and/or each Series of ETP Securities, and other costs and expenses payable in relation to the Programme and the ETP Securities, in each case other than (a) any amounts payable to the Margin Loan Provider and the Broker Dealer of Record; (b) Arranger Fee pursuant to the Services Agreement; (c) the relevant Funding and Brokerage Fees; (d) any taxes, fees and other amounts payable to the Irish Revenue Commissioners; and (e) the costs and expenses incurred in connection with the liquidation of the Collateral Assets.

USE OF PROCEEDS

The net proceeds of issuance of each Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of any Series, will be paid to the Margin Loan Provider, on behalf of the Issuer, and invested as follows:

(a) in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

(b) in the case of Series of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

(c) in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will, at the discretion of the Portfolio Administrator be invested in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series, taking into account the applicable Leverage Factor;

(d) in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets;

(e) in the case of Income Series where the Reference Assets are put options, the net proceeds of issuance of such Series of ETP Securities will be used to fund the related Margin Accounts as may be required to maintain positions in the put options in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor;

(f) in the case of Income Series where the Reference Assets are call options, the net proceeds of issuance of such Series of ETP Securities will be:

(ii) used to fund the related Margin Accounts as may be required to maintain positions in the call options; and

(iii) invested in the underlying assets of the call options, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account; and

in order to pursue the Investment Strategy of such Series taking into account any applicable Leverage Factor; and

(g) in the case of Income Series where the Reference Assets are Physical Assets, the net proceeds of

issuance will be invested in the Reference Assets to pursue the Investment Strategy referenced by such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

DESCRIPTION OF THE INDICES

The information in this section of the Base Prospectus has been extracted from information published by the Index Sponsor and has been reproduced on the basis of information available to the Issuer. Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The websites set out below do not form part of this Base Prospectus. The delivery of this Base Prospectus at any time does not imply any representation on the part of the Issuer, the Authorised Participants, the Trustee, the Agents, the Margin Loan Providers or any other person that any information contained therein is correct at any time subsequent to the date of this Base Prospectus.

Purchasers of ETP Securities should conduct such independent investigation and analysis regarding the Indices, the relevant index sponsors and all other parties connected to the Indices from time to time as they deem appropriate to evaluate the merits and risks of an investment in the ETP Securities.

The complete set of rules of any Index and information on the performance of such Index are freely accessible on the Issuer's or the relevant Index Sponsor's website as detailed in the table below.

The governing rules of the relevant Index (including the methodology of the Index for the selection and the rebalancing of the components of the Index, description of market disruption events and adjustment rules) are based on a predetermined and objective criteria, which can be found in the following websites noted in the table below.

Index	Index Sponsor	Applicable Information Source
NYSE Leveraged 2x GOOG Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x AMZN Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x AAPL Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x C Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x FB Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x GS Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x JPM Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x MSFT Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x V Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x NFLX Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*

NYSE Leveraged 2x NVDA Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
NYSE Leveraged 2x CRM Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*
iSTOXX Leveraged 2x BABA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 2x TSLA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 2x TWTR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 2x MU Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x MU Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 2x AMD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 2x UBER Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x AMZN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x NVDA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x AAPL Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x CRM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x MSFT Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x FB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x NFLX Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x GOOG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x TSLA Index	STOXX Limited	*https://www.stoxx.com/indices*

iSTOXX Leveraged 3x PYPL Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x SHOP Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x AIR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x BA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x ZM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x TCEHY Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x BABA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x TSLA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x TWTR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x MU Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x AMD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x UBER Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x AMZN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x NVDA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x AAPL Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x CRM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x MSFT Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x FB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x NFLX Index	STOXX Limited	*https://www.stoxx.com/indices*

iSTOXX Inverse Leveraged -1x GOOG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x PYPL Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x SHOP Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x AIR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x BA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x ZM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x C Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x JPM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x GS Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x TCEHY Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x SQ Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x HSBC Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x BCS Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x LYG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x RDS.A Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x BP Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x VOD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -2x TSLA Index	STOXX Limited	*https://www.stoxx.com/indices*

iSTOXX Inverse Leveraged -1x SQ Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x HSBC Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x BCS Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x LYG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x RDS.A Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x BP Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x VOD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x ABNB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x PLUG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x DIS Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x PLTR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x ROKU Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x JD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x PTON Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x AMD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x TWTR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x BABA	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x UBER Index	STOXX Limited	*https://www.stoxx.com/indices*
Solactive Leveraged 3x BIDU Index	Solactive AG	*http://www.solactive.com*

iSTOXX Leveraged 2x COIN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x COIN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x COIN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x ABNB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x PLUG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x DIS Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x PLTR Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x ROKU Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x JD Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -1x PTON Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x TSLA Index	STOXX Limited	*https://www.stoxx.com/indices*
Solactive Inverse Leveraged -1x BIDU Index	Solactive AG	*http://www.solactive.com*
iSTOXX Leveraged 3x NIO Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x MRNA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x AIR.PA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x TSM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x NIO Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x MRNA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x AIR.PA Index	STOXX Limited	*https://www.stoxx.com/indices*

iSTOXX Inverse Leveraged -3x COIN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x TSM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged SMSN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged SMSN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged CPNG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged CPNG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged XPEV Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged XPEV Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged LIN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged LIN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged SIE Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged SIE Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged MBG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged MBG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged IFX Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged IFX Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged VW Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged VW Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Leveraged ASML Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged ASML Index	STOXX Limited	*https://www.stoxx.com/indices*

iSTOXX 3x Inverse Leveraged MSFT Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged AMZN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged FB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged BABA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged AAPL Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged GOOG Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX 3x Inverse Leveraged NVDA Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x SAN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x SAN Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x IBE Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x IBE Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x DB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x DB Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x RACE Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x RACE Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x XOM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x XOM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Leveraged 3x ARM Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x ARM Index	STOXX Limited	*https://www.stoxx.com/indices*

iSTOXX Leveraged 3x UBS Index	STOXX Limited	*https://www.stoxx.com/indices*
iSTOXX Inverse Leveraged -3x UBS Index	STOXX Limited	*https://www.stoxx.com/indices*
Solactive 3x Long IONQ Index	Solactive AG	*http://www.solactive.com*
Solactive 2x Long SMCI Index	Solactive AG	*http://www.solactive.com*
Euronext 3x Long Reddit Index	Euronext N.V.	https://www.euronext.com/en
Euronext -3x Short Reddit Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long MicroStrategy Index	Euronext N.V.	https://www.euronext.com/en
Euronext -3x Short MicroStrategy Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Eli Lilly Index	Euronext N.V.	https://www.euronext.com/en
Euronext -3x Short Eli Lilly Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Intel Index	Euronext N.V.	https://www.euronext.com/en
Euronext -3x Short Intel Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Broadcom Index	Euronext N.V.	https://www.euronext.com/en
Euronext -3x Short Broadcom Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Robinhood Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long ASML Index	Euronext N.V.	https://www.euronext.com/en
Euronext -3x Short ASML Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Hims & Hers Health Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long UnitedHealth Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long FUTU Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Rheinmetall Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Riot Platforms Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long QUALCOMM Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Texas Instruments Index	Euronext N.V.	https://www.euronext.com/en

Euronext 3x Long Marvell Technology Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Applied Materials Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Lam Research Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long KLAC Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Analog Devices Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long NXP Semiconductors Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long IREN Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Bitmine Immersion Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Circle Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long CoreWeave Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Gemini Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Galaxy Digital Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Oracle Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long IONQ Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Rocket Lab Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Rigetti Computing Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long NuScale Power Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Joby Aviation Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long D-Wave Quantum Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Nebius Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x Long Oklo Index	Euronext N.V.	https://www.euronext.com/en
Euronext 3x SanDisk Index	Euronext N.V.	https://www.euronext.com/en

The relevant Index Sponsor may, from time to time, exercise reasonable discretion as it deems appropriate to ensure Index integrity.

Indices to which Series of ETP Securities providing Leveraged Exposures may be linked may incorporate a margin interest that is intended to reflect the margin interest of the corresponding Series of ETP Securities that aims to track such Index.

Indices to which Series of ETP Securities providing Short Exposures may be linked may incorporate a securities lending fee that is intended to reflect the securities lending fees of the corresponding Series of ETP Securities that aims to track such Index or Investment Strategy.

Indices linked to Series of ETP Securities where the Reference Assets are futures contracts may incorporate brokerage fees that are intended to reflect the brokerage fees of the corresponding Series of ETP Securities that aims to track such Index.

Details of the margin interest, securities lending fees and brokerage fees applicable to the ETP Securities, including the basis on which each is calculated and the applicable rates, are set out in the section of this Base Prospectus headed "Fees" on page 380.

The Issuer may from time to time issue other ETP Securities which are linked to the performance of an Index other than those listed above. In such circumstances, the Issuer shall prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled "*Supplements*".

STOXX Ltd. & ISS STOXX Index GmbH Disclaimer

STOXX Ltd., ISS STOXX Index GmbH and their licensors, research partners or data providers have no relationship to the Arranger and the Issuer, other than the licensing of the iSTOXX indices and DAX indices listed herein (hereinafter the "**LS iSTOXX and DAX Indices**") and the related trademarks for use in connection with the ETP Securities.

LS iSTOXX and DAX Indices are tailored to a customer request or market requirement based on an individualized rule book which is not integrated into the STOXX Global index family or DAX index family.

STOXX Ltd., ISS STOXX Index GmbH and their licensors, research partners or data providers <u>do not</u>:

- sponsor, endorse, sell or promote the ETP Securities;
- recommend that any person invest in the ETP Securities or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of the ETP Securities;
- have any responsibility or liability for the administration, management or marketing of the ETP Securities; or
- consider the needs of the ETP Securities or the owners of the ETP Securities in determining, composing or calculating the LS iSTOXX and DAX Indices or have any obligation to do so.

STOXX Ltd. and ISS STOXX Index GmbH respectively as the licensor and their licensors, research partners or data providers give no warranty, and exclude any liability (whether in negligence or otherwise), in connection with the ETP Securities or their performance.

Specifically,

- STOXX Ltd., ISS STOXX Index GmbH and their licensors, research partners or data providers do not give any warranty, express or implied, and exclude any liability about:

    - the results to be obtained by the ETP Securities, the owner of the ETP Securities or any other person in connection with the use of the LS iSTOXX and DAX Indices and the data included in the LS iSTOXX and DAX Indices;
    - the accuracy, timeliness, and completeness of the LS iSTOXX and DAX Indices and its data;
    - the merchantability and the fitness for a particular purpose or use of the LS iSTOXX and DAX Indices and its data; and
    - the performance of the ETP Securities generally.

- STOXX Ltd., ISS STOXX Index GmbH and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the LS iSTOXX and DAX Indices or its data;

- Under no circumstances will STOXX Ltd., ISS STOXX Index GmbH or their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect,

punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the LS iSTOXX and DAX Indices or its data or generally in relation to the ETP Securities even in circumstances where STOXX Ltd., ISS STOXX Index GmbH or their licensors, research partners or data providers are aware that such loss or damage may occur.

STOXX Ltd. and ISS STOXX Index GmbH do not assume any contractual relationship with the purchasers of the ETP Securities or any other third parties. The licensing agreement between the Arranger and the respective licensors is solely for their benefit and not for the benefit of the owners of the ETP Securities or any other third parties.

Euronext N.V. Disclaimer

Euronext N.V. or its subsidiaries holds all (intellectual) proprietary rights with respect to “Euronext” indices. Euronext N.V. or its subsidiaries do not sponsor, endorse or have any other involvement in the issue and offering of the ETP Securities. Euronext N.V. and its subsidiaries disclaim any liability for any inaccuracy in the data on which “Euronext” indices are based, for any mistakes, errors, or omissions in the calculation and/or dissemination of “Euronext” indices, or for the manner in which it is applied in connection with the issue and offering thereof.

FEES

Terms defined below are also applicable in relation to ETP Securities which pursue an Investment Strategy, unless otherwise defined in the section of this Base Prospectus entitled "Description of the Investment Strategies.

The following fees are applicable to each Series of ETP Securities which track an Index or pursue an Investment Strategy, where relevant:(1) the Arranger Fee; (2) the Daily Margin Interest Rate (in the case of Leveraged Exposures where the Reference Assets are Physical Assets); (3) Securities Lending Fees (in the case of Short Exposures where the Reference Assets are Physical Assets); and (4) any applicable Funding and Brokerage fees.

For Series of ETP Securities which track an Index, the "**Arranger Fee**" is charged daily at a rate of that will not exceed 0.95% per annum of the ETP Security Value of the ETP Securities held by an ETP Securityholder, as shall be disclosed on the website of the Issuer. For Series which pursue an Investment Strategy (other than Leveraged and Short Exposure Investment Strategies), the Arranger Fee applicable to such Series is set out in the section of this Base Prospectus which describes the relevant Investment Strategy

The "**Daily Margin Interest Rate**" is calculated by the Determination Agent for each ETP Security (by reference by to the amount of funding incurred to maintain such Leveraged Exposures) and is based on a designated benchmark rate (the "**Benchmark Rate**") plus 2%. The Daily Margin Interest Rate is subject to adjustment. Any such adjustment shall be notified to ETP Securityholders. Investors should therefore note that such daily margin interest rate is subject to change.

Internationally recognized benchmarks on overnight deposits are used as the basis for determining the Benchmark Rates. For each ETP Security, the applicable Benchmark Rate is determined by the primary currency of the Reference Assets for the relevant Series of ETP Securities, for example:

Primary Currency of Reference Assets	**Benchmark Rate**
Reference Assets with USD primary currency	Fed Funds Effective (Overnight Rate)
Reference Assets with EUR primary currency	Euro Short Term Rate (€STR)
Reference Assets with GBP primary currency	Sterling Overnight Index Average (SONIA)
Reference Assets with KRW primary currency	IBKR Reference Benchmark Rate (KRW)

For example, an investor purchases USD 10,000 of Leverage Shares 2x Apple ETP Securities. Since this Series of ETP Securities applies a Leverage Factor of 2x, the Issuer will borrow USD 10,000 from the Margin Loan Provider and will purchase USD 20,000 of shares in Apple Inc. If the investor holds such securities for one day, the following fees would be applicable (assuming a Benchmark Rate of 0.91%):

Arranger Fee Cost	USD 10,000 x (0.75% x (1/360) = USD 0.21
Example Daily Margin Interest Rate Cost	USD 10,000 x ((0.91% + 2%) x (1/360)) = USD 0.81
Total Cost	USD 0.21 + USD 0.81 = **USD 1.02 per day**

The Total Cost of USD 1.02 in the example above is not a static figure, because the Daily Margin Interest Rate will change as the value of the Benchmark Rate changes over time. The 0.91% rate referenced in the above example is not a static rate, but is intended to illustrate what the Daily Margin Interest Rate would be with a Benchmark Rate of 0.91%.

Potential investors in the ETP Securities should be aware that the Daily Margin Interest Rate could change in the future as a result of any change in the Benchmark Rate and/or a change in the 2% financing rate.

The "**Securities Lending Fee**" is the cost of borrowing the Reference Assets from the Margin Loan Provider pursuant to a securities lending agreement entered into between the Issuer and the Margin Loan Provider.

The current Securities Lending Fee will be published on the Issuer's website on a daily basis at www.leverageshares.com.

Return on Collateral

In connection with Short Exposures, net cash positions and where the Reference Assets are futures contracts or options contracts, the ETP Security Value will include a return on the fully collateralised cash position. Such return on collateral will be calculated by the Determination Agent for each ETP Security based on the applicable Benchmark Rate (minus 1.5% where the Reference Assets include option contracts and minus 1% otherwise). Such calculation is subject to adjustment and shall be published on the Issuer's website. Investors should therefore note that such daily Return on Collateral is subject to change (the "**Return On Collateral**").

DESCRIPTION OF THE INVESTMENT STRATEGIES

The Issuer may from time to time issue ETP Securities which are linked to the performance of Investment Strategies other than those listed below. In such circumstances, the Issuer shall prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled "*Supplements*".

For the actively managed Investment Stratrgies, the Portfolio Administrator will also act as investment manager.

1. THE SHORT CONTANGO LONG GOLD STRATEGY

The Short Contango Long Gold Investment Strategy is an actively managed Investment Strategy which employs a proprietary methodology developed by the Portfolio Administrator, Flexinvest Ltd.

The Short Contango Long Gold Investment Strategy aims to maximise returns by taking a long position, at the discretion of the Portfolio Administrator, in the SPDR® Gold Trust, the Invesco Physical Gold ETC or the WisdomTree Physical Swiss Gold ETC or futures contracts listed on Futures Exchanges offering exposure to gold (the "**Gold Exposure**") and a short position on one or more of the VIX Index, natural gas and crude oil, being asset classes that have historically experienced frequent periods of pronounced contango.

"Contango" refers to a situation in which futures contracts with further expiries are more expensive than futures contracts with shorter expiries. For example, since the VIX Short-Term Futures Index tracked by the iPath ETNs offers exposure to a daily rolling long position in the first and second month VIX futures contracts, if the VIX futures are in contango, the VIX Short-Term Futures Index would be expected to lose value as the VIX futures roll, and a short position in the iPath ETNs, consequently, to profit from such contango. The converse is true: if the VIX futures move to backwardations (i.e., where the futures with shorter expiries are more expensive than the futures with longer expiries), a short position in the iPath ETNs may incur losses.

Short Contango

The Short Contango Long Gold Strategy aims to have a long-term short exposure of between 20% and 40% to each high-contango asset class. Each such short exposure may increase or decrease outside of this range due to price movements of the relevant asset classes, provided that the Portfolio Administrator (i) shall not, under any circumstances, increase such short exposures to exceed 100% and, if any such short exposure exceeds 100% as a result of price movements, will reduce it to or below 100% as soon as reasonably practicable and (ii) will aim to increase them back to their long term target weights if they fall to 15%, save where the Portfolio Administrator determines that the futures curve of the relevant asset class is not, or is not expected to be, in contango, in which case it may reduce the relevant short exposure to 0%. Accordingly, the Portfolio Administrator retains full discretion to allow short exposures to high-contango asset classes to vary anywhere within a range of 0% to 100%. The 100% limit applies separately to each asset class. As short positions may only be taken in the three asset classes referred to above, the aggregate of the short exposures to all asset classes will not exceed 300%, save temporarily as a result of price movements pending their reduction as described above.

Investors should note that certain of the exchange traded products used to implement this strategy are themselves leveraged instruments, typically providing 2x (or other multiple) exposure to the return of their underlying index or futures contracts. As a result, a short position with a market value of, for example, 50% of the ETP Security Value, taken through a 2x leveraged product, would produce a short exposure of approximately 100% (or more, depending on the leverage multiple of the instrument used). In this section, the "short exposure" to an asset class means the market value of the short positions in instruments providing exposure to that asset class, multiplied by the stated daily leverage multiple of each such instrument, expressed as a percentage of the ETP Security Value. All references in this section to short exposure percentages (including the long-term target range of 20% to 40%, the 15% level and the 100% limit) are to short exposure calculated on this basis, and not to the market value of the short positions. Short exposure calculated on this basis is referred to in risk factor 5.6 and in the worked examples in the section of this Base Prospectus entitled "Economic Overview of the ETP Securities" as "economic exposure". The Portfolio Administrator may use leveraged instruments not only to amplify the magnitude of the underlying short exposure to the relevant asset classes, but also to profit from the compounding effects inherent in daily-

rebalanced leveraged and inverse products over periods longer than one day. Such compounding effects, as described in the “Economic Overview of ETP Securities” section of this Base Prospectus under the heading “Recommended Holding Period”, can have a positive or negative impact, depending on the direction and volatility of the prices of the underlying assets.

To implement this strategy, the Portfolio Administrator will take short positions on any of the exchange traded products listed below, which provide exposure to futures on the VIX Index, natural gas or crude oil, or on futures contracts on these asset classes listed on a Futures Exchange, taking into account factors such as liquidity, fees, short availability and cost to borrow:

• iPath® Series B S&P 500® VIX Short-Term Futures™ ETNs (“iPath ETNs”)
• ProShares VIX Short- Term Futures ETF.
• United States Natural Gas Fund LP
• ProShares Ultra Bloomberg Natural Gas
• United States Oil Fund LP
• ProShares Ultra Bloomberg Crude Oil
• 2x Long VIX Futures ETF

The proceeds from shorting exchange traded products will be maintained as cash in the Margin Account. The short exposure seeks to capture the contango of the futures on those asset classes and, consequently, if the futures curves are not in contango or expected to be in contango, the Portfolio Administrator would expect to assign a 0% short exposure to the relevant asset.

Long Gold Exposure

The Portfolio Administrator will aim to invest 100% of the Series issue proceeds in the Gold Exposure, if it invests in ETFs or ETPs, or aim to hold a 100% notional, long position in the Gold Exposure, if using futures.

Rebalance

The Portfolio Administrator will have discretion to rebalance the portfolio periodically on the basis of, among other factors, that the short exposure is too high or too low, or that the long Gold Exposure is overbought.

Portfolio Administrator Discretion

Save for the constraint that (i) the Gold Exposure may only be implemented through the specific instruments listed above, (ii) the short exposure may only be implemented through the specific instruments listed above, and (iii) short exposure to any asset class may not exceed 100% as described above, the Portfolio Administrator (as described below) has full and unfettered discretion as to:

(a) The composition of the Short Contango Long Gold Portfolio at any time, including which of the permitted Gold Exposure instruments and which of the permitted short exposure instruments are held, and in what proportions.

(b) The magnitude of the long Gold Exposure at any time (subject to the Portfolio Administrator's aim of maintaining approximately 100% Gold Exposure, from which it may nonetheless depart, including in connection with rebalancing as described below).

(c) The magnitude of the short exposure at any time, within the 0% to 100% discretionary range described above.

(d) The right to substitute, at any time and without restriction as to timing or frequency, any asset then comprising the Short Contango Long Gold Portfolio for any other asset within the permitted universe of instruments described above.

Investors should note that the exercise of this substitution right may result in the Portfolio's assets being switched from one class or quality of asset to another, with the following consequences:

(i) Gold Exposure: a substitution from a physically-backed instrument (the SPDR® Gold Trust, the Invesco Physical Gold ETC or the WisdomTree Physical Swiss Gold ETC) to gold futures contracts, or vice versa, would change the Portfolio's exposure from an asset with no issuer credit risk to one subject to futures market mechanics (daily mark-to-market, margining, and roll risk at contract expiry), or vice versa.

(ii) Short Exposure: a substitution among the permitted short exposure instruments may, in particular, change the Portfolio's exposure from an unleveraged instrument to a leveraged instrument (such as ProShares Ultra Bloomberg Natural Gas, ProShares Ultra Bloomberg Crude Oil, or the 2x Long VIX Futures ETF), materially amplifying the short exposure resulting from a short position of a given market value and introducing the impact of daily compounding, as described above (or vice versa, reducing such amplification).

Accordingly, the actual composition and asset allocation of the Short Contango Long Gold Portfolio at any given time, including on the Issue Date of any Tranche, will depend entirely on the exercise of this discretion by the Portfolio Administrator and may differ materially from the composition of the Short Contango Long Gold Portfolio Sample Portfolio referred to below, which is provided for illustrative purposes only and does not constrain or predict the Portfolio Administrator's actual investment decisions.

This Investment Strategy is highly risky, as market prices may move against both the short contango positions and the long gold exposures at the same time, thereby losing value more rapidly than normal strategies.

Worked examples illustrating how the value of the ETP Securities is affected by changes in the value of the Reference Assets of the Short Contango Long Gold Strategy, including in the scenarios described in risk factor 5.6 ("Risks relating to Series pursuing an Investment Strategy which may invest in, or take short positions in, Leveraged Reference Assets"), are set out in the section of this Base Prospectus entitled "Economic Overview of the ETP Securities" under the heading "Worked Examples – Short Contango Long Gold Strategy and Short Contango Long Equity Strategy".

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Short Contango Long Gold Investment Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the Short Volatility Long Gold Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue Short Contango Long Gold Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is comprised of the following:

(i) a fee charged daily at a rate of 1% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and

(ii) a performance based fee charged daily, equal to the maximum of (i) zero and (ii) 10% of the difference between the value of the ETP Securities on that day and the previous highest value of the ETP Securities, where such value is calculated using the methodology for calculating their ETP Security Value but excluding this performance based fee.

Initial composition and additional information relating to the Short Contango Long Gold Strategy (the "Short Contango Long Gold Portfolio")

Initial Short Contango Long Gold Portfolio

As at the Series Issue Date the Short Contango Long Gold Portfolio shall comprise (i) 100% Gold Exposure, (ii) 16.5% short exposure to ProShares Ultra Bloomberg Natural Gas, (iii) 12.5% short exposure to 2x Long VIX Futures ETF and (iv) 29% in cash.

Sample Short Contango Long Gold Portfolio

The Final Terms shall include details of a sample Short Contango Long Gold Portfolio.

The sample Short Contango Long Gold Portfolio Portfolio constituents listed in Annex 10 to the Form Final Terms are a sample portfolio only. This is called the "Short Contango Long Gold Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Short Contango Long Gold Portfolio Strategy, the Short Contango Long Gold Portfolio shall comprise cash and/or other securities which are different from the constituents of the Short Contango Long Gold Portfolio Sample Portfolio.

The constituents of the Short Contango Long Gold Sample Portfolio have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the ETP Securities.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- on a daily basis with respect to the composition of the Short Contango Long Gold Portfolio Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and

- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the Short Contango Long Gold Portfolio Portfolio.

2. THE BUFFETTIQUE INVESTMENT STRATEGY

The Buffettique Growth Investment Strategy aims to achieve long term growth and income from investing in a spectrum of ETP Securities, stocks and funds that relate to Warren Buffett's investment career, going back to his early days' focus on small caps to his present day's investment in quality companies at fair prices. The Buffettique Growth Investment Strategy, which employs a methodology developed by Arcanum Asset Management Ltd (the "**Buffettique Growth Strategy Sponsor**") invests 70% in a core portfolio of assets (the "**Inevitables**") and the rest in a small portfolio of listed "Buffet-like" companies or ETPs tracking the shares in such companies and ETPs that offer short or inverse exposure to US markets (the "**Workouts**") .

Each Invitable and the Workout must be either (i) listed on a regulated market or an equivalent market for the purposes of the Prospectus Regulation; or (ii) if not listed on a regulated market or an equivalent market for the purposes of the Prospectus Regulation, no more than 10% of the assets of the Series shall be invested in any single Workout or Inevitable.

The Inevitables is a basket of ETP Securities and funds that invest in companies expected to be dominating their fields for an investment lifetime due to their competitive strengths. The Inevitables and their target weights are as follows:

Name of Inevitables	**Target Weight**
(i) LEVERAGE SHARES 2X LONG BERKSHIRE HATHAWAY ETP SECURITIES or (ii) BERKSHIRE HATHAWAY INC CLASS B (BRK.B)	20%
(i) BLACKROCK SMALLER COMPANIES TRUST PLC or (ii) AVANTIS US SMALL CAP VALUE ETF	10%
(i) SMITHSON INVESTMENT TRUST PLC or (ii) AVANTIS US SMALL CAP VALUE ETF	10%
(i) FINSBURY GROWTH & INCOME TRUST PLC or (ii) LINDSELL TRAIN INVESTMENT TRUST PLC	10%
(i) SCOTTISH MORTGAGE INVESTMENT TRUST PLC or (ii) BAILLIE GIFFORD US GROWTH TRUST PLC	10%
PERSHING SQUARE HOLDINGS LTD	10%

The Buffettique Growth Strategy Sponsor selects the stocks and ETPs integrating the Workouts using a proprietary methodology based on short term technical indicators. These indicators rank the stocks but also U.S. market indices (such as the S&P 500) to determine if they are in "risk on" or "risk off" mode. If the markets are on "risk on" mode, the Buffettique Growth Strategy Sponsor allocates the remaining 30% of the portfolio equally to up to fifteen (15) companies listed on an exchange in the US, the European Union or the United Kingdom with the highest technical analysis indicators.

If the Buffettique Growth Strategy Sponsor determines that the market is in "risk off" mode, 15% will be allocated equally to such Workout companies, with the remaining 15% invested in the Leverage Shares -5x Short S&P 500 ETP Securities and/or the AGF US Market Neutral Anti-Beta Fund with the aim of building a "market neutral" strategy.

The Buffettique Growth Strategy Sponsor intends to rebalance the composition of the portfolio back to its target weights monthly.

The Buffettique Growth Strategy Sponsor may (i) change the composition of the entire portfolio by removing existing components or adding new components which are securities listed on an exchange in the US, the European Union or the United Kingdom and/or (ii) amend the above target weights for each the Inevitables and/or the Workouts (the "**Buffettique Universe Requirements**"). The Issuer will aim to publish any changes to the Buffettique Universe Requirements at least five business days before they are implemented.

Flexinvest Limited will be the Portfolio Administrator of the Buffettique Growth Investment Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the Buffettique Growth Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in

relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Investment Strategy Sponsor

Arcanum Asset Management Ltd was authorised by the UK Financial Conduct Authority in September 2010 with the overriding objective to maximise clients returns across a broad range of financial products including international equities, funds, bonds and underlying derivative alternatives. The principal Director of Arcanum Asset Management Ltd, Matt Rickards MSCI,IMC Dip has over 25 years' experience in the financial services sector the majority of which was at Hargreaves Lansdown. He was Head of Dealing when he left in 2010 to set up Agincourt Portfolios and then take over Arcanum Asset Management in 2015.

Fees

The fees applicable to the ETP Securities which pursue Buffettique Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger fee is comprised of the following:

(i) a fee charged daily at a rate of 1.00% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and

(i) a performance-based fee charged daily, equal to the maximum of (i) zero and (ii) 10% of the difference between the value of the ETP Securities on that day and the previous highest value of the ETP Securities, where such value is calculated using the methodology for calculating their ETP Security Value but excluding this performance-based fee.

Initial composition and additional information relating to the Buffettique Investment Strategy Reference Assets (the "Buffettique Portfolio")

Initial Buffettique Portfolio

As at the Series Issue Date the Buffettique Portfolio shall comprise 100% in GBP cash.

Sample Buffettique Portfolio

The Final Terms shall include details of a sample Buffettique Portfolio.

The sample Buffettique Portfolio constituents listed in Annex 3 to the Form Final Terms are a sample portfolio only. This is called the "Buffettique Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Buffettique Investment Strategy, the Buffettique Portfolio shall comprise cash and/or other securities which are different from the constituents of the Buffettique Sample Portfolio, provided that they always comply with the Buffettique Universe Requirements.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a quarterly basis with respect to the composition of the Buffettique Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and

- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European

Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the Buffettique Portfolio.

3. THE LS COMMODITY STRATEGIES

The LS Brent Crude Strategy, LS WTI Crude Strategy, LS Natural Gas Strategy, LS Copper Strategy, LS Gold Strategy and LS Silver Strategy (the "**LS Commodity Strategies**") are Investment Strategies that aim to track the performance of holding a long position of a single commodity or group of commodities futures contracts using a the roll schedule set out below.

While the LS Commodity Strategies intend to follow systematic, passive methodologies, the Portfolio Administrator can deviate from such methodologies as described below.

Reference Assets

The LS Commodity Strategies aim to maintain an exposure to their specified commodity by holding long positions in commodity futures ("**Contracts**"). The Contracts will consist of the main contract set out in Table 1 below (the "**Main Contract**"), the secondary contract set out in Table 2 below (with the exception of the LS Copper Strategy) (the "**Secondary Contract**") and "mini" or "micro" versions of such contracts set out in Table 3 below (the "**Mini Contracts**"), traded on the relevant exchange listed in Tables 1 to 3 below (the "**Relevant Futures Exchanges**").

Table 1: Main Contracts

LS Commodity Strategy	Relevant Exchange	Main Contract and (Contract Code)	Contract Size
LS Brent Crude Strategy	ICE https://www.ice.com/products/219/Brent-Crude-Futures?utm_source=website&utm_medium=search&utm_campaign=spotlight	Brent Crude Oil (B)	1,000 barrels
LS WTI Crude Strategy	CME https://www.cmegroup.com/markets/energy/crude-oil/light-sweet-crude.html	Light, Sweet Crude Oil (CL)	1,000 barrels
LS Natural Gas Strategy	CME https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.html	Henry Hub Natural Gas (NG)	10,000 million British thermal units (mmBtu)
LS Copper Strategy	CME https://www.cmegroup.com/markets/metals/base/copper.html	Copper Futures (HG)	25,000 pounds
LS Gold Strategy	CME https://www.cmegroup.com/markets/metals/precious/gold.html	Gold Futures (GC)	100 troy ounces
LS Silver Strategy	CME https://www.cmegroup.com/markets/metals/precious/silver.html	Silver Futures (SI)	5,000 troy ounces

Table 2: Secondary Contracts

LS Commodity Strategy	Relevant Exchange	Secondary Contract and (Contract Code)	Contract Size
LS Brent Crude Strategy	CME https://www.cmegroup.com/markets/energy/crude-oil/brent-crude-oil.contractSpecs.html	Brent Crude Oil (BB)	1,000 barrels
LS WTI Crude Strategy	ICE https://www.ice.com/products/213	West Texas Intermediate (WTI) Light Sweet Crude Oil Futures (T)	1,000 barrels

LS Natural Gas Strategy	CME https://www.cmegroup.com/markets/energy/natural-gas/emini-natural-gas.contractSpecs.html	E-mini Natural Gas (QG)	2,500 million British thermal units (mmBtu)
LS Gold Strategy	ICE https://www.ice.com/products/62026758/Gold-Daily-Futures	Gold Futures (AUD)	100 troy ounces
LS Silver Strategy	ICE https://www.ice.com/products/65623382/Silver-Daily-Futures	Silver Futures (HIO)	5,000 troy ounces

Table 3: Mini Contracts

LS Commodity Strategy	Relevant Exchange	Micro Contract and (Contract Code)	Contract Size
LS Brent Crude Strategy	ICE https://www.theice.com/products/27089668/Brent-1st-Line-Mini-Future	Brent 1st Line Mini Future (IMM)	100 Barrels
LS WTI Crude Strategy	CME https://www.cmegroup.com/markets/energy/crude-oil/micro-wti-crude-oil.contractSpecs.html	Micro WTI Crude Oil (MCL)	100 Barrels
LS Natural Gas Strategy	CME https://www.cmegroup.com/markets/energy/natural-gas/micro-henry-hub-natural-gas.html	Micro Henry Hub Natural Gas Futures (MNG)	1,000 million British thermal units (mmBtu)
LS Copper Strategy	CME https://www.cmegroup.com/markets/metals/base/micro-copper.html	Micro Copper (MHG)	2,500 pounds
LS Gold Strategy	CME https://www.cmegroup.com/markets/metals/precious/e-micro-gold.html	Micro Gold Futures (MGC)	10 troy ounces
LS Silver Strategy	CME https://www.cmegroup.com/markets/metals/precious/1000-oz-silver.html	Micro Silver Futures (SIL)	1,000 troy ounces

While the Portfolio Administrator will aim to hold 100% of the Reference Assets in the Main Contract for each LS Commodity Strategy, it is expected that, while the value of the Series of ETP Securities tracking the LS Commodity Strategies are small relative to the size of the Main Contract, the Portfolio Administrator will also invest in (i) Mini Contracts; and/or (ii) the following exchange traded commodities or exchange traded funds (details of which are set out in the "Description of the Reference Assets" section of this Base Prospectus) that invest predominantly in Contracts:

LS Commodity Strategy	Exchange Traded Commodities / ETFs
LS Brent Crude Strategy	WisdomTree Brent Crude Oil
LS WTI Crude Strategy	WisdomTree WTI Crude Oil
LS Natural Gas Strategy	WisdomTree Natural Gas
LS Copper Strategy	WisdomTree Copper
LS Gold Strategy	WisdomTree Physical Gold
LS Silver Strategy	WisdomTree Physical Silver

(such exchange traded commodities and exchange traded funds, together with the Secondary Contracts and Mini Contracts, the "**Alternative Commodity Assets**").

The Portfolio Administrator retains discretion to invest in Alternative Commodity Assets to, among others, deal with Futures Market Disruption Events (as defined below), improve the liquidity of the relevant LS Commodity Strategy or to optimise their tracking by the relevant Series of ETP Securities.

Futures Rolling

The LS Commodity Strategies hold long positions in Contracts. To maintain a long position, contracts are 'rolled' from the expiring Contract (the "**Lead Contract**") to a new Contract farther down the futures curve with a longer expiry date (the "**Next Contract**"). The LS Commodity Strategies follow the roll schedule based on the Contract calendar listed in Table 5. The mapping for the contract letters and months is defined in Table 4.

Table 4: Contract Month Codes

Contract Code	Month
F	January
G	February
H	March
J	April
K	May
M	June
N	July
Q	August
U	September
V	October
X	November
Z	December

The Contract Calendar in Table 5 below represents the Lead Contract on the first business day of each month on which the Relevant Futures Exchange is open for trading during their respective trading session (a "**Futures Exchange Business Day**").

Table 5: Commodity Contract Calendar

Commodity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Brent Crude Oil	J	K	M	N	Q	U	V	X	Z	F	G	H
Crude Oil (WTI)	H	J	K	M	N	Q	U	V	X	Z	F	G
Natural Gas	H	J	K	M	N	Q	U	V	X	Z	F	G
Copper	H	H	K	K	N	N	U	U	Z	Z	Z	H
Gold	G	G	J	J	M	M	Q	Q	Z	Z	Z	Z
Silver	H	H	K	K	N	N	U	U	Z	Z	Z	Z

The LS Commodity Strategies will roll from the Lead Contract to the Next Contract over a period that will depend on the number and value of the Contracts referenced by the relevant LS Commodity Strategies, as determined by the Portfolio Administrator (the "**Roll Period**"). The Roll Period will typically start on the sixth Futures Exchange Business Day of each month and, as the number of the Contracts managed by the relevant LS Commodity Strategies grows relative to the total trading volume on each day of the Roll Period, the Portfolio Administrator may increase the number of Futures Exchange Business Days in the Roll Period up to and including the tenth Futures Exchange Business Day of each month (each, a "**Roll Day**"). The Portfolio Administrator will aim to roll the Contracts managed by the LS Commodity Strategies equally on each Roll

Day. For example, if the Roll Period runs from the sixth to tenth Business Day of a month, the Portfolio Administrator will aim to roll 20% (1/5) of the Contracts on each of the five Roll Days. The duration of the Roll Period will be announced on the Issuer's Website. Table 6 is an example of the rolling process for Crude Oil (CL) during the February 2023 Roll Period, assuming a Roll Period of four days.

Table 6				Roll Weight	
Date	Business Day	Lead Contract	Next Contract	% Lead	% Next
07 February 2023	5	CLJ3	CLK3	100.0%	0.0%
08 February 2023	6	CLJ3	CLK3	75.0%	25.0%
09 February 2023	7	CLJ3	CLK3	50.0%	50.0%
10 February 2023	8	CLJ3	CLK3	25.0%	75.0%
13 February 2023	9	CLJ3	CLK3	0.0%	100.0%
14 February 2023	10	CLJ3	CLK3	0.0%	100.0%

Market Disruption

If a Futures Market Disruption Event ("**FMDE**") occurs on any Roll Day (such day, a "**Disrupted Roll Day**"), the affected Roll Days will be postponed to the following Futures Exchange Business Days that are not Disrupted Roll Days.

An FMDE occurs in the following situations:

a) a severe trading interruption, or technical failure at the Relevant Futures Exchange;
b) a complete trading halt of any Contract, for example due to extraordinary market events;
c) a Contract price increases or decreases by such magnitude that it closes at its daily price limit set by the Relevant Futures Exchange;
d) an unscheduled change of the Relevant Futures Exchange's holiday & hours schedule, for instance due to extraordinary market events; or
e) any other event which, in the determination of the Portfolio Administrator, severely impacts the LS Commodity Strategies and/or makes the calculation of the value of their Reference Assets unfeasible.

Discretion and Investment Strategy Review

The Portfolio Administrator may only exercise discretion in relation to the management of the LS Commodity Strategies (for example, the determination of or changes to the Roll Period or the Contracts, or investments into Alternative Commodity Assets) where justified by an FMDE or to improve the liquidity and tracking of such LS Commodity Strategies through ETP Securities.

The Issuer will aim to publish any such changes on the Issuer's Website as soon as reasonably practicable.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the LS Commodity Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the LS Commodity Investment Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate that will not exceed 1.5% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

4. NORMAL EXPOSURE SINGLE STOCK INVESTMENT STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed below. The investment objective of such investment strategies will be to provide a Normal Exposure to the corresponding Reference Assets, listed in the table below.

Fees

The fees applicable to the ETP Securities which pursue the Normal Exposure Single Stock Investment Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at the per annum rate set out in the table below on the ETP Security Value of the ETP Securities held by an ETP Securityholder.

Name of the Investment Strategy	**Reference Asset**	**Arranger Fee**
Tesla Tracker Investment Strategy	Shares of Tesla Inc.	0.15%
Amazon Tracker Investment Strategy	Shares of Amazon Inc.	0.15%
Plug Power Tracker Investment Strategy	Shares of Plug Power Inc.	0.15%
Microsoft Tracker Investment Strategy	Shares of Microsoft Corp	0.15%
Alphabet Tracker Investment Strategy	Shares of Alphabet Inc.	0.15%
Facebook Tracker Investment Strategy	Shares of Meta Platforms Inc.	0.15%
Apple Tracker Investment Strategy	Shares of Apple Inc.	0.15%
Netflix Tracker Investment Strategy	Shares of Netflix, Inc.	0.15%
Sea Tracker Investment Strategy	Sea Limited American Depositary Shares	0.15%
NIO Tracker Investment Strategy	NIO Inc. American Depositary Shares	0.15%
Coinbase Investment Strategy	Shares of Coinbase Global, Inc.	0.15%
ARK Genomic Revolution Tracker Investment Strategy	ARK Genomic Revolution ETF	0.35%
ARK NextGen Internet Tracker Investment Strategy	ARK Next Generation Internet ETF	0.35%

ARK Innovation Tracker Investment Strategy	ARK Innovation ETF	0.35%
Berkshire Hathaway Tracker Investment Strategy	Berkshire Hathaway Inc.	0.35%

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Normal Exposure Single Stock Investment Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled “Summary of the Programme Documents”.

5. LEVERAGED EXPOSURE AND SHORT EXPOSURE INVESTMENT STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed below (the "**Leveraged and Short Exposure Investment Strategies**"). The investment objective of each Leveraged and Short Exposure Investment Strategy is to provide the Leveraged Exposures or Short Exposures, as determined by the applicable Leverage Factor, to any one or any combination of (where relevant) the Reference Assets, listed below, and as set out on the Issuer's Website.

For Series of ETPs which offer Leveraged Exposures, the leverage is achieved by borrowing from the Margin Loan Provider and/or entering into futures contracts or option contracts highly correlated with the Reference Assets of the Series listed on a Futures Exchange or Option Exchange, and/or by acquiring American Depositary Receipts, American Depositary Shares or Global Depositary Shares representing the Reference Assets of the Series and listed or admitted to trading on a regulated market or equivalent third country market.

For Series of ETPs which offer Short Exposures, the Issuer will take a short position by borrowing the Reference Asset of the Series from the Margin Loan Provider and/or entering into short positions in futures contracts or options contracts highly correlated with the Reference Assets of the Series and listed on Futures Exchange, or Option Exchange and/or by borrowing and selling short American Depositary Receipts, American Depositary Shares or Global Depositary Shares representing the Reference Assets of the Series and listed or admitted to trading on a regulated market or equivalent third country market.

The exposure of these ETP Securities to the Reference Assets will be rebalanced at the end of the Rebalance Period set out in the relevant Final Terms to maintain their stated Leveraged Exposure or Short Exposure, as the case may be, constant at the beginning of each Rebalance Period by reference to the applicable Leverage Factor.

Leveraged and Short Exposure Investment Strategies will be subject to an Unscheduled Rebalance when the price of their respective Reference Assets increases (in the case of Short Exposures) or decreases (in the case of Leveraged Exposures) by more than the "Unscheduled Rebalance Trigger" in the below table with respect to their closing prices on the previous trading day during the regular trading session of the exchanges where the Reference Assets trade. The Portfolio Administrator will have discretion to carry out an Unscheduled Rebalance when the price of the relevant Reference Assets increases (in the case of Short Exposures) or decreases (in the case of Leveraged Exposures) by more than the "Unscheduled Rebalance Trigger" with respect to their closing prices on the previous trading day at any time outside the regular trading session of the exchanges where the Reference Assets trade using prices that are made available to it at such time by the Margin Loan Providers . Such adjustment seeks to protect the holder of ETP Securities pursuing Leveraged and Short Exposure Investment Strategies from suffering a complete loss in the event of extreme market movements by crystallising the losses incurred up to that point.

The Issuer will aim to rebalance the ETP Security shortly after the Unscheduled Rebalance is triggered following similar mechanics to the standard rebalance at the end of each Rebalance Period by (i) using as a reference price such prices as may be available to the Portfolio Administrator by the Margin Loan Providers for the relevant Reference Assets soon after the Unscheduled Rebalance Trigger is reached (the "**Trigger Price**") and (ii) by trading the Reference Assets in such amounts as may be required so that, following the end of such rebalancing period, the ETP Securities offer their stated Leveraged Exposure or Short Exposure to the Reference Assets by reference to the Trigger Price. After the Unscheduled Rebalance is completed, the Issuer will publish the resulting price, which will become the reference ETP Security Value for the rebalance of the ETP Security at the end of the relevant Rebalance Period.

Fees

The fees applicable to the ETP Securities which pursue the Leveraged Exposure and Short Exposure Investment Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 1.95% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

Name of Investment Strategy	**Reference Asset**	**Leverage Factor**	**Unscheduled Rebalance Trigger**
5x Long US Tech 100 Investment Strategy	Invesco QQQ Trust, Series 1	5x	-10%
-3x Short US Tech 100 Investment Strategy	Invesco QQQ Trust, Series 1	-3x	16.67%
5x Long US 500 Investment Strategy	SPDR S&P 500 ETF Trust	5x	-10%
-3x Short US 500 Investment Strategy	SPDR S&P 500 ETF Trust	-3x	16.67%
3x Long Total World Investment Strategy	Vanguard Total World Index Fund ETF	3x	-16.67%
3x Long Semiconductors Investment Strategy	VanEck Vectors Semiconductor ETF	3x	-16.67%
-3x Short Semiconductors Investment Strategy	VanEck Vectors Semiconductor ETF	-3x	16.67%
3x Long ARK Genomic Revolution Investment Strategy	ARK Genomic Revolution ETF	3x	-16.67%
-3x Short ARK Genomic Revolution Investment Strategy	ARK Genomic Revolution ETF	-3x	16.67%
3x Long ARK NextGen Internet Investment Strategy	ARK Next Generation Internet ETF	3x	-16.67%
-3x Short ARK NextGen Internet Investment Strategy	ARK Next Generation Internet ETF	-3x	16.67%
3x Long ARK Innovation Investment Strategy	ARK Innovation ETF	3x	-16.67%
-3x Short ARK Innovation Investment Strategy	ARK Innovation ETF	-3x	16.67%
2x Long Berkshire Hathaway Investment Strategy	Berkshire Hathaway Inc.	2x	-25%
3x Long Airlines Investment Strategy	U.S .Global Jets ETF	3x	-16.67%
-3x Short Airlines Investment Strategy	U.S .Global Jets ETF	-3x	16.67%

3x Long Financials Investment Strategy	1. Financial Select Sector SPDR Fund 2. Themes Global Systemically Important Banks ETF	3x	-16.67%
-3x Short Financials Investment Strategy	1. Financial Select Sector SPDR Fund 2. Themes Global Systemically Important Banks ETF	-3x	16.67%
3x Long Gold Miners Investment Strategy	1. VanEck Vectors Gold Miners ETF 2. Themes Gold Miners ETF	3x	-16.67%
-3x Short Gold Miners Investment Strategy	1. VanEck Vectors Gold Miners ETF 2. Themes Gold Miners ETF	-3x	16.67%
3x Long China Tech Investment Strategy	KraneShares CSI China Internet ETF	3x	-16.67%
-3x Short China Tech Investment Strategy	KraneShares CSI China Internet ETF	-3x	16.67%
3x Long Biotechnology Investment Strategy	iShares Biotechnology ETF	3x	-16.67%
-3x Short Biotechnology Investment Strategy	iShares Biotechnology ETF	-3x	16.67%
3x Long Oil and Gas Investment Strategy	Energy Select Sector SPDR Fund	3x	-16.67%
-3x Short Oil and Gas Investment Strategy	Energy Select Sector SPDR Fund	-3x	16.67%
3x Long Clean Energy Investment Strategy	iShares Global Clean Energy ETF	3x	-16.67%
-3x Short Clean Energy Investment Strategy	iShares Global Clean Energy ETF	-3x	16.67%
5x Long Gold Investment Strategy	SPDR Gold Trust	5x	-10%
3x Long Gold Investment Strategy	SPDR Gold Trust	3x	-16.67%
-3x Short Gold Investment Strategy	SPDR Gold Trust	-3x	16.67%
2x Long WTI Oil Investment Strategy	United States Oil Fund LP	2x	-25%
3x Long WTI Oil Investment Strategy	United States Oil Fund LP	3x	-16.67%
-2x Short WTI Oil Investment Strategy	United States Oil Fund LP	-2x	25%

3x Long Silver Investment Strategy	iShares Silver Trust	3x	-16.67%
-3x Short Silver Investment Strategy	iShares Silver Trust	-3x	16.67%
3x Long South Korea Investment Strategy	iShares MSCI South Korea ETF	3x	-16.67%
-3x Short South Korea Investment Strategy	iShares MSCI South Korea ETF	-3x	16.67%
3x Long China Investment Strategy	iShares MSCI China ETF	3x	-16.67%
-3x Short China Investment Strategy	iShares MSCI China ETF	-3x	16.67%
3x Long Taiwan Investment Strategy	iShares MSCI Taiwan ETF	3x	-16.67%
-3x Short Taiwan Investment Strategy	iShares MSCI Taiwan ETF	-3x	16.67%
3x Long Japan Investment Strategy	iShares MSCI Japan ETF	3x	-16.67%
-3x Short Japan Investment Strategy	iShares MSCI Japan ETF	-3x	16.67%
3x Long US Tech 100 Investment Strategy	Invesco QQQ Trust, Series 1	3x	-16.67%
3x Long US 500 Investment Strategy	SPDR S&P 500 ETF Trust	3x	-16.67%
3x Long Germany Investment Strategy	iShares Core DAX UCITS ETF (DE)	3x	-16.67%
-3x Short Germany Investment Strategy	iShares Core DAX UCITS ETF (DE)	-3x	16.67%
3x Long India Investment Strategy	iShares MSCI India ETF	3x	-16.67%
-3x Short India Investment Strategy	iShares MSCI India ETF	-3x	16.67%
5x Long 20+ Year Treasury Bond Investment Strategy	iShares 20+ Year Treasury Bond ETF	5x	-10%
-5x Short 20+ Year Treasury Bond Investment Strategy	iShares 20+ Year Treasury Bond ETF	-5x	10%
5x Long 7-10 Year Treasury Bond Investment Strategy	iShares 7-10 Year Treasury Bond ETF	5x	-10%
-5x Short 7-10 Year Treasury Bond Investment Strategy	iShares 7-10 Year Treasury Bond ETF	-5x	10%
5x Long TIPS US Bond Investment Strategy	iShares TIPS Bond ETF	5x	-10%
-5x Short TIPS US Bond Investment Strategy	iShares TIPS Bond ETF	-5x	10%
3x Long DAPP Investment Strategy	VanEck Digital Transformation ETF	3x	-16.67%
3x Long Natural Gas Investment Strategy	United States Natural Gas Fund (UNG)	3x	-16.67%
-3x Short Natural Gas Investment Strategy	United States Natural Gas Fund (UNG)	-3x	16.67%

3x Long WTI Oil Investment Strategy	United States Oil Fund LP	3x	-16.67%
-3x Short WTI Oil Investment Strategy	United States Oil Fund LP	-3x	16.67%
3x Long Copper Investment Strategy	WisdomTree Copper ETC	3x	-16.67%
-3x Short Copper Investment Strategy	WisdomTree Copper ETC	-3x	16.67%
3x Long Platinum Investment Strategy	abrdn Physical Platinum Shares ETF	3x	-16.67%
-3x Short Platinum Investment Strategy	abrdn Physical Platinum Shares ETF	-3x	16.67%
3x Long Palladium Investment Strategy	Abdrn Physical Palladium Shares ETF	3x	-16.67%
-3x Short Palladium Investment Strategy	Abdrn Physical Palladium Shares ETF	-3x	16.67%
3x Long Silver Miners Investment Strategy	1. Global X Silver Miners ETF 2. iShares MSCI Global Silver and Metals Miners ETF 3. Themes Silver Miners ETF	3x	-16.67%
-3x Short Silver Miners Investment Strategy	1. Global X Silver Miners ETF 2. iShares MSCI Global Silver and Metals Miners ETF 3. Themes Silver Miners EFT	-3x	16.67%
3x Long Uranium Investment Strategy	Global X Uranium ETF	3x	-16.67%
-3x Short Uranium Investment Strategy	Global X Uranium ETF	-3x	16.67%
3x Long Samsung Investment Strategy	Samsung Electronics Co., Ltd.	3x	-16.67%
-3x Short Samsung Investment Strategy	Samsung Electronics Co., Ltd.	-3x	16.67%
-1x Short Samsung Investment Strategy	Samsung Electronics Co., Ltd.	-1x	50%
3x Long SK hynix Investment Strategy	1. SK hynix Inc. 2. SK hynix Inc. ADS issued by Citibank N.A.	3x	-16.67%
-3x Short SK hynix Investment Strategy	1. SK hynix Inc. 2. SK hynix Inc. ADS issued by Citibank N.A.	-3x	16.67%
-1x Short SK hynix Investment Strategy	1. SK hynix Inc. 2. SK hynix Inc. ADS issued by Citibank N.A.	-1x	50%
3x Long Memory Investment Strategy	Roundhill Memory ETF	3x	-16.67%
-3x Short Memory Investment Strategy	Roundhill Memory ETF	-3x	16.67%
3x Long Cerebras Investment Strategy	Cerebras Systems Inc	3x	-16.67%
-3x Short Cerebras Investment Strategy	Cerebras Systems Inc	-3x	16.67%
3x Long Micron Technology Investment Strategy	Micron Technology, Inc.	3x	-16.67%
-3x Short Micron Technology Investment Strategy	Micron Technology, Inc.	-3x	16.67%

2x Long Micron Technology Investment Strategy	Micron Technology, Inc.	2x	-25%
-2x Short Micron Technology Investment Strategy	Micron Technology, Inc.	-2x	25%
-3x Short SpaceX Investment Strategy	Space Exploration Technologies Corp.	-3x	16.67%
Leveraged SpaceX Investment Strategy	Space Exploration Technologies Corp.	3x	-16.67%
3x Long Infineon Technologies Investment Strategy	Infineon Technologies AG	3x	-16.67%
2x Long Infineon Technologies Investment Strategy	Infineon Technologies AG	2x	-25%
-3x Short Infineon Technologies Investment Strategy	Infineon Technologies AG	-3x	16.67%
-2x Short Infineon Technologies Investment Strategy	Infineon Technologies AG	-2x	25%
3x Long ASE Technology Investment Strategy	ASE Technology Holding Co., Ltd. ADS issued by Citibank N.A	3x	-16.67%
2x Long ASE Technology Investment Strategy	ASE Technology Holding Co., Ltd. ADS issued by Citibank N.A	2x	-25%
-3x Short ASE Technology Investment Strategy	ASE Technology Holding Co., Ltd. ADS issued by Citibank N.A	-3x	16.67%
-2x Short ASE Technology Investment Strategy	ASE Technology Holding Co., Ltd. ADS issued by Citibank N.A	-2x	25%
3x Long STMicroelectronics Investment Strategy	STMicroelectronics N.V.	3x	-16.67%
2x Long STMicroelectronics Investment Strategy	STMicroelectronics N.V.	2x	-25%
-3x Short STMicroelectronics Investment Strategy	STMicroelectronics N.V.	-3x	16.67%
-2x Short STMicroelectronics Investment Strategy	STMicroelectronics N.V.	-2x	25%
3x Long Synopsys Investment Strategy	Synopsys, Inc.	3x	-16.67%
2x Long Synopsys Investment Strategy	Synopsys, Inc.	2x	-25%
-3x Short Synopsys Investment Strategy	Synopsys, Inc.	-3x	16.67%
-2x Short Synopsys Investment Strategy	Synopsys, Inc.	-2x	25%
3x Long Monolithic Power Systems Investment Strategy	Monolithic Power Systems, Inc.	3x	-16.67%
2x Long Monolithic Power Systems Investment Strategy	Monolithic Power Systems, Inc.	2x	-25%
-3x Short Monolithic Power Systems Investment Strategy	Monolithic Power Systems, Inc.	-3x	16.67%

-2x Short Monolithic Power Systems Investment Strategy	Monolithic Power Systems, Inc.	-2x	25%
3x Long GlobalFoundries Investment Strategy	GlobalFoundries Inc.	3x	-16.67%
2x Long GlobalFoundries Investment Strategy	GlobalFoundries Inc.	2x	-25%
-3x Short GlobalFoundries Investment Strategy	GlobalFoundries Inc.	-3x	16.67%
-2x Short GlobalFoundries Investment Strategy	GlobalFoundries Inc.	-2x	25%
3x Long United Microelectronics Investment Strategy	United Microelectronics Corporation ADS issued by JPMorgan Chase Bank, N.A.	3x	-16.67%
2x Long United Microelectronics Investment Strategy	United Microelectronics Corporation ADS issued by JPMorgan Chase Bank, N.A.	2x	-25%
-3x Short United Microelectronics Investment Strategy	United Microelectronics Corporation ADS issued by JPMorgan Chase Bank, N.A.	-3x	16.67%
-2x Short United Microelectronics Investment Strategy	United Microelectronics Corporation ADS issued by JPMorgan Chase Bank, N.A.	-2x	25%
3x Long Coherent Investment Strategy	Coherent Corp.	3x	-16.67%
2x Long Coherent Investment Strategy	Coherent Corp.	2x	-25%
-3x Short Coherent Investment Strategy	Coherent Corp.	-3x	16.67%
-2x Short Coherent Investment Strategy	Coherent Corp.	-2x	25%
3x Long Credo Technology Investment Strategy	Credo Technology Group Holding Ltd	3x	-16.67%
2x Long Credo Technology Investment Strategy	Credo Technology Group Holding Ltd	2x	-25%
-3x Short Credo Technology Investment Strategy	Credo Technology Group Holding Ltd	-3x	16.67%
-2x Short Credo Technology Investment Strategy	Credo Technology Group Holding Ltd	-2x	25%
3x Long Core Scientific Investment Strategy	Core Scientific, Inc.	3x	-16.67%
2x Long Core Scientific Investment Strategy	Core Scientific, Inc.	2x	-25%
-3x Short Core Scientific Investment Strategy	Core Scientific, Inc.	-3x	16.67%
-2x Short Core Scientific Investment Strategy	Core Scientific, Inc.	-2x	25%
3x Long Nokia Investment Strategy	Nokia Corporation	3x	-16.67%
2x Long Nokia Investment Strategy	Nokia Corporation	2x	-25%
-3x Short Nokia Investment Strategy	Nokia Corporation	-3x	16.67%

-2x Short Nokia Investment Strategy	Nokia Corporation	-2x	25%
3x Long ServiceNow Investment Strategy	ServiceNow, Inc.	3x	-16.67%
2x Long ServiceNow Investment Strategy	ServiceNow, Inc.	2x	-25%
-3x Short ServiceNow Investment Strategy	ServiceNow, Inc.	-3x	16.67%
-2x Short ServiceNow Investment Strategy	ServiceNow, Inc.	-2x	25%
3x Long Dell Technologies Investment Strategy	Dell Technologies Inc.	3x	-16.67%
2x Long Dell Technologies Investment Strategy	Dell Technologies Inc.	2x	-25%
-3x Short Dell Technologies Investment Strategy	Dell Technologies Inc.	-3x	16.67%
-2x Short Dell Technologies Investment Strategy	Dell Technologies Inc.	-2x	25%
3x Long IBM Investment Strategy	International Business Machines Corporation	3x	-16.67%
2x Long IBM Investment Strategy	International Business Machines Corporation	2x	-25%
-3x Short IBM Investment Strategy	International Business Machines Corporation	-3x	16.67%
-2x Short IBM Investment Strategy	International Business Machines Corporation	-2x	25%
3x Long Cisco Investment Strategy	Cisco Systems, Inc.	3x	-16.67%
2x Long Cisco Investment Strategy	Cisco Systems, Inc.	2x	-25%
-3x Short Cisco Investment Strategy	Cisco Systems, Inc.	-3x	16.67%
-2x Short Cisco Investment Strategy	Cisco Systems, Inc.	-2x	25%
3x Long Vertiv Investment Strategy	Vertiv Holdings Co	3x	-16.67%
2x Long Vertiv Investment Strategy	Vertiv Holdings Co	2x	-25%
-3x Short Vertiv Investment Strategy	Vertiv Holdings Co	-3x	16.67%
-2x Short Vertiv Investment Strategy	Vertiv Holdings Co	-2x	25%
3x Long Modine Investment Strategy	Modine Manufacturing Company	3x	-16.67%
2x Long Modine Investment Strategy	Modine Manufacturing Company	2x	-25%
-3x Short Modine Investment Strategy	Modine Manufacturing Company	-3x	16.67%
-2x Short Modine Investment Strategy	Modine Manufacturing Company	-2x	25%
3x Long Western Digital Investment Strategy	Western Digital Corporation	3x	-16.67%
2x Long Western Digital Investment Strategy	Western Digital Corporation	2x	-25%
-3x Short Western Digital Investment Strategy	Western Digital Corporation	-3x	16.67%

-2x Short Western Digital Investment Strategy	Western Digital Corporation	-2x	25%
3x Long Constellation Energy Investment Strategy	Constellation Energy Corporation	3x	-16.67%
2x Long Constellation Energy Investment Strategy	Constellation Energy Corporation	2x	-25%
-3x Short Constellation Energy Investment Strategy	Constellation Energy Corporation	-3x	16.67%
-2x Short Constellation Energy Investment Strategy	Constellation Energy Corporation	-2x	25%
3x Long NextEra Energy Investment Strategy	NextEra Energy, Inc.	3x	-16.67%
2x Long NextEra Energy Investment Strategy	NextEra Energy, Inc.	2x	-25%
-3x Short NextEra Energy Investment Strategy	NextEra Energy, Inc.	-3x	16.67%
-2x Short NextEra Energy Investment Strategy	NextEra Energy, Inc.	-2x	25%
3x Long GE Vernova Investment Strategy	GE Vernova Inc.	3x	-16.67%
2x Long GE Vernova Investment Strategy	GE Vernova Inc.	2x	-25%
-3x Short GE Vernova Investment Strategy	GE Vernova Inc.	-3x	16.67%
-2x Short GE Vernova Investment Strategy	GE Vernova Inc.	-2x	25%
3x Long Eaton Investment Strategy	Eaton Corporation plc	3x	-16.67%
2x Long Eaton Investment Strategy	Eaton Corporation plc	2x	-25%
-3x Short Eaton Investment Strategy	Eaton Corporation plc	-3x	16.67%
-2x Short Eaton Investment Strategy	Eaton Corporation plc	-2x	25%
3x Long Quanta Services Investment Strategy	Quanta Services, Inc.	3x	-16.67%
2x Long Quanta Services Investment Strategy	Quanta Services, Inc.	2x	-25%
-3x Short Quanta Services Investment Strategy	Quanta Services, Inc.	-3x	16.67%
-2x Short Quanta Services Investment Strategy	Quanta Services, Inc.	-2x	25%
3x Long Vistra Investment Strategy	Vistra Corp.	3x	-16.67%
2x Long Vistra Investment Strategy	Vistra Corp.	2x	-25%
-3x Short Vistra Investment Strategy	Vistra Corp.	-3x	16.67%
-2x Short Vistra Investment Strategy	Vistra Corp.	-2x	25%
3x Long Applied Optoelectronics Investment Strategy	Applied Optoelectronics, Inc.	3x	-16.67%

2x Long Applied Optoelectronics Investment Strategy	Applied Optoelectronics, Inc.	2x	-25%
-3x Short Applied Optoelectronics Investment Strategy	Applied Optoelectronics, Inc.	-3x	16.67%
-2x Short Applied Optoelectronics Investment Strategy	Applied Optoelectronics, Inc.	-2x	25%
3x Long AST SpaceMobile Investment Strategy	AST SpaceMobile, Inc.	3x	-16.67%
2x Long AST SpaceMobile Investment Strategy	AST SpaceMobile, Inc.	2x	-25%
-3x Short AST SpaceMobile Investment Strategy	AST SpaceMobile, Inc.	-3x	16.67%
-2x Short AST SpaceMobile Investment Strategy	AST SpaceMobile, Inc.	-2x	25%
3x Long Lumentum Investment Strategy	Lumentum Holdings Inc.	3x	-16.67%
2x Long Lumentum Investment Strategy	Lumentum Holdings Inc.	2x	-25%
-3x Short Lumentum Investment Strategy	Lumentum Holdings Inc.	-3x	16.67%
-2x Short Lumentum Investment Strategy	Lumentum Holdings Inc.	-2x	25%
3x Long AXT Investment Strategy	AXT, Inc.	3x	-16.67%
2x Long AXT Investment Strategy	AXT, Inc.	2x	-25%
-3x Short AXT Investment Strategy	AXT, Inc.	-3x	16.67%
-2x Short AXT Investment Strategy	AXT, Inc.	-2x	25%
3x Long Bloom Energy Investment Strategy	Bloom Energy Corporation	3x	-16.67%
2x Long Bloom Energy Investment Strategy	Bloom Energy Corporation	2x	-25%
-3x Short Bloom Energy Investment Strategy	Bloom Energy Corporation	-3x	16.67%
-2x Short Bloom Energy Investment Strategy	Bloom Energy Corporation	-2x	25%
3x Long Redwire Investment Strategy	Redwire Corporation	3x	-16.67%
2x Long Redwire Investment Strategy	Redwire Corporation	2x	-25%
-3x Short Redwire Investment Strategy	Redwire Corporation	-3x	16.67%
-2x Short Redwire Investment Strategy	Redwire Corporation	-2x	25%
3x Long Corning Investment Strategy	Corning Incorporated	3x	-16.67%
2x Long Corning Investment Strategy	Corning Incorporated	2x	-25%
-3x Short Corning Investment Strategy	Corning Incorporated	-3x	16.67%

-2x Short Corning Investment Strategy	Corning Incorporated	-2x	25%
3x Long Applied Digital Investment Strategy	Applied Digital Corporation	3x	-16.67%
2x Long Applied Digital Investment Strategy	Applied Digital Corporation	2x	-25%
-3x Short Applied Digital Investment Strategy	Applied Digital Corporation	-3x	16.67%
-2x Short Applied Digital Investment Strategy	Applied Digital Corporation	-2x	25%
3x Long POET Technologies Investment Strategy	POET Technologies Inc.	3x	-16.67%
2x Long POET Technologies Investment Strategy	POET Technologies Inc.	2x	-25%
-3x Short POET Technologies Investment Strategy	POET Technologies Inc.	-3x	16.67%
-2x Short POET Technologies Investment Strategy	POET Technologies Inc.	-2x	25%
3x Long Adobe Investment Strategy	Adobe Inc.	3x	-16.67%
2x Long Adobe Investment Strategy	Adobe Inc.	2x	-25%
-3x Short Adobe Investment Strategy	Adobe Inc.	-3x	16.67%
-2x Short Adobe Investment Strategy	Adobe Inc.	-2x	25%
3x Long Ondas Investment Strategy	Ondas Holdings Inc.	3x	-16.67%
2x Long Ondas Investment Strategy	Ondas Holdings Inc.	2x	-25%
-3x Short Ondas Investment Strategy	Ondas Holdings Inc.	-3x	16.67%
-2x Short Ondas Investment Strategy	Ondas Holdings Inc.	-2x	25%
3x Long MediaTek Investment Strategy	MediaTek Inc.	3x	-16.67%
2x Long MediaTek Investment Strategy	MediaTek Inc.	2x	-25%
-3x Short MediaTek Investment Strategy	MediaTek Inc.	-3x	16.67%
-2x Short MediaTek Investment Strategy	MediaTek Inc.	-2x	25%
3x Long Tokyo Electron Investment Strategy	Tokyo Electron Limited	3x	-16.67%
2x Long Tokyo Electron Investment Strategy	Tokyo Electron Limited	2x	-25%
-3x Short Tokyo Electron Investment Strategy	Tokyo Electron Limited	-3x	16.67%
-2x Short Tokyo Electron Investment Strategy	Tokyo Electron Limited	-2x	25%
3x Long SMIC Investment Strategy	Semiconductor Manufacturing International Corporation	3x	-16.67%
2x Long SMIC Investment Strategy	Semiconductor Manufacturing International Corporation	2x	-25%

-3x Short SMIC Investment Strategy	Semiconductor Manufacturing International Corporation	-3x	16.67%
-2x Short SMIC Investment Strategy	Semiconductor Manufacturing International Corporation	-2x	25%
3x Long Alchip Technologies Investment Strategy	Alchip Technologies, Limited	3x	-16.67%
2x Long Alchip Technologies Investment Strategy	Alchip Technologies, Limited	2x	-25%
-3x Short Alchip Technologies Investment Strategy	Alchip Technologies, Limited	-3x	16.67%
-2x Short Alchip Technologies Investment Strategy	Alchip Technologies, Limited	-2x	25%
3x Long Nanya Technology Investment Strategy	Nanya Technology Corporation	3x	-16.67%
2x Long Nanya Technology Investment Strategy	Nanya Technology Corporation	2x	-25%
-3x Short Nanya Technology Investment Strategy	Nanya Technology Corporation	-3x	16.67%
-2x Short Nanya Technology Investment Strategy	Nanya Technology Corporation	-2x	25%
3x Long Winbond Electronics Investment Strategy	Winbond Electronics Corporation	3x	-16.67%
2x Long Winbond Electronics Investment Strategy	Winbond Electronics Corporation	2x	-25%
-3x Short Winbond Electronics Investment Strategy	Winbond Electronics Corporation	-3x	16.67%
-2x Short Winbond Electronics Investment Strategy	Winbond Electronics Corporation	-2x	25%
3x Long Kioxia Holdings Investment Strategy	Kioxia Holdings Corporation	3x	-16.67%
2x Long Kioxia Holdings Investment Strategy	Kioxia Holdings Corporation	2x	-25%
-3x Short Kioxia Holdings Investment Strategy	Kioxia Holdings Corporation	-3x	16.67%
-2x Short Kioxia Holdings Investment Strategy	Kioxia Holdings Corporation	-2x	25%
3x Long Taiwan Semiconductor Investment Strategy	Taiwan Semiconductor Manufacturing Company Limited ADS issued by Citibank, N.A.	3x	-16.67%
2x Long Taiwan Semiconductor Investment Strategy	Taiwan Semiconductor Manufacturing Company Limited ADS issued by Citibank, N.A.	2x	-25%
-3x Short Taiwan Semiconductor Investment Strategy	Taiwan Semiconductor Manufacturing Company Limited ADS issued by Citibank, N.A.	-3x	16.67%
-2x Short Taiwan Semiconductor Investment Strategy	Taiwan Semiconductor Manufacturing Company Limited ADS issued by Citibank, N.A.	-2x	25%
3x Long NIO Investment Strategy	NIO Inc. ADS issued by Deutsche Bank Trust Company Americas	3x	-16.67%
2x Long NIO Investment Strategy	NIO Inc. ADS issued by Deutsche Bank Trust	2x	-25%

	Company Americas		
-3x Short NIO Investment Strategy	NIO Inc. ADS issued by Deutsche Bank Trust Company Americas	-3x	16.67%
-2x Short NIO Investment Strategy	NIO Inc. ADS issued by Deutsche Bank Trust Company Americas	-2x	25%
3x Long Moderna Investment Strategy	Moderna, Inc.	3x	-16.67%
2x Long Moderna Investment Strategy	Moderna, Inc.	2x	-25%
-3x Short Moderna Investment Strategy	Moderna, Inc.	-3x	16.67%
-2x Short Moderna Investment Strategy	Moderna, Inc.	-2x	25%
3x Long Coinbase Investment Strategy	Coinbase Global, Inc.	3x	-16.67%
2x Long Coinbase Investment Strategy	Coinbase Global, Inc.	2x	-25%
-3x Short Coinbase Investment Strategy	Coinbase Global, Inc.	-3x	16.67%
-2x Short Coinbase Investment Strategy	Coinbase Global, Inc.	-2x	25%
3x Long Airbnb Investment Strategy	Airbnb, Inc.	3x	-16.67%
2x Long Airbnb Investment Strategy	Airbnb, Inc.	2x	-25%
-3x Short Airbnb Investment Strategy	Airbnb, Inc.	-3x	16.67%
-2x Short Airbnb Investment Strategy	Airbnb, Inc.	-2x	25%
3x Long Disney Investment Strategy	The Walt Disney Company	3x	-16.67%
2x Long Disney Investment Strategy	The Walt Disney Company	2x	-25%
-3x Short Disney Investment Strategy	The Walt Disney Company	-3x	16.67%
-2x Short Disney Investment Strategy	The Walt Disney Company	-2x	25%
-1x Short Disney Investment Strategy	The Walt Disney Company	-1x	50%
3x Long Palantir Investment Strategy	Palantir Technologies Inc.	3x	-16.67%
2x Long Palantir Investment Strategy	Palantir Technologies Inc.	2x	-25%
-3x Short Palantir Investment Strategy	Palantir Technologies Inc.	-3x	16.67%
-2x Short Palantir Investment Strategy	Palantir Technologies Inc.	-2x	25%
-1x Short Palantir Investment Strategy	Palantir Technologies Inc.	-1x	50%
3x Long JD.com Investment Strategy	JD.com, Inc. ADS issued by Deutsche Bank Trust Company Americas	3x	-16.67%
2x Long JD.com Investment Strategy	JD.com, Inc. ADS issued by Deutsche Bank Trust	2x	-25%

	Company Americas		
-3x Short JD.com Investment Strategy	JD.com, Inc. ADS issued by Deutsche Bank Trust Company Americas	-3x	16.67%
-2x Short JD.com Investment Strategy	JD.com, Inc. ADS issued by Deutsche Bank Trust Company Americas	-2x	25%
-1x Short JD.com Investment Strategy	JD.com, Inc. ADS issued by Deutsche Bank Trust Company Americas	-1x	50%
3x Long Tesla Investment Strategy	Tesla, Inc.	3x	-16.67%
2x Long Tesla Investment Strategy	Tesla, Inc.	2x	-25%
-3x Short Tesla Investment Strategy	Tesla, Inc.	-3x	16.67%
-2x Short Tesla Investment Strategy	Tesla, Inc.	-2x	25%
-1x Short Tesla Investment Strategy	Tesla, Inc.	-1x	50%
3x Long Baidu Investment Strategy	Baidu, Inc. ADS issued by Bank of New York Mellon	3x	-16.67%
2x Long Baidu Investment Strategy	Baidu, Inc. ADS issued by Bank of New York Mellon	2x	-25%
-3x Short Baidu Investment Strategy	Baidu, Inc. ADS issued by Bank of New York Mellon	-3x	16.67%
-2x Short Baidu Investment Strategy	Baidu, Inc. ADS issued by Bank of New York Mellon	-2x	25%
-1x Short Baidu Investment Strategy	Baidu, Inc. ADS issued by Bank of New York Mellon	-1x	50%
3x Long AMD Investment Strategy	Advanced Micro Devices, Inc.	3x	-16.67%
2x Long AMD Investment Strategy	Advanced Micro Devices, Inc.	2x	-25%
-3x Short AMD Investment Strategy	Advanced Micro Devices, Inc.	-3x	16.67%
-2x Short AMD Investment Strategy	Advanced Micro Devices, Inc.	-2x	25%
-1x Short AMD Investment Strategy	Advanced Micro Devices, Inc.	-1x	50%
3x Long Alibaba Investment Strategy	Alibaba Group Holding Limited ADS issued by Citibank, N.A.	3x	-16.67%
2x Long Alibaba Investment Strategy	Alibaba Group Holding Limited ADS issued by Citibank, N.A.	2x	-25%
-3x Short Alibaba Investment Strategy	Alibaba Group Holding Limited ADS issued by Citibank, N.A.	-3x	16.67%
-2x Short Alibaba Investment Strategy	Alibaba Group Holding Limited ADS issued by Citibank, N.A.	-2x	25%
3x Long Uber Investment Strategy	Uber Technologies, Inc.	3x	-16.67%
2x Long Uber Investment Strategy	Uber Technologies, Inc.	2x	-25%

-3x Short Uber Investment Strategy	Uber Technologies, Inc.	-3x	16.67%
-2x Short Uber Investment Strategy	Uber Technologies, Inc.	-2x	25%
-1x Short Uber Investment Strategy	Uber Technologies, Inc.	-1x	50%
3x Long PayPal Investment Strategy	PayPal Holdings, Inc.	3x	-16.67%
2x Long PayPal Investment Strategy	PayPal Holdings, Inc.	2x	-25%
-3x Short PayPal Investment Strategy	PayPal Holdings, Inc.	-3x	16.67%
-2x Short PayPal Investment Strategy	PayPal Holdings, Inc.	-2x	25%
-1x Short PayPal Investment Strategy	PayPal Holdings, Inc.	-1x	50%
3x Long Boeing Investment Strategy	The Boeing Company	3x	-16.67%
2x Long Boeing Investment Strategy	The Boeing Company	2x	-25%
-3x Short Boeing Investment Strategy	The Boeing Company	-3x	16.67%
-2x Short Boeing Investment Strategy	The Boeing Company	-2x	25%
-1x Short Boeing Investment Strategy	The Boeing Company	-1x	50%
3x Long Square Investment Strategy	Block, Inc. (formerly Square, Inc.)	3x	-16.67%
2x Long Square Investment Strategy	Block, Inc. (formerly Square, Inc.)	2x	-25%
-3x Short Square Investment Strategy	Block, Inc. (formerly Square, Inc.)	-3x	16.67%
-2x Short Square Investment Strategy	Block, Inc. (formerly Square, Inc.)	-2x	25%
-1x Short Square Investment Strategy	Block, Inc. (formerly Square, Inc.)	-1x	50%
3x Long Goldman Sachs Investment Strategy	The Goldman Sachs Group, Inc.	3x	-16.67%
2x Long Goldman Sachs Investment Strategy	The Goldman Sachs Group, Inc.	2x	-25%
-3x Short Goldman Sachs Investment Strategy	The Goldman Sachs Group, Inc.	-3x	16.67%
-2x Short Goldman Sachs Investment Strategy	The Goldman Sachs Group, Inc.	-2x	25%
-1x Short Goldman Sachs Investment Strategy	The Goldman Sachs Group, Inc.	-1x	50%
3x Long BP Investment Strategy	BP Plc ADR issued by JPMorgan Chase Bank, N.A.	3x	-16.67%
2x Long BP Investment Strategy	BP Plc ADR issued by JPMorgan Chase Bank, N.A.	2x	-25%
-3x Short BP Investment Strategy	BP Plc ADR issued by JPMorgan Chase Bank, N.A.	-3x	16.67%

-2x Short BP Investment Strategy	BP Plc ADR issued by JPMorgan Chase Bank, N.A.	-2x	25%
3x Long Amazon Investment Strategy	Amazon.com, Inc.	3x	-16.67%
2x Long Amazon Investment Strategy	Amazon.com, Inc.	2x	-25%
-3x Short Amazon Investment Strategy	Amazon.com, Inc.	-3x	16.67%
-2x Short Amazon Investment Strategy	Amazon.com, Inc.	-2x	25%
3x Long NVIDIA Investment Strategy	NVIDIA Corporation	3x	-16.67%
2x Long NVIDIA Investment Strategy	NVIDIA Corporation	2x	-25%
-3x Short NVIDIA Investment Strategy	NVIDIA Corporation	-3x	16.67%
-2x Short NVIDIA Investment Strategy	NVIDIA Corporation	-2x	25%
-1x Short NVIDIA Investment Strategy	NVIDIA Corporation	-1x	50%
3x Long Apple Investment Strategy	Apple Inc.	3x	-16.67%
2x Long Apple Investment Strategy	Apple Inc.	2x	-25%
-3x Short Apple Investment Strategy	Apple Inc.	-3x	16.67%
-2x Short Apple Investment Strategy	Apple Inc.	-2x	25%
-1x Short Apple Investment Strategy	Apple Inc.	-1x	50%
3x Long Salesforce Investment Strategy	Salesforce, Inc.	3x	-16.67%
2x Long Salesforce Investment Strategy	Salesforce, Inc.	2x	-25%
-3x Short Salesforce Investment Strategy	Salesforce, Inc.	-3x	16.67%
-2x Short Salesforce Investment Strategy	Salesforce, Inc.	-2x	25%
3x Long Microsoft Investment Strategy	Microsoft Corporation	3x	-16.67%
2x Long Microsoft Investment Strategy	Microsoft Corporation	2x	-25%
-3x Short Microsoft Investment Strategy	Microsoft Corporation	-3x	16.67%
-2x Short Microsoft Investment Strategy	Microsoft Corporation	-2x	25%
-1x Short Microsoft Investment Strategy	Microsoft Corporation	-1x	50%
3x Long Facebook Investment Strategy	Meta Platforms, Inc.	3x	-16.67%
2x Long Facebook Investment Strategy	Meta Platforms, Inc.	2x	-25%
-3x Short Facebook Investment Strategy	Meta Platforms, Inc.	-3x	16.67%

-2x Short Facebook Investment Strategy	Meta Platforms, Inc.	-2x	25%
3x Long Netflix Investment Strategy	Netflix, Inc.	3x	-16.67%
2x Long Netflix Investment Strategy	Netflix, Inc.	2x	-25%
-3x Short Netflix Investment Strategy	Netflix, Inc.	-3x	16.67%
-2x Short Netflix Investment Strategy	Netflix, Inc.	-2x	25%
-1x Short Netflix Investment Strategy	Netflix, Inc.	-1x	50%
3x Long Alphabet Investment Strategy	Alphabet Inc.	3x	-16.67%
2x Long Alphabet Investment Strategy	Alphabet Inc.	2x	-25%
-3x Short Alphabet Investment Strategy	Alphabet Inc.	-3x	16.67%
-2x Short Alphabet Investment Strategy	Alphabet Inc.	-2x	25%
-1x Short Alphabet Investment Strategy	Alphabet Inc.	-1x	50%
3x Long Visa Investment Strategy	Visa Inc.	3x	-16.67%
2x Long Visa Investment Strategy	Visa Inc.	2x	-25%
-3x Short Visa Investment Strategy	Visa Inc.	-3x	16.67%
-2x Short Visa Investment Strategy	Visa Inc.	-2x	25%
3x Long Mercedes-Benz Investment Strategy	Mercedes-Benz Group AG	3x	-16.67%
2x Long Mercedes-Benz Investment Strategy	Mercedes-Benz Group AG	2x	-25%
-3x Short Mercedes-Benz Investment Strategy	Mercedes-Benz Group AG	-3x	16.67%
-2x Short Mercedes-Benz Investment Strategy	Mercedes-Benz Group AG	-2x	25%
3x Long Exxon Investment Strategy	Exxon Mobil Corporation	3x	-16.67%
2x Long Exxon Investment Strategy	Exxon Mobil Corporation	2x	-25%
-3x Short Exxon Investment Strategy	Exxon Mobil Corporation	-3x	16.67%
-2x Short Exxon Investment Strategy	Exxon Mobil Corporation	-2x	25%
3x Long Ferrari Investment Strategy	Ferrari N.V.	3x	-16.67%
2x Long Ferrari Investment Strategy	Ferrari N.V.	2x	-25%
-3x Short Ferrari Investment Strategy	Ferrari N.V.	-3x	16.67%
-2x Short Ferrari Investment Strategy	Ferrari N.V.	-2x	25%
3x Long ARM Investment Strategy	Arm Holdings plc ADS issued by Citibank N.A.	3x	-16.67%

2x Long ARM Investment Strategy	Arm Holdings plc ADS issued by Citibank N.A.	2x	-25%
-3x Short ARM Investment Strategy	Arm Holdings plc ADS issued by Citibank N.A.	-3x	16.67%
-2x Short ARM Investment Strategy	Arm Holdings plc ADS issued by Citibank N.A.	-2x	25%
3x Long UBS Investment Strategy	UBS Group AG	3x	-16.67%
2x Long UBS Investment Strategy	UBS Group AG	2x	-25%
-3x Short UBS Investment Strategy	UBS Group AG	-3x	16.67%
-2x Short UBS Investment Strategy	UBS Group AG	-2x	25%
3x Long Super Micro Computer Investment Strategy	Super Micro Computer, Inc.	3x	-16.67%
2x Long Super Micro Computer Investment Strategy	Super Micro Computer, Inc.	2x	-25%
-3x Short Super Micro Computer Investment Strategy	Super Micro Computer, Inc.	-3x	16.67%
-2x Short Super Micro Computer Investment Strategy	Super Micro Computer, Inc.	-2x	25%
3x Long MicroStrategy Investment Strategy	Strategy Inc	3x	-16.67%
2x Long MicroStrategy Investment Strategy	Strategy Inc	2x	-25%
-3x Short MicroStrategy Investment Strategy	Strategy Inc	-3x	16.67%
-2x Short MicroStrategy Investment Strategy	Strategy Inc	-2x	25%
3x Long Eli Lilly Investment Strategy	Eli Lilly and Company	3x	-16.67%
2x Long Eli Lilly Investment Strategy	Eli Lilly and Company	2x	-25%
-3x Short Eli Lilly Investment Strategy	Eli Lilly and Company	-3x	16.67%
-2x Short Eli Lilly Investment Strategy	Eli Lilly and Company	-2x	25%
3x Long Intel Investment Strategy	Intel Corporation	3x	-16.67%
2x Long Intel Investment Strategy	Intel Corporation	2x	-25%
-3x Short Intel Investment Strategy	Intel Corporation	-3x	16.67%
-2x Short Intel Investment Strategy	Intel Corporation	-2x	25%
3x Long Broadcom Investment Strategy	Broadcom Inc.	3x	-16.67%
2x Long Broadcom Investment Strategy	Broadcom Inc.	2x	-25%

-3x Short Broadcom Investment Strategy	Broadcom Inc.	-3x	16.67%
-2x Short Broadcom Investment Strategy	Broadcom Inc.	-2x	25%
3x Long Robinhood Investment Strategy	Robinhood Markets, Inc.	3x	-16.67%
2x Long Robinhood Investment Strategy	Robinhood Markets, Inc.	2x	-25%
-3x Short Robinhood Investment Strategy	Robinhood Markets, Inc.	-3x	16.67%
-2x Short Robinhood Investment Strategy	Robinhood Markets, Inc.	-2x	25%
3x Long ASML Investment Strategy	ASML Holding N.V.	3x	-16.67%
2x Long ASML Investment Strategy	ASML Holding N.V.	2x	-25%
-3x Short ASML Investment Strategy	ASML Holding N.V.	-3x	16.67%
-2x Short ASML Investment Strategy	ASML Holding N.V.	-2x	25%
3x Long Hims & Hers Health Investment Strategy	Hims & Hers Health, Inc.	3x	-16.67%
2x Long Hims & Hers Health Investment Strategy	Hims & Hers Health, Inc.	2x	-25%
-3x Short Hims & Hers Health Investment Strategy	Hims & Hers Health, Inc.	-3x	16.67%
-2x Short Hims & Hers Health Investment Strategy	Hims & Hers Health, Inc.	-2x	25%
3x Long UnitedHealth Investment Strategy	UnitedHealth Group Incorporated	3x	-16.67%
2x Long UnitedHealth Investment Strategy	UnitedHealth Group Incorporated	2x	-25%
-3x Short UnitedHealth Investment Strategy	UnitedHealth Group Incorporated	-3x	16.67%
-2x Short UnitedHealth Investment Strategy	UnitedHealth Group Incorporated	-2x	25%
3x Long Rheinmetall Investment Strategy	Rheinmetall AG	3x	-16.67%
2x Long Rheinmetall Investment Strategy	Rheinmetall AG	2x	-25%
-3x Short Rheinmetall Investment Strategy	Rheinmetall AG	-3x	16.67%
-2x Short Rheinmetall Investment Strategy	Rheinmetall AG	-2x	25%
3x Long Futu Investment Strategy	Futu Holdings Limited ADS issued by The Bank of New York Mellon	3x	-16.67%
2x Long Futu Investment Strategy	Futu Holdings Limited ADS issued by The Bank of New York Mellon	2x	-25%
-3x Short Futu Investment Strategy	Futu Holdings Limited ADS issued by The Bank of New York Mellon	-3x	16.67%
-2x Short Futu Investment Strategy	Futu Holdings Limited ADS issued by The Bank of New York Mellon	-2x	25%

3x Long Nebius Investment Strategy	Nebius Group N.V.	3x	-16.67%
2x Long Nebius Investment Strategy	Nebius Group N.V.	2x	-25%
-3x Short Nebius Investment Strategy	Nebius Group N.V.	-3x	16.67%
-2x Short Nebius Investment Strategy	Nebius Group N.V.	-2x	25%
3x Long SanDisk Investment Strategy	Sandisk Corporation	3x	-16.67%
2x Long SanDisk Investment Strategy	Sandisk Corporation	2x	-25%
-3x Short SanDisk Investment Strategy	Sandisk Corporation	-3x	16.67%
-2x Short SanDisk Investment Strategy	Sandisk Corporation	-2x	25%
3x Long Riot Platforms Investment Strategy	Riot Platforms, Inc.	3x	-16.67%
2x Long Riot Platforms Investment Strategy	Riot Platforms, Inc.	2x	-25%
-3x Short Riot Platforms Investment Strategy	Riot Platforms, Inc.	-3x	16.67%
-2x Short Riot Platforms Investment Strategy	Riot Platforms, Inc.	-2x	25%
3x Long QUALCOMM Investment Strategy	QUALCOMM Incorporated	3x	-16.67%
2x Long QUALCOMM Investment Strategy	QUALCOMM Incorporated	2x	-25%
-3x Short QUALCOMM Investment Strategy	QUALCOMM Incorporated	-3x	16.67%
-2x Short QUALCOMM Investment Strategy	QUALCOMM Incorporated	-2x	25%
3x Long Texas Instruments Investment Strategy	Texas Instruments Incorporated	3x	-16.67%
2x Long Texas Instruments Investment Strategy	Texas Instruments Incorporated	2x	-25%
-3x Short Texas Instruments Investment Strategy	Texas Instruments Incorporated	-3x	16.67%
-2x Short Texas Instruments Investment Strategy	Texas Instruments Incorporated	-2x	25%
3x Long Marvell Technology Investment Strategy	Marvell Technology, Inc.	3x	-16.67%
2x Long Marvell Technology Investment Strategy	Marvell Technology, Inc.	2x	-25%
-3x Short Marvell Technology Investment Strategy	Marvell Technology, Inc.	-3x	16.67%
-2x Short Marvell Technology Investment Strategy	Marvell Technology, Inc.	-2x	25%
3x Long Applied Materials Investment Strategy	Applied Materials, Inc.	3x	-16.67%
2x Long Applied Materials Investment Strategy	Applied Materials, Inc.	2x	-25%
-3x Short Applied Materials Investment Strategy	Applied Materials, Inc.	-3x	16.67%
-2x Short Applied Materials Investment Strategy	Applied Materials, Inc.	-2x	25%

3x Long Lam Research Investment Strategy	Lam Research Corporation	3x	-16.67%
2x Long Lam Research Investment Strategy	Lam Research Corporation	2x	-25%
-3x Short Lam Research Investment Strategy	Lam Research Corporation	-3x	16.67%
-2x Short Lam Research Investment Strategy	Lam Research Corporation	-2x	25%
3x Long KLA Investment Strategy	KLA Corporation	3x	-16.67%
2x Long KLA Investment Strategy	KLA Corporation	2x	-25%
-3x Short KLA Investment Strategy	KLA Corporation	-3x	16.67%
-2x Short KLA Investment Strategy	KLA Corporation	-2x	25%
3x Long Analog Devices Investment Strategy	Analog Devices, Inc.	3x	-16.67%
2x Long Analog Devices Investment Strategy	Analog Devices, Inc.	2x	-25%
-3x Short Analog Devices Investment Strategy	Analog Devices, Inc.	-3x	16.67%
-2x Short Analog Devices Investment Strategy	Analog Devices, Inc.	-2x	25%
3x Long IREN Investment Strategy	IREN Limited	3x	-16.67%
2x Long IREN Investment Strategy	IREN Limited	2x	-25%
-3x Short IREN Investment Strategy	IREN Limited	-3x	16.67%
-2x Short IREN Investment Strategy	IREN Limited	-2x	25%
3x Long Bitmine Immersion Investment Strategy	Bitmine Immersion Technologies, Inc.	3x	-16.67%
2x Long Bitmine Immersion Investment Strategy	Bitmine Immersion Technologies, Inc.	2x	-25%
-3x Short Bitmine Immersion Investment Strategy	Bitmine Immersion Technologies, Inc.	-3x	16.67%
-2x Short Bitmine Immersion Investment Strategy	Bitmine Immersion Technologies, Inc.	-2x	25%
3x Long Circle Investment Strategy	Circle Internet Group, Inc.	3x	-16.67%
2x Long Circle Investment Strategy	Circle Internet Group, Inc.	2x	-25%
-3x Short Circle Investment Strategy	Circle Internet Group, Inc.	-3x	16.67%
-2x Short Circle Investment Strategy	Circle Internet Group, Inc.	-2x	25%
3x Long CoreWeave Investment Strategy	CoreWeave, Inc.	3x	-16.67%
2x Long CoreWeave Investment Strategy	CoreWeave, Inc.	2x	-25%
-3x Short CoreWeave Investment Strategy	CoreWeave, Inc.	-3x	16.67%
-2x Short CoreWeave Investment Strategy	CoreWeave, Inc.	-2x	25%

3x Long IonQ Investment Strategy	IonQ, Inc.	3x	-16.67%
2x Long IonQ Investment Strategy	IonQ, Inc.	2x	-25%
-3x Short IonQ Investment Strategy	IonQ, Inc.	-3x	16.67%
-2x Short IonQ Investment Strategy	IonQ, Inc.	-2x	25%
3x Long Joby Aviation Investment Strategy	Joby Aviation, Inc.	3x	-16.67%
2x Long Joby Aviation Investment Strategy	Joby Aviation, Inc.	2x	-25%
-3x Short Joby Aviation Investment Strategy	Joby Aviation, Inc.	-3x	16.67%
-2x Short Joby Aviation Investment Strategy	Joby Aviation, Inc.	-2x	25%
3x Long D-Wave Quantum Investment Strategy	D-Wave Quantum Inc.	3x	-16.67%
2x Long D-Wave Quantum Investment Strategy	D-Wave Quantum Inc.	2x	-25%
-3x Short D-Wave Quantum Investment Strategy	D-Wave Quantum Inc.	-3x	16.67%
-2x Short D-Wave Quantum Investment Strategy	D-Wave Quantum Inc.	-2x	25%
3x Long Oklo Investment Strategy	Oklo Inc.	3x	-16.67%
2x Long Oklo Investment Strategy	Oklo Inc.	2x	-25%
-3x Short Oklo Investment Strategy	Oklo Inc.	-3x	16.67%
-2x Short Oklo Investment Strategy	Oklo Inc.	-2x	25%
3x Long Oracle Investment Strategy	Oracle Corporation	3x	-16.67%
2x Long Oracle Investment Strategy	Oracle Corporation	2x	-25%
-3x Short Oracle Investment Strategy	Oracle Corporation	-3x	16.67%
-2x Short Oracle Investment Strategy	Oracle Corporation	-2x	25%
3x Long Rocket Lab Investment Strategy	Rocket Lab Corporation	3x	-16.67%
2x Long Rocket Lab Investment Strategy	Rocket Lab Corporation	2x	-25%
-3x Short Rocket Lab Investment Strategy	Rocket Lab Corporation	-3x	16.67%
-2x Short Rocket Lab Investment Strategy	Rocket Lab Corporation	-2x	25%
3x Long Rigetti Computing Investment Strategy	Rigetti Computing, Inc.	3x	-16.67%
2x Long Rigetti Computing Investment Strategy	Rigetti Computing, Inc.	2x	-25%
-3x Short Rigetti Computing Investment Strategy	Rigetti Computing, Inc.	-3x	16.67%
-2x Short Rigetti Computing Investment Strategy	Rigetti Computing, Inc.	-2x	25%

3x Long NuScale Power Investment Strategy	NuScale Power Corporation	3x	-16.67%
2x Long NuScale Power Investment Strategy	NuScale Power Corporation	2x	-25%
-3x Short NuScale Power Investment Strategy	NuScale Power Corporation	-3x	16.67%
-2x Short NuScale Power Investment Strategy	NuScale Power Corporation	-2x	25%
3x Long Galaxy Digital Investment Strategy	Galaxy Digital Inc.	3x	-16.67%
2x Long Galaxy Digital Investment Strategy	Galaxy Digital Inc.	2x	-25%
-3x Short Galaxy Digital Investment Strategy	Galaxy Digital Inc.	-3x	16.67%
-2x Short Galaxy Digital Investment Strategy	Galaxy Digital Inc.	-2x	25%
3x Long NXP Semiconductors Investment Strategy	NXP Semiconductors N.V.	3x	-16.67%
2x Long NXP Semiconductors Investment Strategy	NXP Semiconductors N.V.	2x	-25%
-3x Short NXP Semiconductors Investment Strategy	NXP Semiconductors N.V.	-3x	16.67%
-2x Short NXP Semiconductors Investment Strategy	NXP Semiconductors N.V.	-2x	25%
3x Long Astera Labs Investment Strategy	Astera Labs, Inc.	3x	-16.67%
2x Long Astera Labs Investment Strategy	Astera Labs, Inc.	2x	-25%
-3x Short Astera Labs Investment Strategy	Astera Labs, Inc.	-3x	16.67%
-2x Short Astera Labs Investment Strategy	Astera Labs, Inc.	-2x	25%
3x Long Ciena Investment Strategy	Ciena Corporation	3x	-16.67%
2x Long Ciena Investment Strategy	Ciena Corporation	2x	-25%
-3x Short Ciena Investment Strategy	Ciena Corporation	-3x	16.67%
-2x Short Ciena Investment Strategy	Ciena Corporation	-2x	25%
3x Long MACOM Technology Solutions Investment Strategy	MACOM Technology Solutions Holdings, Inc.	3x	-16.67%
2x Long MACOM Technology Solutions Investment Strategy	MACOM Technology Solutions Holdings, Inc.	2x	-25%
-3x Short MACOM Technology Solutions Investment Strategy	MACOM Technology Solutions Holdings, Inc.	-3x	16.67%

-2x Short MACOM Technology Solutions Investment Strategy	MACOM Technology Solutions Holdings, Inc.	-2x	25%
3x Long Take Two Interactive Software Investment Strategy	Take-Two Interactive Software, Inc.	3x	-16.67%
-3x Short Take Two Interactive Software Investment Strategy	Take-Two Interactive Software, Inc.	-3x	16.67%
3x Long Fabrinet Investment Strategy	Fabrinet	3x	-16.67%
-3x Short Fabrinet Investment Strategy	Fabrinet	-3x	16.67%
3x Long Tower Semiconductor Investment Strategy	Tower Semiconductor Ltd.	3x	-16.67%
-3x Short Tower Semiconductor Investment Strategy	Tower Semiconductor Ltd.	-3x	16.67%

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Leveraged Exposure and Short Exposure Investment Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled “Summary of the Programme Documents”.

6. ACTIVELY MANAGED LEVERAGED EXPOSURE AND SHORT EXPOSURE INVESTMENT STRATEGIES

The Actively Managed Leveraged Exposure and Short Exposure Investment Strategies shall be comprised of the following:

3x Long Semiconductors Leaders Investment Strategy

The objective of the 3x Long Semiconductors Leaders Investment Strategy is to provide a 3x long exposure to leading global companies positioned to benefit from the growing demand for advanced chips, including companies engaged in semiconductor design, fabrication, foundry services, semiconductor equipment manufacturing, and high-performance computing technologies (the "**Semiconductor Underlying Reference Assets**") by investing in a minimum of 5 Series of ETP Securities issued by the Issuer which themselves provide 3x long exposure to Semiconductor Underlying Reference Assets. The Semiconductor Underlying Reference Assets are companies positioned to benefit from demand for advanced chips used in artificial intelligence, cloud computing, automotive electronics, 5G connectivity, and other high-performance computing applications.

Details of the portfolio composition of the 3x Long Semiconductors Leaders Investment Strategy will be set out on the Issuer's Website.

The Reference Assets of the 3x Long Semiconductors Leaders Investment Strategy will be weighted equally and will be rebalanced monthly.

Fees

The fees applicable to the ETP Securities which pursue 3x Long Semiconductors Leaders Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 0.95% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

3x Long Blockchain Leaders Investment Strategy

The objective of the 3x Long Blockchain Leaders Investment Strategy is to provide a 3x long exposure to leading global companies positioned to benefit from the expanding adoption of blockchain technology, including companies engaged in digital asset mining, blockchain infrastructure development, distributed-ledger software and services, blockchain-enabled financial transactions, and the hardware and computing systems that support blockchain networks (the "**Blockchain Underlying Reference Assets**") by investing in a minimum of 5 Series of ETP Securities issued by the Issuer which themselves provide a 3x long exposure to the Blockchain Underlying Reference Assets.

Details of the portfolio composition of the 3x Long Blockchain Leaders Investment Strategy will be set out on the Issuer's Website.

The Reference Assets of the 3x Long Blockchain Leaders Investment Strategy will be weighted equally and will be rebalanced monthly.

Fees

The fees applicable to the ETP Securities which pursue 3x Long Blockchain Leaders Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 0.95% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

3x Long AI Photonics & Optics Leaders Investment Strategy

The objective of the 3x Long AI Photonics & Optics Leaders Investment Strategy is to provide a 3x long exposure to leading global companies positioned to benefit from the growing demand for high-speed data transmission and connectivity driven by artificial intelligence, including companies engaged in the design and manufacture of optical and photonic components, lasers and optical transceivers, optical fiber and connectivity solutions, optical networking systems, and the high-speed interconnect and connectivity semiconductors that support artificial intelligence and cloud data center infrastructure (the "**AI Photonics & Optics Underlying Reference Assets**") by investing in a minimum of 5 Series of ETP Securities issued by the Issuer which themselves provide a 3x long exposure to the AI Photonics & Optics Underlying Reference Assets.

Details of the portfolio composition of the 3x Long AI Photonics & Optics Leaders Investment Strategy will be set out on the Issuer's Website.

The Reference Assets of the 3x Long AI Photonics & Optics Leaders Investment Strategy will be weighted equally and will be rebalanced monthly.

Fees

The fees applicable to the ETP Securities which pursue 3x Long AI Photonics & Optics Leaders Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 0.95% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

3x Long NVDA & AMD Equal Weight Investment Strategy

The objective of the 3x Long NVDA & AMD Equal Weight Investment Strategy is to provide equal exposure to securities or strategies that provide 3x Leveraged Exposure to NVIDIA Corporation ("**NVDA**") and Advanced Micro Devices, Inc. ("**AMD**"). The Portfolio Administrator will aim to do so by investing in the following two Series of ETP Securities issued by the Issuer, which themselves provide a 3x Leveraged Exposure to NVDA and AMD, but it will have full discretion to achieve the investment objective by employing the 3x Long NVIDIA Investment Strategy and/or the 3x Long AMD Investment Strategy described in the Leveraged and Short Exposure Investment Strategies section of this Base Prospectus:

(a) Leverage Shares 3x NVIDIA ETP, which provides a 3x long exposure to NVIDIA Corporation; and

(b) Leverage Shares 3x AMD ETP, which provides a 3x long exposure to Advanced Micro Devices, Inc.

The Reference Assets of the 3x Long NVDA & AMD Equal Weight Investment Strategy will be weighted equally and will be rebalanced monthly.

Details of the portfolio composition of the 3x Long NVDA & AMD Equal Weight Investment Strategy will be set out on the Issuer's Website.

Fees

The fees applicable to the ETP Securities which pursue 3x Long NVDA & AMD Equal Weight Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 0.50% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

3x Long TSLA & SPCX Equal Weight Investment Strategy

The objective of the 3x Long TSLA & SPCX Equal Weight Investment Strategy is to provide equal exposure to securities or strategies that provide 3x Leveraged Exposure to Tesla, Inc. ("**TSLA**") and Space Exploration Technologies Corp. ("**SPCX**"). The Portfolio Administrator will aim to do so by investing in the following two Series of ETP Securities issued by the Issuer, which themselves provide a 3x Leveraged Exposure to TSLA and SPCX, but it will have full discretion to achieve the investment objective by employing the 3x Long Tesla

Investment Strategy and/or the Leveraged SpaceX Investment Strategy described in the Leveraged and Short Exposure Investment Strategies section of this Base Prospectus:

(a) Leverage Shares 3x Tesla ETP, which provides a 3x long exposure to Tesla, Inc.; and

(b) Leverage Shares 3x Long SpaceX ETP, which provides a 3x long exposure to Space Exploration Technologies Corp.

The Reference Assets of the 3x Long TSLA & SPCX Equal Weight Investment Strategy will be weighted equally and will be rebalanced monthly.

Details of the portfolio composition of the 3x Long TSLA & SPCX Equal Weight Investment Strategy will be set out on the Issuer's Website.

Fees

The fees applicable to the ETP Securities which pursue 3x Long TSLA & SPCX Equal Weight Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 0.50% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

3x Long Samsung & SK Hynix Equal Weight Investment Strategy

The objective of the 3x Long Samsung & SK Hynix Equal Weight Investment Strategy is to provide equal exposure to securities or strategies that provide 3x Leveraged Exposure to Samsung Electronics Co., Ltd. ("**Samsung**") and SK Hynix Inc. ("**SK Hynix**"). The Portfolio Administrator will aim to do so by investing in the following two Series of ETP Securities issued by the Issuer, which themselves provide a 3x Leveraged Exposure to Samsung and SK Hynix, but it will have full discretion to achieve the investment objective by employing the 3x Long Samsung Investment Strategy and/or the 3x Long SK hynix Investment Strategy described in the Leveraged and Short Exposure Investment Strategies section of this Base Prospectus:

(a) Leverage Shares 3x Long Samsung Electronics ETP, which provides a 3x long exposure to Samsung Electronics Co., Ltd.; and

(b) Leverage Shares 3x Long SK Hynix ETP, which provides a 3x long exposure to SK Hynix Inc.

The Reference Assets of the 3x Long Samsung & SK Hynix Equal Weight Investment Strategy will be weighted equally and will be rebalanced monthly.

Details of the portfolio composition of the 3x Long Samsung & SK Hynix Equal Weight Investment Strategy will be set out on the Issuer's Website.

Fees

The fees applicable to the ETP Securities which pursue 3x Long Samsung & SK Hynix Equal Weight Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 0.50% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Actively Managed Leveraged Exposure and Short Exposure Investment Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the Actively Managed Leveraged Exposure and Short Exposure Investment Strategies. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

7. FAANG+ INVESTMENT STRATEGY

The Solactive FAANG+ Investment Strategy is a strategy that aims to track the Solactive FAANG+ Index.

The Solactive FAANG+ Index intends to track the price movements of a portfolio of ten (10) stocks which includes as core components the following stocks:

- Meta Platforms Inc
- Apple Inc.
- Amazon.com Inc.
- Netflix Inc.
- Microsoft Corp.
- Alphabet Inc. (Class A)
- Tesla Inc

(the "**Core Components**") and then the next largest, most liquid, tech-enabled stocks listed and headquartered in the United States (the "**Non-Core Components**").

The Core Components and the Non-Core Components shall be referred to herein as the "**Solactive FAANG+ Index Universe Requirements**".

The Solactive FAANG+ Index is a rules-based, equal-weighted equity index that rebalances annually. As such, at each rebalancing date, each component will be re-weighted back to 10% of the Solactive FAANG+ Index and the Non- Core Components will be determined again based on the eligibility criteria set out in the Index methodology, which can be found in at http://www.solactive.com.

The Solactive FAANG+ Index is owned, calculated, administered and published by Solactive AG assuming the role as index administrator under the Regulation (EU) 2016/1011.

Further information on the Solactive FAANG+ Index can be found at:
https://solactive.com/downloads/SOLAZDM_Guideline.pdf

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Solactive FAANG+ Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the Solactive FAANG+ Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate of 0.35% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date.

Additional information relating to the Solactive FAANG+ Investment Strategy Reference Assets (the "Solactive FAANG+ Portfolio")

Sample Solactive FAANG+ Portfolio

The Final Terms shall include details of a sample Solactive FAANG+ Portfolio.

The sample Solactive FAANG+ Portfolio constituents listed in Annex 2 to the Final Terms are a sample portfolio only. This is called the "Solactive FAANG+ Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Solactive FAANG+ Investment Strategy, the Solactive FAANG+ Portfolio shall comprise cash and/or other equity securities which are different from the constituents of the Solactive FAANG+ Sample Portfolio, provided that they always comply with the Solactive FAANG+ Index Universe Requirements.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on an annual basis with respect to the composition of the Solactive FAANG+ Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and

- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the Solactive FAANG+ Portfolio.

8. CWM CORE BALANCED INVESTMENT STRATEGY

The CWM Core Balanced Investment Strategy is a strategy that aims to track the Solactive CWM Core Balanced Strategy Index.

The Solactive CWM Balanced Strategy Index intends to track the price movements of a portfolio of Reference Assets, weighted as indicated below:

Reference Assets	**Weighting**
iShares $ Treasury Bond 1-3yr UCITS ETF	12.81%
Vanguard USD Corporate 1-3 Year Bond UCITS ETF	9.81%
iShares $ High Yield Corp Bond UCITS ETF	6.20%
iShares US Aggregate Bond UCITS ETF	5.07%
iShares $ TIPS UCITS ETF	2.51%
iShares $ Corp Bond UTIS ETF	2.51%
Vanguard USD Emerging Markets Government Bond UCITS ETF	4.05%
iShares Core S&P 500 UCITS ETF	18.20%
iShares MSCI USA UCITS ETF	4.69%
iShares MSCI USA Small Cap ESG Enhanced UCITS ETF	5.48%
iShares Core MSCI Japan IMI UCITS ETF	2.56%
iShares S&P 500 Health Care Sector UCITS ETF	4.52%
iShares S&P 500 Information Technology Sector UCITS ETF	5.45%
Vanguard FTSE Developed Asia Pacific ex Japan UCITS ETF	2.02%
Vanguard FTSE Developed Europe ex UK UCITS ETF	5.32%
WisdomTree Physical Swiss Gold ETC	2.04%
iShares S&P 500 Financials Sector UCITS ETF	2.00%
iShares S&P 500 Industrials Sector UCITS ETF	2.00%
Microstrategy Incorporated	0.75%
Amundi MSCI China UCITS ETF	2.00%

The Solactive CWM Balanced Strategy Index rebalances quarterly. As such, at each rebalancing date, each Reference Asset listed above will be re-weighted back to the corresponding weightings set out above.

The Solactive CWM Balanced Strategy Index is owned, calculated, administered and published by Solactive AG assuming the role as index administrator under the Regulation (EU) 2016/1011.

Further information on the Solactive CWM Balanced Strategy Index can be found at:
https://www.solactive.com/indices/

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the CWM Core Balanced Investment Strategy . Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the CWM Core Balanced Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate that will not exceed 0.85% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

9. THE VANILLA STRATEGIES

The Vanilla Funds Balanced Portfolio GBP Strategy, the Vanilla Funds Balanced Portfolio USD Strategy (the "**Vanilla ETF Strategies**") and the Vanilla Funds Blue Chip Portfolio USD Strategy (together with the "Vanilla ETF Strategies, the "**Vanilla Strategies**") are actively managed by the Portfolio Administrator, Flexinvest Limited, using the methodologies developed by Vanilla Trading Co, a South African company, details of which are set out below.

Vanilla ETF Strategies

The Vanilla ETF Strategies invest in portfolios of exchange traded products across asset classes (including equity, fixed income and commodity) and regions with the aim of maximising portfolio returns, while controlling portfolio risk to a volatility level of between 10% and 15% over a 5-year period.

The Vanilla Funds Balanced Portfolio GBP Strategy will invest in exchange traded products listed on the London Stock Exchange which are (i) also listed on a regulated market or an equivalent market for the purposes of the Prospectus Regulation; and/or (ii) not also listed on a regulated market or an equivalent market for the purposes of the Prospectus Regulation, provided that no more than 10% of the assets of the Series shall be invested in any single such exchange traded product falling within (ii).

The Vanilla Funds Balanced Portfolio USD Strategy will invest in exchange traded products listed on the NASDAQ Stock Market or the New York Stock Exchange.

The portfolios are monitored on a daily basis and rebalanced at most monthly. The Vanilla Strategies Sponsor uses state of the art technology to screen extensive market, macro-economic and ETF data sets from around the world. The exchange traded products are selected by employing an Artificial Intelligence & Machine Learning ranking system. This systematic framework carefully analyses a wide universe of exchange traded funds and exchange traded products to identify the best investment opportunities based on market conditions.

Vanilla Blue Chip Model Portfolio Strategy

The Vanilla Funds Blue Chip Portfolio USD Strategy will invest in equity securities listed on either the New York Stock Exchange or Nasdaq, from sectors that offer the most promising long-term performance. The weightings and selections of those stocks is rebalanced on a quarterly basis, using a range of technical and fundamental metrics.

Vanilla Strategies Sponsor

Vanilla Trading Co. is the sponsor of the Vanilla Strategies. Vanilla Trading Co. was incorporated under the laws of South Africa on 13 June 2023 (registration number 2023/807009/07) with the overriding objective to create strategies to maximise returns across a broad range of financial products by employing Algo-Chain's AI & Machine Learning assisted platform for the selection of stocks & exchange traded funds and for the asset allocation process.

Details of the directors and shareholders of Vanilla Trading Co. are set out below:

<u>Directors</u>

Gareth Davies
Tanswell Gustav Sassman

<u>Shareholders</u>
Patrick James Robert Ralph (25%)
Craig James Holman (25%)
Gareth Richard George Davies (25%)
Assisi House Holdings (25%), which is owned by Stuart John Raber and Paula Jane Leaver

Vanilla Trading Co. does not currently have a website and is an unregulated company.

The principal of the Vanilla Trading Co. is Patrick Ralph who has over four decades of experience in the financial services industry, holding management and senior-level positions at some of the UK's major financial institutions.

In managing the Vanilla Strategies, Flexinvest Limited, the Portfolio Administrator, will use the methodologies developed by Vanilla Trading Co. The sample Vanilla Strategies portfolio constituents are listed in Annex 4-6 to the Form of Final Terms set out at pages 317 – 328 of this Base Prospectus. These are sample portfolios only for the respective Vanilla Strategies. See "Sample Vanilla Strategies Portfolio" below for more detail.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Vanilla Strategies. The portfolio administration role carried out by Flexinvest Limited will incorporate the role of investment management for the Vanilla Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the Vanilla Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate that will not exceed 1.30% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

Initial composition and additional information relating to each Vanilla Strategy Reference Assets (each , a "Vanilla Strategy Portfolio")

Initial Vanilla Strategies Portfolio

As at the Series Issue Date each Vanilla Strategy portfolio shall comprise 100% in cash in the currency of denomination of the relevant Vanilla Strategy.

Sample Vanilla Strategies Portfolio

The Final Terms shall include details of a sample Vanilla Strategy portfolio.

The sample Vanilla Strategies portfolio constituents listed in Annex 4-6 to the Form of Final Terms are a sample portfolio only for the respective Vanilla Strategies. On any day, including the Issue Date of each Tranche of ETP Securities which pursue any of the Vanilla Strategies, the respective Vanilla Strategy portfolio shall comprise cash and/or other securities which are different from the constituents of the respective Vanilla Strategy Sample portfolio.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a quarterly basis with respect to the composition of each Vanilla Strategy portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and

- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to any Vanilla Strategy portfolio.

10. THE SHORT CONTANGO LONG EQUITY INVESTMENT STRATEGY

The Short Contango Long Equity Strategy is an actively managed investment strategy which employs a proprietary methodology developed by the Portfolio Administrator, Flexinvest Limited.

The Short Contango Long Equity Strategy aims to maximise returns by taking a long position in equity ETFs listed on stock exchanges in the United States or futures contracts on equity indices listed on Futures Exchanges (the "**Equity Exposure**") and a short position on one or more of the VIX Index, natural gas and crude oil, being asset classes that have historically experienced frequent periods of pronounced contango.

"Contango" refers to a situation in which futures contracts with longer expiries are more expensive than futures contracts with shorter expiries. For example, since the VIX Short-Term Futures Index tracked by the iPath ETNs (ad defined below) offers exposure to a daily rolling long position in the first and second month VIX futures contracts, if the VIX is in contango, the VIX Short-Term Futures Index would be expected to lose value as the VIX futures roll, and a short position in the iPath ETNs, consequently, to profit from such contango. The converse is true: if the VIX futures move to backwardation (ie., where the futures with shorter expiries are more expensive than the futures with longer expiries), a short position in the iPath ETNs may incur losses.

Short Contango

The Short Contango Long Equity Strategy aims to have a long-term short exposure of between 20% and 40% to each high-contango asset class. Each such short exposure may increase or decrease outside of this range due to price movements of the relevant asset classes, provided that the Portfolio Administrator (i) shall not, under any circumstances, increase such short exposures to exceed 100% and, if any such short exposure exceeds 100% as a result of price movements, will reduce it to or below 100% as soon as reasonably practicable and (ii) will aim to increase them back to their long term target weights if they fall to 15%, save where the Portfolio Administrator determines that the futures curve of the relevant asset class is not, or is not expected to be, in contango, in which case it may reduce the relevant short exposure to 0%. Accordingly, the Portfolio Administrator retains full discretion to allow short exposures to high-contango asset classes to vary anywhere within a range of 0% to 100%. The 100% limit applies separately to each asset class. As short positions may only be taken in the three asset classes referred to above, the aggregate of the short exposures to all asset classes will not exceed 300%, save temporarily as a result of price movements pending their reduction as described above.

Investors should note that certain of the exchange traded products used to implement this strategy are themselves leveraged instruments, typically providing 2x (or other multiple) exposure to the return of their underlying index or futures contracts. As a result, a short position with a market value of, for example, 50% of the ETP Security Value, taken through a 2x leveraged product, would produce a short exposure of approximately 100% (or more, depending on the leverage multiple of the instrument used). In this section, the "short exposure" to an asset class means the market value of the short positions in instruments providing exposure to that asset class, multiplied by the stated daily leverage multiple of each such instrument, expressed as a percentage of the ETP Security Value. All references in this section to short exposure percentages (including the long-term target range of 20% to 40%, the 15% level and the 100% limit) are to short exposure calculated on this basis, and not to the market value of the short positions. Short exposure calculated on this basis is referred to in risk factor 5.6 and in the worked examples in the section of this Base Prospectus entitled "Economic Overview of the ETP Securities" as "economic exposure". The Portfolio Administrator may use leveraged instruments not only to amplify the magnitude of the underlying short exposure to the relevant asset classes, but also to seek to profit from the compounding effects inherent in daily-rebalanced leveraged and inverse products over periods longer than one day. Such compounding effects, as described in the "Economic Overview of ETP Securities" section of this Base Prospectus under the heading "Recommended Holding Period", can have a positive or negative impact, depending on the direction and volatility of the prices of the underlying assets.

To implement this strategy, the Portfolio Administrator will take short positions on any of the exchange traded products listed below, which provide exposure to futures on the VIX Index, natural gas or crude oil, taking into account factors such as liquidity, fees, short availability and cost to borrow:

• iPath® Series B S&P 500® VIX Short-Term Futures™ ETNs (“iPath ETNs”)
• ProShares VIX Short- Term Futures ETF.
• United States Natural Gas Fund LP
• ProShares Ultra Bloomberg Natural Gas
• United States Oil Fund LP
• ProShares Ultra Bloomberg Crude Oil
• 2x Long VIX Futures ETF

The proceeds from shorting exchange traded products will be maintained as cash in the Margin Account. The short exposure seeks to capture the contango of the futures on those assets classes and, consequently, if the futures curves are not in contango or expected to be in contango, the Portfolio Administrator would expect to assign a 0% short exposure to the relevant asset class.

Long Equity Exposure
The Portfolio Administrator will aim to invest 100% of the Series issue proceeds in the Equity Exposure.

If it invests in ETFs listed on a national securities exchange in the United States providing a diversified equity exposure, the ETFs will include, but not be limited to the following:

• Invesco QQQ Trust, Series 1
• iShares MSCI USA Min Vol Factor ETF
• Invesco S&P 500 Low Volatility ETF
• iShares MSCI USA Quality Factor ETF

Alternatively it will aim to hold a notional, long position position in the Equity Exposure, if using futures.

Rebalance

The Portfolio Administrator will have discretion to rebalance the portfolio periodically on the basis of, among other factors, that the short exposure is too high or too low, or that the long equity exposure is overbought.

Portfolio Administrator Discretion

Save for the constraint that (i) the Equity Exposure may only be implemented through the specific instruments listed above, (ii) the short exposure may only be implemented through the specific instruments listed above, and (iii) short exposure to any asset class may not exceed 100% as described above, the Portfolio Administrator (as described below) has full and unfettered discretion as to:

(a) The composition of the Short Contango Long Equity Portfolio at any time, including which of the permitted Equity Exposure instruments and which of the permitted short exposure instruments are held, and in what proportions.

(b) The magnitude of the long Equity Exposure at any time (subject to the Portfolio Administrator's aim of maintaining approximately 100% Equity Exposure, from which it may nonetheless depart, including in connection with rebalancing as described above).

(c) The magnitude of the short exposure at any time, within the 0% to 100% discretionary range described above.

(d) The right to substitute, at any time and without restriction as to timing or frequency, any asset then comprising the Short Contango Long Equity Portfolio for any other asset within the permitted universe of instruments described above.

Investors should note that the exercise of this substitution right may result in the portfolio's assets being switched from one class or quality of asset to another, with the following consequences:

(i) Equity Exposure: a substitution from a physically-backed instrument (for example the Invesco QQQ Trust, Series 1) to futures contracts on equity indices, or vice versa, would change the Portfolio's exposure from an asset with no issuer credit risk to one subject to futures market mechanics (daily mark-to-market, margining, and roll risk at contract expiry), or vice versa.

(ii) Short Exposure: a substitution among the permitted short exposure instruments may, in particular, change the Portfolio's exposure from an unleveraged instrument to a leveraged instrument (such as ProShares Ultra Bloomberg Natural Gas, ProShares Ultra Bloomberg Crude Oil, or the 2x Long VIX Futures ETF), materially amplifying the short exposure resulting from a short position of a given market value and introducing the impact of daily compounding, as described above (or vice versa, reducing such amplification).

Accordingly, the actual composition and asset allocation of the Short Contango Long Equity Portfolio at any given time, including on the Issue Date of any Tranche, will depend entirely on the exercise of this discretion by the Portfolio Administrator and may differ materially from the composition of the Short Contango Long Equity Portfolio Sample Portfolio referred to below, which is provided for illustrative purposes only and does not constrain or predict the Portfolio Administrator's actual investment decisions.

This Investment Strategy is highly risky, as market prices may move against both the short contango positions and the long equity exposures at the same time, thereby losing value more rapidly than normal strategies. In particular, losses on the short positions are potentially unlimited and may be amplified where the short positions are taken through leveraged instruments, and sharp increases in the prices of the relevant short instruments (for example, following spikes in VIX futures prices) have historically tended to coincide with falls in equity markets.

Worked examples illustrating how the value of the ETP Securities is affected by changes in the value of the Reference Assets of the Short Contango Long Equity Strategy, including in the scenarios described in risk factor 5.6 (“Risks relating to Series pursuing an Investment Strategy which may invest in, or take short positions in, Leveraged Reference Assets”), are set out in the section of this Base Prospectus entitled “Economic Overview of the ETP Securities” under the heading “Worked Examples – Short Contango Long Gold Strategy and Short Contango Long Equity Strategy”.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Short Contango Long Equity Investment Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the Short Contango Long Equity Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled “Summary of the Programme Documents”.

Fees

The fees applicable to the ETP Securities which pursue the Short Contango Long Equity Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is comprised of the following:

(i) a fee charged daily at a rate of that will not exceed 2% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and

(ii) a performance based fee charged daily, equal to the maximum of (i) zero and (ii) a maximum of 20% of the difference between the value of the ETP Securities on that day and the previous highest value of the ETP Securities, where such value is calculated using the methodology for calculating their ETP Security Value but

excluding this performance based fee.

The Arranger Fee shall be disclosed on the website of the Issuer.

Initial composition and additional information relating to the Short Contango Long Equity Strategy (the "Short Contango Long Equity Portfolio")

Initial Short Contango Long Equity Portfolio

As at the Series Issue Date the Short Contango Long Equity Portfolio shall comprise (i) 100% Equity Exposure, (ii) 16.5% short exposure to ProShares Ultra Bloomberg Natural Gas (representing an economic exposure of approximately 33% to natural gas futures), (iii) 12.5% short exposure to 2x Long VIX Futures ETF (representing an economic exposure of approximately 25% to VIX futures) and (iv) 29% in cash.

Sample Short Contango Long Equity Portfolio

The Final Terms shall include details of a sample Short Contango Long Equity Portfolio.

The sample Short Contango Long Equity Portfolio constituents listed in Annex 12 to the Form Final Terms are a sample portfolio only. This is called the "Short Contango Long Equity Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Short Contango Long Equity Strategy, the Short Contango Long Equity Portfolio may comprise cash and/or other securities which are different from the constituents of the Short Contango Equity Portfolio Sample Portfolio.

The constituents of the Short Contango Long Equity Sample Portfolio have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the ETP Securities.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a daily basis with respect to the composition of the Short Contango Long Equity Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and

- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the Short Contango Long Equity Portfolio.

11. THE SHORT AND LEVERAGED INDEX TRACKING INVESTMENT STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed below (the "**Short and Leveraged Index Tracking Investment Strategies**"). The investment objective of each of the Short and Leveraged Index Tracking Investment Strategies is to provide the Leveraged Exposure or Short Exposure, as determined by the applicable Leverage Factor, to the respective indices, as detailed below (the "**Relevant Indices**" and each a "**Relevant Index**").

The Reference Assets of the Short and Leveraged Index Tracking Investment Strategies will be, at the discretion of the Portfolio Administrator, any one or combination of the following:

- components of the respective Relevant Indices (including American Depositary Receipts/American Depositary Shares/Global Depositary Shares that represent equity security component assets of the Relevant Indices);
- futures contracts on the Relevant Indices or futures contracts on the components of the Relevant Indices listed on the Futures Exchanges.
- options contracts on the Relevant Indices or options contracts on the components of the Relevant Indices listed on the Option Exchanges; and
- any of the ETFs listed in the table below.

For Series of ETPs which offer Leveraged Exposures, the leverage will be achieved by borrowing from the Margin Loan Provider and/or entering into futures contracts or options contracts highly correlated with the Relevant Index or futures or options contracts highly correlated with the components of the Relevant Index listed on the Futures Exchanges or Option Exchanges .

For Series of ETPs Securities which offer Short Exposures, the Issuer will take a short position by borrowing the components of the Relevant Indices or ETFs listed in the table below and/or entering into short positions in futures or options contracts highly correlated with the Relevant Index and/or futures or options contracts highly correlated with the components of the Relevant Index listed on the Futures Exchanges or Option Exchanges.

The exposure of the ETP Securities to the Relevant Index will be rebalanced at the end of the Rebalance Period as set out in the relevant Final Terms to maintain their stated Leveraged Exposure or Short Exposure, as the case may be, constant at the beginning of each Rebalance Period by reference to the applicable Leverage Factor.

The Short and Leveraged Index Tracking Investment Strategies will subject to an Unscheduled Rebalance when the price of the Relevant Index increases (in the case of Short Exposures) or decreases (in the case of Leveraged Exposures) by more than the "Unscheduled Rebalance Trigger" in the below table with respect to their closing prices on the previous trading day during the regular trading session. The Portfolio Administrator will have discretion to carry out an Unscheduled Rebalance when the price of the relevant Reference Index increases (in the case of Short Exposures) or decreases (in the case of Leveraged Exposures) by more than the "Unscheduled Rebalance Trigger" with respect to their closing prices on the previous trading day at any time outside the regular trading session of the exchanges where the Relevant Index trades using prices that are made available to it at such time by the Margin Loan Providers. Such adjustment seeks to protect the holder of ETP Securities pursuing Leveraged and Short Exposure Investment Strategies from suffering a complete loss in the event of extreme market movements by crystallising the losses incurred up to that point.

The Issuer will aim to rebalance the ETP Security shortly after the Unscheduled Rebalance is triggered following similar mechanics to the standard rebalance at the end of each Rebalance Period by (i) using as a reference price such prices as may be available to the Portfolio Administrator by the Margin Loan Providers for the relevant Reference Assets and/or Relevant Indices soon after the Unscheduled Rebalance Trigger is reached (the "**Trigger Price**") and (ii) by trading the Reference Assets in such amounts as may be required so that, following the end of such rebalancing period, the ETP Securities offer their stated Leveraged Exposure or Short Exposure to the Relevant Indices by reference to the Trigger Price. After the Unscheduled Rebalance is completed, the Issuer will publish the resulting price, which will become the reference ETP Security Value for the rebalance of the ETP Security at the end of the relevant Rebalance Period.

Fees

The fees applicable to the ETP Securities which pursue the Short and Leveraged Index Tracking Investment Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily and will not exceed the per annum rate, as set out in the table below, on the ETP Security Value of the ETP Securities held by an ETP Securityholder.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Short and Leveraged Index Tracking Investment Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled “Summary of the Programme Documents”.

Name of Investment Strategy	Index	Index Sponsor	Index Information Source	Leverage Factor	Unscheduled Rebalance Trigger	Arranger Fee	Reference Assets consisting of ETFs
4x Long Semiconductors Investment Strategy	NYSE Semiconductor Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*	4x	-15%	0.75%	Not applicable
-4x Short Semiconductors Investment Strategy	NYSE Semiconductor Index	NYSE® Group, Inc.	*https://www.nyse.com/indices*	-4x	15%	0.75%	Not applicable
5x Long Magnificent 7 Investment Strategy	Solactive Magnificent 7 Index	Solactive AG	http://www.solactive.com	5x	-15%	0.75%	Not applicable
-3x Short Magnificent 7 Investment Strategy	Solactive Magnificent 7 Index	Solactive AG	http://www.solactive.com	-3x	16.67%	0.75%	Not applicable
3x Long Artificial Intelligence (AI) Investment Strategy	Solactive US Artificial Intelligence (AI) Index	Solactive AG	http://www.solactive.com	3x	-16.67%	0.75%	Not applicable
-3x Short Artificial Intelligence (AI) Investment Strategy	Solactive Artificial Intelligence (AI) Index	Solactive AG	http://www.solactive.com	-3x	16.67%	0.75%	Not applicable
5X Long S&P 500 Investment Strategy	S&P 500® Index	S&P Dow Jones Indices LLC	https://www.spglobal.com/spdji/en/index-family/equity/	5x	-10%	0.75%	SPDR S&P 500 ETF Trust
-5X Short S&P 500 Investment Strategy	S&P 500® Index	S&P Dow Jones Indices LLC	https://www.spglobal.com/spdji/en/index-family/equity/	-5x	10%	0.75%	SPDR S&P 500 ETF Trust
3X Long S&P 500 Investment Strategy	S&P 500® Index	S&P Dow Jones Indices LLC	https://www.spglobal.com/spdji/en/index-family/equity/	3x	-16.67%	0.75%	SPDR S&P 500 ETF Trust
5x Long Nasdaq 100 Investment Strategy	Nasdaq-100 Index®	Nasdaq, Inc.	https://www.nasdaq.com/market-activity/index/ndx	5x	-10%	0.75%	Invesco QQQ Trust
-5x Short Nasdaq 100 Investment Strategy	Nasdaq-100 Index®	Nasdaq, Inc.	https://www.nasdaq.com/market-activity/index/ndx	-5x	10%	0.75%	Invesco QQQ Trust
3x Long Nasdaq 100 Investment Strategy	Nasdaq-100 Index®	Nasdaq, Inc.	https://www.nasdaq.com/market-activity/index/ndx	3x	-16.67%	0.75%	Invesco QQQ Trust
5x Long FTSE 100 Investment Strategy	FTSE 100 Index	FTSE Russell	https://www.lseg.com/en/ftse-russell/indices/uk	5x	-10%	0.75%	1. iShares Core FTSE 100 UCITS ETF GBP (Acc) 2.Vanguard FTSE 100 UCITS ETF
-5x Short FTSE 100 Investment Strategy	FTSE 100 Index	FTSE Russell	https://www.lseg.com/en/ftse-russell/indices/uk	-5x	10%	0.75%	1. iShares Core FTSE 100 UCITS ETF GBP (Acc)

							2.Vanguard FTSE 100 UCITS ETF
5x Long FTSE MIB Investment Strategy	FTSE MIB Index	FTSE Russell	https://www.lseg.com/en/ftse-russell/indices/uk	5x	-10%	0.75%	iShares FTSE MIB UCITS ETF EUR (Acc)
-5x Short FTSE MIB Investment Strategy	FTSE MIB Index	FTSE Russell	https://www.lseg.com/en/ftse-russell/indices/uk	-5x	10%	0.75%	iShares FTSE MIB UCITS ETF EUR (Acc)
3x Long FAANG+ Investment Strategy	Solactive FAANG+	Solactive AG	http://www.solactive.com	3x	-16.67%	0.75%	LS FAANG+ ETP
3x Long Aerospace and Defense Investment Strategy	Solactive Transatlantic Aerospace and Defense Index	Solactive AG	http://www.solactive.com	3x	-16.67%	0.75%	Themes Transatlantic Defense ETF
3x Long Copper Miners Investment Strategy	BITA Global Copper Mining Index	BITA GmbH	https://www.bitadata.com/index	3x	-16.67%	0.75%	Themes Copper Miners ETF
3x Long Samsung Electronics Investment Strategy	Euronext 3x Long Samsung Electronics Index	Euronext N.V.	https://www.euronext.com/en	3x	-16.67%	0.75%	Not applicable
3x Long DAX Investment Strategy	DAX Index	STOXX Ltd	*https://www.stoxx.com/indices*	3x	-16.67%	0.75%	iShares Core DAX UCITS ETF
-3x Short DAX Investment Strategy	DAX Index	STOXX Ltd	*https://www.stoxx.com/indices*	-3x	16.67%	0.75%	iShares Core DAX UCITS ETF
5x Long DAX Investment Strategy	DAX Index	STOXX Ltd	*https://www.stoxx.com/indices*	5x	-10%	0.75%	iShares Core DAX UCITS ETF
-5x Short DAX Investment Strategy	DAX Index	STOXX Ltd	*https://www.stoxx.com/indices*	-5x	10%	0.75%	iShares Core DAX UCITS ETF
5x Long Euro Stoxx 50 Investment Strategy	EURO STOXX 50 Index	STOXX Ltd	https://stoxx.com/index/sx5e/	5x	-10%	0.75%	1. iShares EURO STOXX 50 UCITS ETF 2. iShares Core EURO STOXX 50 UCITS ETF 3. Xtrackers EURO STOXX 50 UCITS ETF 4. Invesco EURO STOXX 50 UCITS ETF
-5x Short Euro Stoxx 50 Investment Strategy	EURO STOXX 50 Index	STOXX Ltd	https://stoxx.com/index/sx5e/	-5x	10%	0.75%	1. iShares EURO STOXX 50 UCITS ETF 2. iShares Core EURO STOXX 50 UCITS ETF

							3. Xtrackers EURO STOXX 50 UCITS ETF 4. Invesco EURO STOXX 50 UCITS ETF
3x Long Euro Stoxx 50 Investment Strategy	EURO STOXX 50 Index	STOXX Ltd	https://stoxx.com/index/sx5e/	3x	-16.67%	0.75%	1. iShares EURO STOXX 50 UCITS ETF 2. iShares Core EURO STOXX 50 UCITS ETF 3. Xtrackers EURO STOXX 50 UCITS ETF 4. Invesco EURO STOXX 50 UCITS ETF
-3x Short Euro Stoxx 50 Investment Strategy	EURO STOXX 50 Index	STOXX Ltd	https://stoxx.com/index/sx5e/	-3x	16.67%	0.75%	1. iShares EURO STOXX 50 UCITS ETF 2. iShares Core EURO STOXX 50 UCITS ETF 3. Xtrackers EURO STOXX 50 UCITS ETF 4. Invesco EURO STOXX 50 UCITS ETF
2.25x Long VIX Investment Strategy	S&P 500 VIX Short Term Futures Index	S&P Dow Jones Indices LLC	https://www.spglobal.com/spdji/en/index-family/equity	2.25x	-22.22%	0.75%	ProShares VIX Short-Term Futures ETF

NYSE Semiconductor Index

The NYSE Semiconductor Index is a rules-based, modified float-adjusted market capitalisation-weighted index that tracks the performance of the thirty largest U.S semiconductor equity securities listed on the New York Stock Exchange or Nasdaq (the "**Semiconductor Universe**").

The NYSE Semiconductor Index undergoes a reconstitution annually after the close of the third Friday of September. It is possible, therefore, that some of the equity securities listed below may be removed from the constituents of the NYSE Semiconductor Index and other constituents within the Semiconductor Universe may be added.

The NYSE Semiconductor Index will be rebalanced quarterly. At each quarterly rebalancing the constituent weights will be recalculated, however no constituents are added to or removed from the NYSE Semiconductor Index.

The rules and methodology of the NYSE Semiconductor Index can be found at https://indices.ice.com/

Solactive Magnificent 7 Index

The Solactive Magnificent 7 Index tracks the performance of the following seven mega cap US based companies; Alphabet Inc., Amazon.Com Inc., Apple Inc., Meta Platforms Inc., Microsoft Corp., NVIDIA Corp., and Tesla Inc. Each component of the Solactive Magnificent 7 Index is weighted equally.

The Solactive Magnificent 7 Index is rebalanced semi annually.

Further information on the Solactive Magnificent 7 Index can be found at: http://www.solactive.com

Solactive US Artificial Intelligence (AI) Index

The Solactive US Artificial Intelligence (AI) Index tracks the performance of the US based companies listed below which derive their revenues from artificial intelligence or artificial intelligence-driven services. Each component of the Solactive US Artificial Intelligence (AI) Index is equally weighted.

The Solactive US Artificial Intelligence (AI) Index is rebalanced quarterly.

Further information on the Solactive US Artificial Intelligence (AI) Index can be found at: http://www.solactive.com.

The S&P 500® Index

The S&P 500® Index measures the performance of 500 large-cap companies listed on stock exchanges in the United States. The selection criteria include factors such as market capitalisation, liquidity, sector representation, financial viability and other considerations.

The S&P 500® Index is float-adjusted capitalization weighted.

The S&P 500® Index rebalances quarterly in March, June, September and December.

The rules and methodology of the S&P 500® Index along with details of the constituents of the index can be found at: https://www.spglobal.com/spdji/en/methodology/article/sp-us-indices-methodology/

The Nasdaq-100 Index®

The Nasdaq-100 Index® is a modified market capitalisation-weighted index, designed to measure the performance of 100 of the largest Nasdaq-listed non-financial companies.

Eligible security types generally include ADRs, common stocks, ordinary shares and tracking stocks. The issuer of the security's primary U.S. listing must exclusively be listed on the Nasdaq Global Select Market or the Nasdaq Global Market.

The constituents of the Nasdaq-100 Index® are selected once annually in December.

The rules and methodology of the Nasdaq-100 Index® along with the details of the constituents of the index can be found at: https://www.nasdaq.com/solutions/nasdaq-

100

FTSE 100 Index

The FTSE 100 Index is calculated by weighing all the stocks listed on the London Stock Exchange by market capitalisation, encompassing a wide range of sectors such a s finance, energy, consumer goods and more. The 100 companies with the highest market cap makes it into the index.

Stocks with higher market caps have more weight in the FTSE 100 and therefore have a bigger effect on the index's price movements. The market capitalisation of each company is reviewed once a quarter and the index is adjusted if necessary.

Further information on the FTSE 100 Index can be found at: https://www.lseg.com/en/ftse-russell/indices/uk#featured-indices

FTSE MIB Index

The FTSE MIB Index is a benchmark index for the Italian equity markets belonging to the FTSE Italia Index Series. Capturing approximately 80% of the domestic market capitalisation, the index is comprised of highly liquid companies in Italy.

The FTSE MIB Index measures the performance of 40 shares listed on Borsa Italiana and seeks to replicate the broad sector weights of the Italian stock market. The index is derived from the universe of stocks trading on the Borsa Italiana (BIt) Euronext Milan and Euronext MIV Milan markets. The index has been created to be suitable for futures and options trading, as a benchmark index for exchange traded funds and for tracking large capitalisation stocks in the Italian market.

The FTSE MIB Index is market capitalisation weighted after adjusting constituents for float. Individual constituent weights are capped at 15%. The index is reviewed on a quarterly basis.

Further information on the FTSE MIB Index can be found at the following links:

https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-mib-index-english-ground-rules.pdf

https://www.borsaitaliana.it/borsa/indici/indici-in-continua/dettaglio.html?indexCode=FTSEMIB&mic=IDX&lang=en

Solactive FAANG+ Investment Strategy

The Solactive FAANG+ Index intends to track the price movements of a portfolio of ten (10) stocks which includes as core components Meta Platforms Inc, Apple Inc., Amazon.com Inc., Netflix Inc., Microsoft Corp., Alphabet Inc. Tesla Inc and the next three most liquid, tech-enabled stocks listed and headquartered in the United States.

The Solactive FAANG+ Index is a rules-based, equal-weighted equity index that rebalances annually.

Further information on the Solactive FAANG+ Index can be found at: https://www.solactive.com/Indices/?index=DE000SL0H9D1

Solactive Transatlantic Aerospace and Defense Index

The Solactive Transatlantic Aerospace and Defense Index tracks the performance of companies that have business operations in the aerospace and defense industry and are headquartered in a country that is a member of the North Atlantic Treaty Organization(NATO).

The Solactive Transatlantic Aerospace and Defense Index is rebalanced quarterly. On each rebalancing day, each index component is assigned a weight according to free float market capitalisation subject to the following constraints:

1) The maximum weight of an index component is 8%.
2) The minimum weight of an index component is 0.05%
3) The aggregate weight of the index components weighted above 4.5% is capped at 45%. The remaining companies are capped at 4.5%.

Further information on the Solactive Transatlantic Aerospace and Defense Index can be found at: https://www.solactive.com/indices/?index=DE000SL0J4B4

BITA Global Copper Mining Index

The BITA Global Copper Mining Index aims to track the performance of companies that are publicly listed on recognized, global exchanges, that derive significant revenues from the mining of copper as well as downstream and upstream operations such as exploration and refining.

The index constituents are weighted based free-float market capitalization modified by thematic exposure and rebalanced on a quarterly basis. Index values are disseminated on an intraday and end of day basis.

Further information on the BITA Global Copper Mining Inex can be found at: https://www.bitadata.com/index/BGCMSI

Euronext 3x Long Samsung Electronics Index

The Euronext 3x Long Samsung Electronics Index aims to provide a 3x Leveraged Exposure to the price of ordinary shares of Samsung Electronics Co. Ltd.

The Euronext 3x Samsung Electronics Index is owned, calculated, administered and published by Euronext N.V. assuming the role as index administrator under the Regulation (EU) 2016/1011.

The rules governing the Euronext 3x Samsung Electronics Index (including the methodology of the index for the selection and rebalancing of the components of the index, description of market disruption events and adjustments rules) are based on predetermined and objective criteria, which can be found at: https://www.euronext.com/en.

DAX Index

The DAX Index (Deutscher Aktienindex) is designed to measure the performance of the 40 largest and most liquid German companies listed on the regulated market of the Frankfurt Stock Exchange. The DAX Index reflects the performance of German blue-chip equities and is calculated as a free-float market-capitalization-weighted index, with dividends reinvested (total return version) or excluded (price return version), as applicable.

The DAX Index is owned by Deutsche Börse AG and is administered, calculated, and published by STOXX Ltd., acting as the index administrator in accordance with Regulation (EU) 2016/1011 (the EU Benchmarks Regulation).

The rules governing the DAX Index, including the index methodology, eligibility and selection criteria, weighting, rebalancing procedures, treatment of corporate actions, market disruption events, and adjustment rules, are based on predefined and objective criteria. These rules and the full index methodology are available on the index administrator's website at: https://www.stoxx.com.

S&P 500 VIX Short-Term Futures Index

The S&P 500 VIX Short-Term Futures Index is designed to measure the performance of a rolling long position in first- and second-month VIX futures contracts listed on the Cboe Futures Exchange. The index seeks to reflect short-term exposure to expected volatility of the U.S. equity market, as implied by VIX futures prices, and is rebalanced daily to maintain a constant short-term maturity profile.

The S&P 500 VIX Short-Term Futures Index is calculated, administered, and published by S&P Dow Jones Indices LLC, acting as index administrator under applicable benchmark regulations. The index is based on VIX futures contracts, which reference the CBOE Volatility Index (VIX®), a trademark and benchmark of Cboe Global Markets, Inc.

The rules governing the S&P 500 VIX Short-Term Futures Index, including the index methodology, contract selection and rolling process, daily rebalancing, treatment of market disruption events, and adjustment rules, are based on predetermined and objective criteria. The full index methodology and governance documentation are available on the index administrator's website at:https://www.spglobal.com/spdji.

EURO STOXX 50 Index

The EURO STOXX 50 Index is designed to measure the performance of 50 leading blue-chip companies from Eurozone countries. It represents the largest and most liquid stocks in the Eurozone equity market and is calculated as a free-float market-capitalization-weighted index, with versions that reflect price return, gross return, or net return, as applicable.

The EURO STOXX 50 Index is owned, administered, calculated, and published by STOXX Ltd., a subsidiary of Deutsche Börse AG, acting as the index administrator in accordance with Regulation (EU) 2016/1011 (the EU Benchmarks Regulation). The rules governing the EURO STOXX 50 Index, including the index methodology, eligibility and selection criteria, weighting, rebalancing procedures, treatment of corporate actions, market disruption events, and adjustment rules, are based on predefined and objective criteria. These rules and the full index methodology are available on the index administrator's website at: https://www.stoxx.com.

Russell 2000 Index

The Russell 2000 Index measures the performance of the small-capitalisation segment of the US equity market. It is a subset of the Russell 3000 Index, which comprises the 3,000 largest US companies by market capitalisation, and consists of the approximately 2,000 smallest companies in that universe (i.e. those ranked below the 1,000 largest companies, which form the Russell 1000 Index). The index spans a wide range of sectors, including health care, financials, industrials, technology, consumer goods and more.

The index is weighted by free-float adjusted market capitalisation, meaning that companies with a higher market capitalisation have more weight in the Russell 2000 and therefore have a bigger effect on the index's price movements. The index is reconstituted twice a year, in June and December, when company rankings are reviewed and the index membership is adjusted if necessary. Eligible initial public offerings may also be added on a quarterly basis.

Further information on the Russell 2000 Index can be found at: https://www.lseg.com/en/ftse-russell/indices/russell-us.

12. THE INCOME STRATEGIES

The Issuer may issue Series of ETP Securities which employ the Options-Based Income Strategies, the Multiple Income Strategies or the Leveraged Exposure Income Strategies, as detailed below.

Each Series of ETP Securities which employs an Options-Based Income Strategy, a Multiple Income Strategy or a Leveraged Exposure Income Strategy (each as defined below) will be categorised as an Income Series.

THE OPTIONS-BASED INCOME STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed in the table below (the "**Options-Based Income Strategies**"). The objective of each Options-Based Income Strategy is to generate a recurring income stream by:

a) selling (or "writing") listed call options and/or put options ("**Options**") on the indices and/or stocks and/or futures and/or ETFs and/or ETPs listed in the table below (the "**Option Underlying**"); and

b) providing a Return on Collateral.

The Options-Based Income Strategies may also trade Options for hedging purposes. Such hedging activity may be undertaken to reduce exposure to adverse price movements in the Option Underlying or to manage the risk profile of the written Options.

Overview of Call and Put Options

A call option gives the option buyer (the "**Option Buyer**") the right (but not the obligation) to purchase an asset from the option seller (the "**Option Seller**") at a future date (the "**Exercise Date**") for an agreed price (the "**Strike Price**"), in exchange for the payment of a premium. A put option gives the Option Buyer of the option the right (but not the obligation) to sell an asset to the Option Seller of the put option on the Exercise Date at the agreed Strike Price, in exchange for the payment of a premium.

If the Strike Price of an Option is equal to the current market price of the underlying asset (the "**Spot Price**"), the Option is said to be "at the money" (or "**ATM**"). If the Strike Price of an Option is above the Spot Price (in the case of a put option) or below the Spot Price (in the case of a call option) of its underlying asset, the Option is said to be "in the money" (or "**ITM**"). If the Strike Price of an Option is below (in the case of a put option) or above (in the case of a call option) the Spot Price of the underlying asset it is said to be "out of the money" (or "**OTM**"). The degree of "moneyness" or "intrinsic value" is measured by the difference between the Strike Price of the Option and the Spot Price of the underlying asset (the "**Intrinsic Value**").

Option Underlyings and Reference Assets

For each of the Series employing the Options-Based Income Strategies, the Issuer will sell put and/or call options in respect of the Option Underlyings detailed in the table below and may buy and hold positions in, or providing exposure to, the Option Underlyings and may buy put and/or call options in respect of the Option Underlyings for hedging purposes. The Reference Assets for the Series will be the relevant put and/or call options and, to the extent that it holds positions in the Option Underlyings, such Option Underlyings. In the case of Series employing Options-Based Income Strategies providing exposure to indices, the Portfolio Administrator may trade Options on such indices and/or on futures contracts on such indices and/or on ETFs or ETPs highly correlated to such indices, as set out in the table below, with the aim of generating Interest Amounts. In addition to selling Options, the Portfolio Administrator may also buy Options for hedging purposes. Such hedging transactions may be used to limit or manage the risks associated with the written Options or with movements in the relevant underlying indices, futures, ETFs or ETPs. The use of Options for hedging purposes may reduce potential losses but may also reduce the Interest Amounts.

Periodic Interest Payments

Each of the Series employing the Options-Based Income Strategies will be an Income Series and the Conditions will require the Issuer to make periodic payments of Interest Amounts on the Interest Payment Dates.

Interest Amounts

In respect of each ETP Security, for each Interest Payment Date the Interest Amount will be its pro rata entitlement to the Available Receipts for that Interest Payment Date, being the amount equal to the Available Receipts divided by the number of Interest Amount Entitled ETP Securities. Accordingly, ETP Securityholders should be aware that the Interest Amounts for each Interest Payment Date will vary depending on the level of Available Receipts.

The "*Available Receipts*" will be, in respect of any Interest Payment Date, an amount calculated by the Determination Agent as follows:

(i) all premiums, distributions, dividends and other payments received by the Issuer in respect of the Collateral Assets during the period beginning on (and including) the Series Issue Date and ending on (and including) the Currency Business Day prior to the related Interest Declaration Date but not including the liquidation proceeds of any Collateral Assets which have been liquidated to fund the payment of any Redemption Amounts which may be or have been payable in respect of ETP Securities:

less each of:

(ii) the aggregate of all Interest Amounts which have been paid by the Issuer since the Series Issue Date;

(iii) all fees, costs, expenses and amounts of Tax which relate to the ETP Securities (including but not limited to any Funding and Brokerage Fees and any amounts of Arranger Fee) which have been paid or incurred by the Issuer during the period beginning on the Series Issue Date and ending on (and including) the Currency Business Day prior to the related Interest Declaration Date or which are otherwise payable by the Issuer;

(iv) to the extent not included in (iii) above, any amount that the Portfolio Administrator determines, and notifies to the Determination Agent, that it is appropriate to reserve for the payment of fees, costs, expenses and amounts of Tax (including but not limited to any Funding and Brokerage Fees and any amounts of Arranger Fee) relating to the ETP Securities which are expected to be incurred or become payable by the Issuer following the Interest Declaration Date; and

(v) any amount that the Portfolio Administrator determines, and notifies to the Determination Agent, that it is appropriate to reserve for the payment of Interest Amounts on subsequent Interest Payment Dates or to be reinvested in the Option Underlyings or otherwise retained as Collateral Assets, or to fund hedging arrangements in connection with the Options-Based Income Strategies employed by the ETP Securities.

It is anticipated that the Available Receipts will be principally comprised of premiums received by the Issuer as Option Seller of the options. The level of premiums received by the Issuer will be primarily influenced by the volatility of the Option Underlyings' value and the Intrinsic Value of the Options, although other factors, including interest rates and the time remaining to expiration of the Option (the "Option Expiry") will also impact the level of income. Where Options are sold ITM, a portion of the premium received will reflect the Intrinsic Value of the Option, which the Portfolio Administrator may determine that such portion be reserved in accordance with paragraph (v) above.

For each Interest Payment Date, the relevant Interest Amount will be notified to ETP Securityholders in an Interest Notification as described below.

Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, for each Income Series, the Interest Payment Dates will be:

(1) the day that falls five (5) Clearing System Business Days after the Record Date or, if such day is not also a Currency Business Day, the immediately following day that is both a Clearing System Business

Day and a Currency Business Day or any other date designated by the Portfolio Administrator in its absolute discretion,

and

(2) each other date that may be designated as such by the Portfolio Administrator in its absolute discretion and which shall be specified in an Interest Notification

provided there shall be at least one Interest Payment Date in each calendar quarter.

Effect of Interest Amounts on ETP Security Value

The declaration of any Interest Amounts will result in a corresponding decrease in the ETP Security Value. on the relevant "Interest Ex Date", which will be the date on which the ETP Security Value will not include the Interest Amounts announced for the relevant Interest Payment Date. Unless otherwise provided in the Final Terms, the "Interest Ex Date" will be the date that may be designated as such by the Portfolio Administrator in its absolute discretion and shall be specified in the Interest Notification.

Only ETP Securityholders that are on the records of the Relevant Clearing System on the "Record Date" will be entitled to receive the Interest Amount. For each Interest Payment Date, the Record Date shall unless, otherwise specified in the Final Terms or specified in an Interest Notification, be the Clearing System Business Day immediately following the relevant Interest Ex Date.

Interest Notifications

On each "*Interest Declaration Date*", which shall be at least five Business Days prior to each Interest Payment Date, the Issuer shall cause the following details to be notified to ETP Securityholders in accordance with Condition 20.3 (such notification, an "**Interest Notification**"):

(i) the Interest Payment Date;

(ii) the Interest Amount;

(iii) the Interest Ex Date; and

(iv) the Record Date.

Exposure to the Option Underlying

As explained below, the extent to which a Series pursuing an Options-Based Income Strategy will provide exposure to the Option Underlying will depend upon a number of factors, including but not limited to:

- whether the Options-Based Income Strategy involves the use of put options, call options, or both;
- the Option Underlyings in respect of which Options are sold and the extent to which they differ from any asset in which the Issuer holds positions;
- the extent to which the call options or the put options are physically settled;
- the extent to which the Options-Based Income Strategy engages in hedging activities;
- in the case of call options the extent to which they are covered; and
- the Strike Prices of the Options.

Use of Put Options

Acting as the Option Seller of a put option will expose the Issuer to the risk that the Strike Price exceeds the Spot Price of the Option Underlying on the Exercise Date. Accordingly, any decrease in the price of the Option

Underlying will expose the Issuer to the potential of loss. Any loss incurred by the Issuer in respect of a put option will result in a corresponding decrease in the ETP Security Value.

Put options may be cash settled such that on the Exercise Date the Issuer may be required to make a payment to the Option Buyer to the extent that the Strike Price exceeds the Spot Price. Additionally, put options may be physically settled such that the Issuer may from time to time be required to take delivery of the underlying assets. To the extent that it owns the underlying assets, the Issuer will be exposed to the risk of the price of the underlying assets decreasing which may result in a decrease of the ETP Security Value. Conversely, any increase in the price of any underlying assets while they are owned by the Issuer may result in a corresponding increase in the ETP Security Value.

Conversely, if the Issuer buys put options, any decrease in the price of the Option Underlying may result in gains on such Options which may mitigate the losses on any Options sold by the Issuer. Any gains incurred by the Issuer in respect of a put option will result in a corresponding increase in the ETP Security Value.

Use of Call Options

Acting as the Option Seller of a call option will expose the Issuer to the risk that the Spot Price of the Underlying Asset exceeds the Strike Price on the Exercise Date. Accordingly, any increase in the price of the Option Underlying will expose the Issuer to the potential of loss under the call option.

Call options may be cash settled such that on the Exercise Date the Issuer may be required to make a payment to the Option Buyer to the extent that the Spot Price exceeds the Strike Price. Additionally, call options may be physically settled such that the Issuer may from time to time be required to make delivery of the underlying assets.

There is no limit on the level to which the price of an underlying asset can increase and there accordingly exists the potential of an unlimited loss. However, for Options-Based Income Strategies using call options, the Issuer may enter the call options on a “covered” basis whereby it will acquire the relevant Underlying Asset to which the call option relates. Accordingly, any loss experienced on the call option will be offset by an equivalent gain on the Underlying Asset owned by the Issuer. However, it may not be possible for the Issuer to fully cover all of its exposure under the related call options and a portion of its position may remain uncovered. Any loss incurred in respect of an uncovered exposure in respect of a call option will result in a corresponding decrease in the ETP Security Value. Additionally, to the extent that it owns the underlying assets, the Issuer will be exposed to the risk of the price of the underlying assets decreasing which may result in a decrease of the ETP Security Value.

There may also be occasions when the Issuer is unable to sell call options in respect of all underlying assets which it owns. If that occurs, any increase in the value of the underlying assets which are not the subject of a call option will result in an increase in the ETP Security Value. Furthermore, to the extent that on the date a call option is sold by the Issuer, the Strike Price exceeds the Spot Price of any underlying assets held by the Issuer to cover its exposure under that call option, any increase in the market price between the Spot Price and the Strike Price will result in a corresponding increase in the ETP Security Value.

Option Expiry

Options sold by the Issuer will have either a “Daily Option Expiry”, a “Weekly Option Expiry” or a “Monthly Option Expiry” as detailed in each Investment Strategy below. The expiration period of an Option describes the period of time between the date on which the Option becomes effective and the Exercise Date of the Option. For Options which are expressed to have a Daily Option Expiry, the Options will expire at the end of the day on which they become effective. For Options which are expressed to have a Weekly Option Expiry, the Option will expire approximately one week after the date on which the Option becomes effective, as determined by the exchange where the relevant Option is traded. For Options which are expressed to have a Monthly Option Expiry, the Option will expire approximately one month after the date on which the Option becomes effective, as determined by the exchange where the relevant Option is traded.

Strike Prices of Options

As described above, the Strike Prices of the Options sold by the Issuer will influence the level of premiums received by the Issuer and will also influence the potential loss that may be incurred by the Issuer.

The Portfolio Administrator will aim to sell the relevant Options on their respective Option Exchanges at Strike Prices in the permitted range as set out in the table below (the "**Strike Price Ranges**").

While aiming to trade the Options within the Strike Price Ranges, the Portfolio Administrator will have discretion to sell Options with different Strike Prices to optimise the liquidity and income of the Options-Based Income Strategies, as well as to deal with market events impacting the Options or the Option Underlying.

The Portfolio Administrator will also have discretion to buy Options for hedging purposes at Strike Prices outside the Strike Price Ranges in the table below. The cost of purchasing Options for hedging purposes will be mainly funded by the premium collected by the Issuer as Option Seller, which may reduce the Interest Amounts. The Strike Prices of the Options purchased by the Issuer will influence the level of premiums paid by the Issuer and will also influence the potential loss that may be incurred by the Issuer under the relevant Options-Based Income Strategies.

Details of Options-Based Income Strategies

Name of Investment Strategy	**Type of Option**	**Option Expiry**	**Strike Price Ranges**	**Option Underlying**
LS Nasdaq 100 Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Nasdaq 100 Index
				Invesco QQQ Trust
				S&P 500 Index
				Russell 2000 Index
LS S&P 500 Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	S&P 500 Index
				SPDR S&P 500 ETF Trust
				Nasdaq 100 Index
				Russell 2000 Index
LS Tesla Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Tesla Inc.
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS Amazon Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Amazon.com Inc.
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS Apple Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Apple Inc.
				Nasdaq 100 Index
				S&P 500 Index

				Russell 2000 Index
LS Alphabet Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Alphabet Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS META Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Meta Platforms Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Microsoft Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Microsoft Corp. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Coinbase Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Coinbase Global, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS NVIDIA Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	NVIDIA Corp Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Alibaba (BABA) Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Alibaba Group Holding Ltd ADS Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Baidu (BIDU) Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Baidu, Inc. ADS issued by Bank of New York Mellon Nasdaq 100 Index S&P 500 Index Russell 2000 Index
				Palantir Technologies Inc.

LS Palantir Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Microstrategy Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	MicroStrategy Incorporated Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS AMD Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Advanced Micro Devices, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Broadcom Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Broadcom Inc Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Taiwan Semiconductor (TSM) Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Taiwan Semiconductor Manufacturing Company, Limited ADS issued by Citibank, N.A. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS 20+ Year Treasury (TLT) Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares 20+ Year Treasury Bond ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS US Dividends (SCHD) Plus Options Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Schwab US Dividend Equity ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Silver Yield Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares Silver Trust Nasdaq 100 Index S&P 500 Index Russell 2000 Index

LS Gold Yield Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	SPDR Gold Trust Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Bitmine Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Bitmine Immersion Technologies, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Robinhood Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Robinhood Markets, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Super Micro Computer Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Super Micro Computer, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Super Berkshire Hathaway Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Berkshire Hathaway Inc. (Class B) Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Netflix Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Netflix Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS UnitedHealth Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	UnitedHealth Group Incorporated Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS QUALCOMM Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	QUALCOMM Incorporated Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Texas Instruments Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Texas Instruments Incorporated Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Marvell Technology Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Marvell Technology, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Applied Materials Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM	Applied Materials, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index

			Calls: 20% ITM to 10% OTM	
LS Lam Research Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Lam Research Corporation Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS KLA Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	KLA Corporation Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Analog Devices Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Analog Devices, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS IREN Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	IREN Limited Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS ARM Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Arm Holdings plc ADS issued by Citibank N.A. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Intel Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Intel Corporation Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS CoreWeave Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	CoreWeave, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Circle Internet Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Circle Internet Group Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Galaxy Digital Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Galaxy Digital Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Mara Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	MARA Holdings, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
				Riot Platforms, Inc.

LS Riot Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS NXP Semiconductors Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	NXP Semiconductors N.V. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Oracle Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Oracle Corporation Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Micron Technology Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Micron Technology, Inc. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Silver Miners Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Global X Silver Miners ETF iShares MSCI Global Silver Metals Miners ETF Themes Silver Miners ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Gold Miners Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	VanEck Vectors Gold Miners ETF Themes Gold Miners ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Copper Miners Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Global X Copper Miners ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Uranium Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Global X Uranium ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Broad Commodities Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Invesco DB Commodity Index Tracking Fund abrdn Bloomberg All Commodity Strategy K-1 Free ETF Bloomberg Commodity Index Futures S&P GSCI Index futures Nasdaq 100 Index S&P 500 Index Russell 2000 Index

LS WTI Oil Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	West Texas Intermediate (WTI) Crude Oil Futures
				United States Oil Fund (USO)
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS Brent Oil Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Brent Crude Oil Futures
				United States Brent Oil Fund
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS Copper Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Copper Futures
				United States Copper Index Fund
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS ASML Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	ASML Holding N.V. ADR issued by Citibank N.A.
				ASML Holding N.V.
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS FTSE 100 Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	FTSE 100 Index Futues
				iShares Core FTSE 100 UCITS ETF GBP (Acc)
				Vanguard FTSE 100 UCITS ETF
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS Eurostoxx 50 Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Euro Stoxx 50 Index Futures
				iShares Core EURO STOXX 50 UCITS ETF
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS MSCI World Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	MSCI World Index Futures
				iShares MSCI World ETF (URTH)
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS DAX Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	DAX Futures (FDAX), Mini-DAX Futures (FDXM)
				iShares Core DAX UCITS ETF
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS Memory and Storage Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM	Roundhill Memory ETF (DRAM)
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index

			Calls: 20% ITM to 10% OTM	
LS SpaceX Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Space Exploration Technologies Corp. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS SK Hynix Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	SK hynix Inc. ADS issued by Citibank N.A. Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Samsung Electronics Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Samsung Electronics Co., Ltd Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Aerospace & Defense Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares U.S. Aerospace & Defense ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS Vanguard Real Estate Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Vanguard Real Estate ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS 0-3 month Treasury (SGOV) Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares 0–3 Month Treasury Bond ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS 1-3 Year Treasury Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares 1–3 Year Treasury Bond ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index
LS 7-10 Year Treasury Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares 7–10 Year Treasury Bond ETF Nasdaq 100 Index S&P 500 Index Russell 2000 Index

LS Investment Grade Corporate Bond Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares iBoxx $ Investment Grade Corporate Bond ETF
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS High Yield Corporate Bond Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	iShares iBoxx $ High Yield Corporate Bond ETF
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index
LS MLP & Energy Infrastructure Options-Based Income Strategy	Put and/or Call	Daily, Weekly or Monthly	Puts: 20% OTM to 10% ITM Calls: 20% ITM to 10% OTM	Alerian MLP ETF
				Nasdaq 100 Index
				S&P 500 Index
				Russell 2000 Index

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Options-Based Income Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the Options-Based Income Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate that will not exceed 0.95% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

THE MULTIPLE INCOME STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed below (the "**Multiple Income Strategies**"). The investment objective of each Multiple Income Strategy is to generate a recurring income stream by investing in two or more securities that generate a recurring income themselves, including Series of ETP Securities that employ Income Strategies and/or by employing the Options-Based Income Strategies that aim to generate income mainly by selling Options on indices and/or stocks and/or futures and/or ETFs and/or ETPs and providing a Return on Collateral.

LS Magnificent 7 Options-Based Income Strategy

The LS Magnificent 7 Options-Based Income Strategy aims to generate a recurring income stream by investing in the following seven Series of ETP Securities issued by the Issuer:

- IncomeShares Amazon (AMZN) Options ETP
- IncomeShares Apple (AAPL) Options ETP
- IncomeShares Alphabet (GOOG) Options ETP

- IncomeShares META Options ETP
- IncomeShares Microsoft (MSFT) Options ETP
- IncomeShares Tesla (TSLA) Options ETP
- IncomeShares NVIDIA (NVDA) Options ETP

Each component of the LS Magnificent 7 Options-Based Income Strategy is weighted equally and rebalanced semi-annually.

LS Semiconductors Leaders Income Strategy

The LS Semiconductors Leaders Income Strategy aims to generate a recurring income stream by investing in five or more Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies selected by the Portfolio Administrator that provide exposure to some of the largest companies deriving significant revenues from semiconductors and semiconductors-related products or services or by employing the Options-Based Income Strategies that aim to generate income by providing exposure to such companies.

Each component of the LS Semiconductors Leaders Income Strategy is weighted equally and rebalanced semi-annually.

Details of the portfolio composition of the LS Semiconductors Leaders Income Strategy will be set out on the Issuer's Website

LS Artificial Intelligence Leaders Income Strategy

The LS Artificial Intelligence Leaders Income Strategy aims to generate a recurring income stream by investing in five or more Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies selected by the Portfolio Administrator that provide exposure to some of the largest companies deriving significant revenues from AI and AI-related products or services or by employing the Options-Based Income Strategies that aim to generate income by providing exposure to such companies.

Each component of the LS Artificial Intelligence Leaders Income Strategy is weighted equally and rebalanced semi-annually.

Details of the portfolio composition of the LS Artificial Intelligence Leaders Income Strategy will be set out on the Issuer's Website.

LS Blockchain Leaders Income Strategy

The LS Blockchain Leaders Income Strategy aims to generate a recurring income stream by investing in five or more Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies selected by the Portfolio Administrator that provide exposure to some of the largest companies deriving significant revenues from blockchain and blockchain-related products or services or by employing the Options-Based Income Strategies that aim to generate income by providing exposure to such companies.

Each component of the LS Blockchain Leaders Income Strategy is weighted equally and rebalanced semi-annually.

Details of the portfolio composition of the LS Blockchain Leaders Income Strategy will be set out on the Issuer's Website.

LS US Quality Dividend Leaders Income Strategy

The LS US Quality Dividend Leaders Income Strategy aims to generate a recurring income stream by directly investing in ten or more stocks of companies included in ETFs which aim to invest in high-quality companies which are also deemed to be established US dividends payers or expected to grow their dividends payments, and then by employing the Options-Based Income Strategies that aim to generate income by selling options on such companies.

Each component of the LS US Quality Dividend Leaders Income Strategy is selected at the absolute

discretion of the Portfolio Administrator and rebalanced in line with the rebalancing of the ETF from which such components are selected. Examples of such ETFs include, among others, the Schwab U.S. Dividend Equity ETF and the WisdomTree U.S. Quality Dividend Growth Fund.

Details of the portfolio composition of the LS US Quality Dividend Leaders Income Strategy will be set out on the Issuer's Website.

LS Total Income Strategy

The LS Total Income Strategy aims to generate a recurring income stream by investing in all or most of the Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies.

The selection, weighting and rebalancing of each component of the LS Total Income Strategy will be determined by the Portfolio Administrator in its absolute discretion.

Details of the portfolio composition of the LS Total Income Strategy will be set out on the Issuer's Website.

LS 60/30/10 Balanced Income Strategy

The LS 60/30/10 Balanced Income Strategy aims to generate a recurring income stream by investing in a diversified portfolio of Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies selected by the Portfolio Administrator which provide approximately: (i) 60% exposure to equity, (ii) 30% exposure to fixed income and (iii) 10% exposure to alternative assets like commodities.

The Portfolio Administrator may select multiple components for each of the above asset classes and assign each such component weights in its absolute discretion and change both the individual components and their respective weights at any time, provided that it aims to maintain an approximate 60/30/10 allocation to equity, fixed income and alternatives exposures, respectively, at semiannual rebalancing points.

LS 75/10/15 Multi-Asset Growth Income Strategy

The LS 75/10/15 Growth Income Strategy aims to generate a recurring income stream by investing in a diversified portfolio of Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies selected by the Portfolio Administrator which provide approximately: (i) 75% exposure to equity, (ii) 10% exposure to fixed income and (iii) 15% exposure to alternative assets like commodities. For the equity allocation, the Portfolio Administrator may overweight components that exhibit strong growth characteristics, such as above-average earnings growth, revenue growth or expected future growth, or that capture secular growth trends such as technology adoption and innovation.

The Portfolio Administrator may select multiple components for each of the above asset classes and assign each such component weights in its absolute discretion and change both the individual components and their respective weights at any time, provided that it aims to maintain an approximate 75/10/15 allocation to equity, fixed income and alternatives exposures, respectively, at semi-annual rebalancing points.

Details of the portfolio composition of the LS 75/10/15 Growth Income Strategy will be set out on the Issuer's Website.

LS Ultra Option Income Strategy

The LS Ultra Option Income Strategy aims to generate a recurring income stream by investing in a diversified portfolio of 5-15 Series of ETP Securities issued by the Issuer which employ the Options-Based Income Strategies selected by the Portfolio Administrator to provide exposure to underlying assets exhibiting relatively higher implied volatility levels and, consequentely, higher income-generation potential.

The selection, weighting and rebalancing of each component of the LS Ultra Option Income Strategy will be determined by the Portfolio Administrator in its absolute discretion.

Details of the portfolio composition of the LS Ultra Option Income Strategy will be set out on the Issuer's Website.

Periodic Interest Payments

Each Multiple Income Strategy will be an Income Series and the Conditions will require the Issuer to make periodic payments of Interest Amounts on the Interest Payment Dates.

Interest Amounts

In respect of each ETP Security, for each Interest Payment Date the Interest Amount will be the aggregate of Interest Amounts received by the Issuer in respect of each of the components of each Multiple Income Strategy (the "**Reference Interest Amounts**"). Accordingly, ETP Securityholders should be aware that the Interest Amounts for each Interest Payment Date will vary depending on the level of the Reference Interest Amounts.

Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, for each Series which pursues a Multiple Income Strategy, the Interest Payment Dates will be:

(1) the day that falls five (5) Clearing System Business Days after the Record Date or, if such day is not also a Currency Business Day, the immediately following day that is both a Clearing System Business Day and a Currency Business Day or any other date designated by the Portfolio Administrator in its absolute discretion,

and

(2) each other date that may be designated as such by the Portfolio Administrator in its absolute discretion and which shall be specified in an Interest Notification

provided there shall be at least one Interest Payment Date in each calendar quarter.

Effect of Interest Amounts on ETP Security Value

The declaration of any Interest Amounts will result in a corresponding decrease in the ETP Security Value. on the relevant "Interest Ex Date", which will be the date on which the ETP Security Value will not include the Interest Amounts announced for the relevant Interest Payment Date. Unless otherwise provided in the Final Terms, the "Interest Ex Date" will be the date that may be designated as such by the Portfolio Administrator in its absolute discretion and shall be specified in the Interest Notification.

Only ETP Securityholders that are on the records of the Relevant Clearing System on the "Record Date" will be entitled to receive the Interest Amount. For each Interest Payment Date, the Record Date shall unless, otherwise specified in the Final Terms or specified in an Interest Notification, be the Clearing System Business Day immediately following the relevant Interest Ex Date.

Interest Notifications

On each Interest Declaration Date, which shall be at least five Business Days prior to each Interest Payment Date, the Issuer shall cause the following details to be notified to ETP Securityholders in accordance with Condition 20.3 (such notification, an "**Interest Notification**"):

(i) the Interest Payment Date;

(ii) the Interest Amount;

(iii) the Interest Ex Date; and

(iv) the Record Date.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of each Multiple Income Series. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the Multiple Income Investment Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a rate that will not exceed 0.65% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

THE LEVERAGED EXPOSURE INCOME STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed below (the "**Leveraged Exposure Income Strategies**"). The investment objective of each Leveraged Exposure Income Strategy is to provide the Leveraged Exposures, as determined by the applicable Leverage Factor, to the Reference Assets, listed below.

For Series of ETPs which offer leveraged exposures, the leverage is achieved by borrowing from the Margin Loan Provider.

The exposure of these ETP Securities to the Reference Assets will be rebalanced at the end of the Rebalance Period as set out in the relevant Final Terms to maintain their stated Leveraged Exposure, constant at the beginning of each Rebalance Period by reference to the applicable Leverage Factor.

Leveraged Exposure Income Strategies will be subject to an Unscheduled Rebalance when the price of their respective Reference Assets decrease by more than the "Unscheduled Rebalance Trigger" in the below table with respect to their closing prices on the previous trading day during the regular trading session. The Portfolio Administrator will have discretion to carry out an Unscheduled Rebalance when the price of the relevant Reference Assets increase (in the case of Short Exposures) or decrease (in the case of Leveraged Exposures) by more than the "Unscheduled Rebalance Trigger" with respect to their closing prices on the previous trading day at any time outside the regular trading session of the exchanges where the Reference Assets trade using prices that are made available to it at such time by the Margin Loan Providers. Such adjustment seeks to protect the holder of ETP Securities pursuing Leveraged Exposure Income Strategies from suffering a complete loss in the event of extreme market movements by crystallising the losses incurred up to that point.

The Issuer will aim to rebalance the ETP Security shortly after the Unscheduled Rebalance is triggered following similar mechanics to the standard rebalance at the end of each Rebalance Period by (i) using as a reference price the price such prices as may be available to the Portfolio Administrator by the Margin Loan Providers for the relevant Reference Assets when the Unscheduled Rebalance Trigger is reached (the "**Trigger Price**") and (ii) by trading the Reference Assets in such amounts as may be required so that, following the end of such rebalancing period, the ETP Securities offer their stated Leveraged Exposure to the Reference Assets by reference to the Trigger Price. After the Unscheduled Rebalance is completed, the Issuer will publish the resulting price, which will become the reference ETP Security Value for the rebalance of the ETP Security at the end of the relevant Rebalance Period.

Periodic Interest Payments

Each of the Series employing the Leveraged Exposure Income Strategies will be an Income Series and the Conditions will require the Issuer to make periodic payments of Interest Amounts on the Interest Payment Dates.

Interest Amounts

In respect of each ETP Security, for each Interest Payment Date the Interest Amount will be its *pro rata* entitlement to the Available Receipts for that Interest Payment Date, being the amount equal to the Available Receipts divided by the number of Interest Amount Entitled ETP Securities. Accordingly, ETP Securityholders should be aware that the Interest Amounts for each Interest Payment Date will vary depending on the level of Available Receipts.

The "*Available Receipts*" will be, in respect of any Interest Payment Date, an amount calculated by the Determination Agent as follows:

(i) all premiums, distributions, dividends and other payments received by the Issuer in respect of the Collateral Assets during the period beginning on (and including) the Series Issue Date and ending on (and including) the Currency Business Day prior to the related Interest Declaration Date but not including the liquidation proceeds of any Collateral Assets which have been liquidated to fund the payment of any Redemption Amounts which may be or have been payable in respect of ETP Securities:

less each of:

(ii) the aggregate of all Interest Amounts which have been paid by the Issuer since the Series Issue Date;

(iii) all fees, costs, expenses and amounts of Tax which relate to the ETP Securities (including but not limited to any Funding and Brokerage Fees and any amounts of Arranger Fee) which have been paid or incurred by the Issuer during the period beginning on the Series Issue Date and ending on (and including) the Currency Business Day prior to the related Interest Declaration Date or which are otherwise payable by the Issuer;

(iv) to the extent not included in (iii) above, any amount that the Portfolio Administrator determines, and notifies to the Determination Agent, that it is appropriate to reserve for the payment of fees, costs, expenses and amounts of Tax (including but not limited to any Funding and Brokerage Fees and any amounts of Arranger Fee) relating to the ETP Securities which are expected to be incurred or become payable by the Issuer following the Interest Declaration Date; and

(v) any amount that the Portfolio Administrator determines, and notifies to the Determination Agent, that it is appropriate to reserve for the payment of Interest Amounts on subsequent Interest Payment Dates or to be reinvested in the Option Underlying or to fund hedging arrangements in connection with the Options-Based Income Strategies employed by the ETP Securities.

It is anticipated that the Available Receipts will be principally comprised of dividends received by the Issuer in respect of the Reference Assets.

For each Interest Payment Date, the relevant Interest Amount will be notified to ETP Securityholders in an Interest Notification as described below.

Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, for each Income Series, the Interest Payment Dates will be:

(1) the day that falls five (5) Clearing System Business Days after the Record Date or, if such day is not also a Currency Business Day, the immediately following day that is both a Clearing System Business Day and a Currency Business Day or any other date designated by the Portfolio Administrator in its absolute discretion,

and

(2) each other date that may be designated as such by the Portfolio Administrator in its absolute discretion and which shall be specified in an Interest Notification

provided there shall be at least one Interest Payment Date in each calendar quarter.

Effect of Interest Amounts on ETP Security Value

The declaration of any Interest Amounts will result in a corresponding decrease in the ETP Security Value. on the relevant "Interest Ex Date", which will be the date on which the ETP Security Value will not include the Interest Amounts announced for the relevant Interest Payment Date. Unless otherwise provided in the Final Terms, the "Interest Ex Date" will be the date that may be designated as such by the Portfolio Administrator in its absolute discretion and shall be specified in the Interest Notification.

Only ETP Securityholders that are on the records of the Relevant Clearing System on the "Record Date" will be entitled to receive the Interest Amount. For each Interest Payment Date, the Record Date shall unless, otherwise specified in the Final Terms or specified in an Interest Notification, be the Clearing System Business Day immediately following the relevant Interest Ex Date.

Interest Notifications

On each Interest Declaration Date, which shall be at least five Business Days prior to each Interest Payment Date, the Issuer shall cause the following details to be notified to ETP Securityholders in accordance with Condition 20.3 (such notification, an "**Interest Notification**"):

(i) the Interest Payment Date;

(ii) the Interest Amount;

(iii) the Interest Ex Date; and

(iv) the Record Date.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Leveraged Exposure Income Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the Leveraged Exposure Income Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at the per annum rate set out in the table below on the ETP Security Value of the ETP Securities held by an ETP Securityholder.

Name of Leveraged Exposure Income Strategy	**Reference Asset**	**Leverage Factor**	**Unscheduled Rebalance Trigger**	**Arranger Fee**
3x JEPI Monthly Equity Income Investment Strategy	JPMorgan Equity Premium Income ETF	3x	16.67%	0.75%
3x JEPQ Monthly Income Investment Strategy	JPMorgan NASDAQ Equity Premium Income ETF	3x	16.67%	0.75%

13. THE PANTARAI A·D·A·P·T INVESTMENT STRATEGY

The Pantarai A·D·A·P·T Investment Strategy is designed to provide both capital appreciation and income in any phase of the economic cycle through a well-diversified portfolio investing in equities, bonds, commodities and floating rate cash indices, mainly in US and Europe. The Investment Strategy is systematic, multi-asset, unconstrained, and it seeks to deliver a significant portion of the returns associated with the S&P 500, Euro Stoxx 50, Nasdaq 100 indices and related styles and sectors, lowering volatility and episodic drawdowns by using long and short duration bond indices, gold, and cash depending on the specific market conditions.

The strategy avoids leverage and derivatives, investing exclusively in a diversified set of highly liquid ETFs covering major asset classes: equities (including S&P 500 and Euro Stoxx 50 styles and sectors), floating rate cash proxies in USD and EUR, government and corporate bonds (including US Treasuries, EU sovereigns, HY and IG credit), and commodities (including gold and broad commodity indices). The ETFs will be listed on the NASDAQ Stock Market, the New York Stock Exchange, the London Stock Exchange or Deutsche Borse.

The asset allocation is dynamic and rebalanced intraday, ensuring that the portfolio evolves in line with both long-term macroeconomic signals and short-term market conditions.

Pantarai A·D·A·P·T Investment Strategy employs a proprietary methodology developed by PANTAR.AI OÜ (the "**PANTAR.AI Strategy Sponsor**"), which is underpinned by a custom-built, AI-driven system architecture. Rather than relying on conventional supervised learning techniques, the strategy incorporates a hybrid approach combining expert systems, cognitive computing, and human supervision.

Flexinvest Limited will be the Portfolio Administrator of the Pantarai A·D·A·P·T Investment Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the Pantarai A·D·A·P·T Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Investment strategy sponsor

The PANTAR.AI Strategy Sponsor was incorporated under the laws of Estonia. Its objective is the development of an intelligent software interpreting market dynamics and suggesting how to adapt a portfolio asset allocation to market conditions and connected services and applications. The principals of the PANTAR.AI Strategy Sponsor are Nicolo Carpaneda and Bastien Seignolles. Nico Carpenada graduated from Bocconi University (MsC in Management) and IE Business School (MBA) and has over twenty years of experience working in banking and financial markets as an investment director, economist and market strategist. Bastien Seignolles graduated from Toulouse School of Management (MsC in Management) and IE Business School (MBA) and has over twenty years of experience working as a consultant in strategy and transformation, and in finance and operations as CFO/COO across the globe.

Fees

The fees applicable to the ETP Securities which pursue the Pantarai ADAPT Investment Strategy are set out in the Fees section of this Base Prospectus.

The following Arranger Fee is applicable:

i. a fee charged daily at a rate that will not exceed 2% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and

ii. a performance-based fee charged daily, equal to the maximum of (i) zero and (ii) rate that will not exceed 20% of the difference between the value of the ETP Securities on that day and the previous highest value of the ETP Securities, where such value is calculated using the methodology for calculating their ETP Security Value but excluding this performance-based fee.

- The Arranger Fee shall be disclosed on the Issuer's website.

Initial composition and additional information relating to the Pantarai A·D·A·P·T Investment Strategy Reference Assets (the "PANTARAI Portfolio")

Initial PANTARAI Portfolio

As at the Series Issue Date the PANTARAI Portfolio shall comprise 100% in EUR cash.

Sample PANTARAI Portfolio

The Final Terms shall include details of a sample PANTARAI Portfolio.

The sample PANTARAI Portfolio constituents listed in Annex 8 to the Form Final Terms are a sample portfolio only. This is called the "PANTARAI Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Pantarai A·D·A·P·T Investment Strategy, the PANTARAI Portfolio shall comprise cash and/or other securities which are different from the constituents of the PANTARAI Sample Portfolio, provided that they always comply with the Pantarai A·D·A·P·T Investment Strategy

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a quarterly basis with respect to the composition of the PANTARAI Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and
- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the PANTARAI Portfolio.

14. THE RELAY RACE INVESTMENT STRATEGY

The Relay Race Investment Strategy aims to achieve long-term growth by capitalising market inefficiencies triggered by significant corporate events impacting US stocks (popularly known as "event-driven strategies"), focusing mainly on small- and mid-cap stocks, with a typical investment horizon of one to two days. The types of events that are traded include capital increases, initial public offerings, mergers and acquisitions, changes in beneficial ownership, analyst reports, and quarterly and annual results, primarily taking long positions but occasionally short positions in those stocks.

When event-driven investment opportunities are limited, the Relay Race Investment Strategy reallocates exposure to any or all of the three of the following US ETFs: SPDR S&P 500 ETF Trust, Invesco QQQ Trust, Series 1 and iShares Russell 2000 ETF.

The Relay Race Investment Strategy employs a methodology developed by RR RR Relay Race Investments, S.L.U. (the "**Relay Race Investment Strategy Sponsor**").

Flexinvest Limited will be the Portfolio Administrator of the Relay Race Investment Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the Relay Race Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Investment strategy sponsor

The Relay Race Investment Strategy Sponsor was incorporated under the laws of Spain on 9 December 2024. Its objective is to provide advisory and consulting services in financial matters, including, but not limited to, financial planning, conducting economic and financial studies and analyses, preparing reports and opinions related to such studies, and carrying out research and development activities in the financial and economic fields. The principal of the Relay Race Investment Sponsor is Cristian J. Merino. He is a CFA Charterholder with more than 9 years of experience in financial services and consulting.

The Relay Race Investment Strategy Sponsor is an unregulated company and has the following website https://relayraceinvestments.com/

Fees

The fees applicable to the ETP Securities which pursue the Relay Race Investment Strategy are set out in the Fees section of this Base Prospectus.

The following Arranger Fee is applicable:

i. a fee charged daily at a rate of 2.50% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and

ii. A performance-based fee charged daily, equal to the maximum of (i) zero and (ii) 25% of the difference between the value of the ETP Securities on that day and the maximum of (I) the previous highest value of the ETP Securities and (II) the hurdle rate value, calculated by applying a rate of 10.00% per annum accrued daily to the initial value of the ETP Securities on the date of their first listing, where such value is calculated using the methodology for calculating their ETP Security Value but excluding this performance-based fee.

Initial composition and additional information relating to the Relay Race Investment Strategy Reference Assets (the "Relay Race Portfolio")

Initial Relay Race Portfolio

As at the Series Issue Date the Relay Race Portfolio shall comprise 100% in cash in the in the currency of denomination of the Relay Race Investment Strategy.

Sample Relay Race Portfolio

The Final Terms shall include details of a sample Relay Race Portfolio.

The sample Relay Race Portfolio constituents listed in Annex 7 to the Form Final Terms are a sample portfolio only. This is called the "Relay Race Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the Relay Race Investment Strategy, the Relay Race Portfolio shall comprise cash and/or other securities which are different from the constituents of the Relay Race Sample Portfolio, provided that they always comply with the Relay Race Investment Strategy.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a quarterly basis with respect to the composition of the Relay Race Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and

- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the Relay Race Portfolio.

15. ANDOVA AI, QUANTUM & FRONTIER TECH INVESTMENT STRATEGY

The Andova AI, Quantum, & Frontier Tech Investment Strategy (the "**ANDOVA AI Strategy**") seeks to provide investors with long-term capital appreciation by investing in a concentrated, high-conviction portfolio of US equities positioned to benefit from structural growth trends in artificial intelligence, quantum computing, semiconductors, cloud infrastructure, energy, biotechnology, among others. It targets a select number of listed companies with exceptional growth potential, strong financial health, and sustainable competitive advantages. The investment universe comprises publicly listed stocks in the US without restriction by sector or market capitalization.

The objective of the strategy is to achieve above-market returns through the identification of innovative and high-growth companies operating in rapidly expanding sectors. The strategy combines quantitative analysis tools, including artificial intelligence models. Stocks are evaluated based on financial, market, competitive, and corporate management criteria, in order to select a limited number of companies considered to have high long-term growth potential. The strategy maintains a concentrated portfolio of 50–70 publicly listed companies demonstrating exceptional growth potential, strong financial health, and sustainable competitive advantages. Exposure to any single issuer will not exceed 10% of the portfolio's net asset value, ensuring appropriate diversification and risk management.

Flexinvest Limited will be the Portfolio Administrator of the ANDOVA AI Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the ANDOVA AI Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

ANDOVA AI Strategy Sponsor

Andova Capital LLC, is a technology-driven investment research firm incorporated in the United States. The company develops proprietary artificial intelligence tools for equity screening, valuation, and portfolio construction across global markets. The founders of Andova Capital bring together deep expertise in fintech, investment management, and data-driven technology ventures. Andova Capital LLC was founded by Raúl Moreno, Franklin Núñez, and Juan David Núñez:

- Raúl Moreno (CEO): Co-founder of *iBillionaire* and creator of the *IBLN ETF* listed on the NYSE, with expertise in quantitative strategy design and global equity investing.
- Franklin Núñez (COO): Over 30 years of leadership in industrial and technology sectors in Latin America.
- Juan David Núñez (CMO): Over 8 years of experience in digital product development and fintech marketing strategy.

In managing the ANDOVA AI Strategy, FLEXINVEST Limited, the Portfolio Administrator, will use the methodologies developed by Andova Capital LLC.

Fees

The fees applicable to the ETP Securities which pursue the ANDOVA AI Strategy are set out in the Fees section of this Base Prospectus.

The following Arranger Fee is applicable:

i. a fee charged daily at a rate of 1% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and

ii. a performance-based fee charged daily, equal to the maximum of (i) zero and (ii) 20% of the difference between the value of the ETP Securities on that day and the maximum of (I) the previous highest value of the ETP Securities and (II) the hurdle rate value, calculated by applying a rate of 8.00% per annum accrued daily to the initial value of the ETP Securities on the date of their first

listing, where such value is calculated using the methodology for calculating their ETP Security Value but excluding this performance-based fee.

The Arranger Fee shall be disclosed on the Issuer's website.

Initial composition and additional information relating to the ANDOVA AI Strategy Reference Assets (the "ANDOVA AI Portfolio")

Initial ANDOVA AI Portfolio

As at the Series Issue Date the ANDOVA AI Portfolio shall comprise 100% in cash.

Sample ANDOVA AI Portfolio

The Final Terms shall include details of a sample ANDOVA AI Portfolio.

The sample ANDOVA AI Portfolio constituents listed in Annex 9 to the Form Final Terms are a sample portfolio only. This is called the "ANDOVA AI Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the ANDOVA AI Investment Strategy, the ANDOVA AI Portfolio shall comprise cash and/or other securities which are different from the constituents of the ANDOVA AI Sample Portfolio, provided that they always comply with the ANDOVA AI Investment Strategy.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a quarterly basis with respect to the composition of the ANDOVA AI Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and
- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the ANDOVA AI Portfolio.

16. THE NG TACTICAL GROWTH INVESTMENT STRATEGY

The NG Tactical Growth Investment Strategy USD (the "**NG Tactical Growth Strategy**") seeks to achieve long-term capital growth by investing in a diversified portfolio of exchange-traded products (ETPs) and or exchange traded funds (ETFs) across asset classes, including equities, fixed income, and commodities, and across global regions. The NG Tactical Growth Strategy targets a portfolio volatility of between 12% and 18% over a rolling five-year period. The portfolio is monitored daily and rebalanced quarterly.

The NG Tactical Growth Investment Strategy employs a fully algorithmic, rules-based investment process that combines macroeconomic forecasting with quantitative risk management to construct high-conviction, trend-driven portfolios. The NG Tactical Growth Strategy Sponsor's proprietary algorithm applies a quad-factor framework—growth, inflation, policy, and trend—to determine prevailing market regimes. Portfolio allocations are then dynamically adjusted across asset and sub-asset classes based on these signals. Unlike traditional strategies that rely on static asset allocation, this strategy reallocates in response to changing market conditions and periods of stress. This systematic approach is designed to identify allocations with the highest potential for relative outperformance while maintaining a consistent, repeatable process. By adapting weights across sectors, countries, and themes, the strategy seeks to capture opportunities in favourable regimes while reducing exposure to those facing headwinds.

The NG Tactical Growth Strategy Sponsor uses state of the art technology to screen extensive market, macro-economic and ETF data sets from around the world. The exchange traded products are selected by employing an Artificial Intelligence & Machine Learning ranking system. This systematic framework carefully analyses a wide universe of exchange traded funds and exchange traded products to identify the best investment opportunities based on market conditions.

Flexinvest Limited will be the Portfolio Administrator of the NG Tactical Growth Strategy. The portfolio administration role carried out by Flexinvest Limited will also incorporate the role of investment management for the NG Tactical Growth Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement, including the provisions in relation to appointment of a replacement Portfolio Administrator, is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

In managing the NG Tactical Growth Strategy, the Portfolio Administrator will use the methodologies developed by the NG Tactical Growth Strategy Sponsor.

NG Tactical Growth Strategy Sponsor

Win Cap Ltd. (the "**NG Tactical Growth Strategy Sponsor**") is the sponsor of the NG Tactical Growth Strategy. The NW Tactical Growth Strategy Sponsor was incorporated under the laws of the Seychelles on 20 August 2018 (registration number 206581) with the overriding objective to create strategies to maximise returns across a broad range of financial products by employing Algo-Chain's AI & Machine Learning assisted platform for the selection of stocks & exchange traded funds and for the asset allocation process.

The sole director and shareholder of the NG Tactical Growth Sponsor is David Kenneth Gordon Reed who has over 2 decades of experience in the financial services industry, holding management and senior-level positions at various companies in Europe, Hong Kong and China.

The principles of the NG Tactical Growth Strategy sponsor are based on systematic discipline, macro-responsive allocation, and performance alignment. All portfolio allocations are made using a rules-based, algorithmic framework designed to eliminate discretionary bias and ensure consistent execution. Portfolio allocations are adjusted dynamically in response to changing macroeconomic conditions rather than following traditional static asset allocation models. The strategy is constructed with a focus on delivering long-term capital growth by identifying regime-based opportunities rather than simply tracking conventional benchmarks.

The NG Tactical Growth Strategy Sponsor does not currently have a website and is an unregulated company.

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Fees

The fees applicable to the ETP Securities which pursue the NG Tactical Growth Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate that will not exceed 1.50% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date.

The Arranger Fee shall be disclosed on the website of the Issuer.

Initial composition and additional information relating to the NG Tactical Growth Strategy Reference Assets (the "NG Tactical Growth Portfolio")

Initial NG Tactical Growth Portfolio

As at the Series Issue Date the NG Tactical Growth Portfolio shall comprise 100% in EUR cash.

Sample NG Tactical Growth Portfolio

The Final Terms shall include details of a sample NG Tactical Growth Portfolio.

The sample NG Tactical Growth Portfolio constituents listed in Annex 10 to the Form Final Terms are a sample portfolio only. This is called the "NG Tactical Growth Sample Portfolio". On any day, including the Issue Date of each Tranche of ETP Securities which pursue the NG Tactical Growth Strategy, the NG Tactical Growth Portfolio shall comprise cash and/or other securities which are different from the constituents of the NG Tactical Growth Sample Portfolio, provided that they always comply with the NG Tactical Growth Strategy.

Post Issuance Information

The Issuer will, from time to time, provide reports and announcements on its website www.leverageshares.com:

- at least on a quarterly basis with respect to the composition of the NG Tactical Growth Portfolio on the basis of information provided to the Issuer by the Portfolio Administrator; and
- otherwise from time to time, to the extent the relevant disclosure is required by applicable law, including disclosure of any inside information required under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

The Issuer does not intend to provide any other post issuance information in relation to the NG Tactical Growth Portfolio.

17. THE CORESHARES BULCORP RISK ON - RISK OFF INVESTMENT STRATEGY

The CoreShares Bulcorp Risk On-Risk Off Investment Strategy employs a dynamic strategy that systematically transitions between risk-on and risk-off regimes to optimize equity participation while managing downside risk. All exposures are implemented through long and short positions in ETPs executed exclusively via margin and shorting the target ETPs. The product does not utilize derivatives.

The CoreShares Bulcorp Risk On-Risk Off Investment Strategy determines whether markets are in a "risk on" or "risk off" regime using a proprietary, quantitative macro indicator (the "**Risk Indicator**") that integrates macroeconomic data, market sentiment, and credit conditions to identify shifts in the economic cycle and overall risk appetite. This composite framework enables the Risk Indicator to classify in real-time market regimes and drives all portfolio allocation decisions, allowing the strategy to proactively adapt as macro conditions evolve.

The strategy dynamically balances return generation and risk control by adjusting equity participation, volatility exposure, and portfolio beta in response to the macro regime identified by the Risk Indicator, allowing the portfolio to remain adaptive and resilient across full market cycles.

If the Risk Indicator determines that the market is in "risk on" mode, the strategy aims to maximize equity exposure while structurally benefiting from declining volatility by taking the following long and short positions:

- 125% long exposure to the S&P 500 index through the SPDR® S&P 500® ETF Trust (SPY) or similar ETPs offering exposure to the S&P 500 index; and

- 25% short position on the iPath® Series B S&P 500® VIX Short-Term Futures™ ETNs or the ProShares VIX Short- Term Futures ETF or similar ETPs offering exposure to the VIX index.

If the Risk Indicator determines that the market is in "risk off" mode, the strategy transitions into a defensive configuration by taking the following long and short positions:

- 100% long exposure to the S&P 500 index through the SPDR® S&P 500® ETF Trust (SPY) or similar ETPs offering exposure to the S&P 500 index; and

- 100% short position on a high-beta equity exposure to the to the S&P 500 index such as the Invesco S&P 500 High Beta ETF.

The Risk Indicator aims to rebalance the portfolio on the last business day of each week to minimise portfolio turnover.

The CoreShares Bulcorp Risk On-Risk Off Investment Strategy is therefore actively managed, in that its trading positions and the timing of portfolio rebalancing are determined by the Risk Indicator, a proprietary model designed by the CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor. The Portfolio Administrator accordingly has no discretion over either the selection of Reference Assets comprising the portfolio or the timing of the portfolio rebalance.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Coreshares Bulcorp Risk On- Risk Off Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor

Bulcorp Capital Management LLC (the "**CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor**") is the strategy sponsor of the CoreShares Bulcorp Risk On-Risk Off Investment Strategy. The CoreShares Bulcopr Risk On-Risk Off Strategy Sponsor is a limited liability company incorporated in the United Arab Emirates on 7 January 2024 with registration number 2427651 and having its registered address at SHAMS Business Center, Sharjah Media City, Sharjah, United Arab Emirates.

The CoreShares Bulcopr Risk On-Risk Off Strategy Sponsor provides financial research, quantitative analysis and consulting services, including the development of systematic investment strategies and regime-based asset allocation methodologies for institutional counterparties. The CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor is responsible for developing the rules-based methodology underlying the CoreShares Bulcorp Risk On-Risk Off Investment Strategy and for providing non-discretionary allocation signals and model outputs used in the implementation of the CoreShares Bulcorp Risk On-Risk Off Investment Strategy.

The CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor does not manage assets, execute trades or provide investment advice to investors in the ETP Securities, and does not perform any portfolio administration or investment management function in respect of the CoreShares Bulcorp Risk On-Risk Off Investment Strategy.

The ultimate beneficial owner of the CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor is Todor Sashov Grigorov, who owns 100% of the company.

The CoreShares Bulcorp Risk On-Risk Off Strategy Sponsor is not authorised or regulated as an asset manager, investment adviser or portfolio manager in any jurisdiction. It acts solely as a strategy sponsor and provider of investment methodologies and analytical services.

Fees

The fees applicable to the ETP Securities which pursue the CoreShars Bulcorp Risk On-Risk Off Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is comprised of the following, details of which shall be disclosed on the Issuer's website:

a fee charged daily at a percentage rate per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date; and (ii) a performance based fee charged dailyequal to the maximum of (i) zero and (ii) a percentage (disclosed on the Issuer's Website) of the difference between the value of the ETP Securities on that day and the previous highest value of the ETP Securities, where such value is calculated using the methodology for calculating their ETP Security Value but excluding this performance based fee.

18. THE NORMAL EXPOSURE INDEX TRACKING INVESTMENT STRATEGIES

The Issuer may issue Series of ETP Securities which employ the investment strategies listed below (the "**Normal Exposure Index Tracking Investment Strategies**"). The investment objective of each of the Normal Exposure Index Tracking Investment Strategies is to provide a Normal Exposure to the respective indices, as detailed below (the "**NE Strategy Relevant Indices**" and each a "**NE Strategy Relevant Index**").

The Reference Assets of the Normal Exposure Index Tracking Investment Strategies will be, at the discretion of the Portfolio Administrator, any one or combination of the following:

- components of the respective NE Strategy Relevant Indices (including American Depositary Receipts/American Depositary Shares/Global Depositary Shares that represent equity security component assets of the NE Strategy Relevant Indices);
- futures contracts on the NE Strategy Relevant Indices or futures contracts on the components of the NE Strategy Relevant Indices listed on the Futures Exchanges.
- options contracts on the NE Strategy Relevant Indices or options contracts on the components of the NE Strategy Relevant Indices listed on the Option Exchanges.; and
- any of the ETFs listed in the table below.

Fees

The fees applicable to the ETP Securities which pursue the Normal Exposure Index Tracking Investment Strategies are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily and will not exceed the per annum rate of 1.5% on the ETP Security Value of the ETP Securities held by an ETP Securityholder.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the Normal Exposure Index Tracking Investment Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Name of Investment Strategy	**Index**	**Index Sponsor**	**Index Information Source**	**Reference Assets consisting of ETFs**
Coreshares FTSE 100 Investment Strategy	FTSE 100 Index	FTSE Russell	https://www.lseg.com/en/ftse-russell/indices/uk	1. iShares Core FTSE 100 UCITS ETF GBP (Acc) 2.Vanguard FTSE 100 UCITS ETF
Coreshares Nasdaq 100 Investment Strategies	Nasdaq-100 Index®	Nasdaq, Inc.	https://www.nasdaq.com/market-activity/index/ndx	Invesco QQQ Trust
Coreshares S&P 500 Investment Strategy	S&P 500® Index	S&P Dow Jones Indices LLC	https://www.spglobal.com/spdji/en/index-family/equity/	SPDR S&P 500 ETF Trust
Coreshares MSCI World Investment Strategy	MSCI World Index	MSCI. Inc	https://www.msci.com/indexes/index/990100	iShares MSCI World ETF
Coreshares DAX Investment Strategy	DAX Index	STOXX Ltd	*https://www.stoxx.com/indices*	iShares Core DAX UCITS ETF
Coreshares FTSE MIB Investment Strategy	FTSE MIB Index	FTSE Russell	https://www.lseg.com/en/ftse-russell/indices/uk	iShares FTSE MIB UCITS ETF EUR (Acc)
Coreshares EURO STOXX 50 Investment Strategy	EURO STOXX 50 Index	STOXX Ltd	*https://www.stoxx.com/indices*	iShares Core Euro Stoxx 50 UCITS ETF
Coreshares MSCI EM Investment Strategy	MSCI Emerging Markets Index	MSCI Inc.	https://www.msci.com/indexes/group/emerging-markets-indexes	1. iShares Core MSCI Emerging Markets ETF 2. iShares MSCI Emerging Markets ETF
CoreShares U.S. Aggregate Bond ETP	Bloomberg U.S. Aggregate Bond Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Core U.S. Aggregate Bond ETF (AGG)
CoreShares Global Aggregate Bond ETP	Bloomberg Global Aggregate Bond Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Core Global Aggregate Bond ETF

CoreShares Global Treasury Bond ETP	Bloomberg Global Treasury Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Global Govt Bond ETF
CoreShares U.S. Treasury Bond ETP	Bloomberg U.S. Treasury Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares U.S. Treasury Bond ETF
CoreShares U.S. Corporate Bond ETP	Bloomberg U.S. Corporate Bond Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares iBoxx $ Investment Grade Corporate Bond ETF
CoreShares Global Corporate Bond ETP	Bloomberg Global Corporate Bond Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Global Corporate Bond ETF
CoreShares U.S. High Yield Bond ETP	Bloomberg U.S. High Yield Very Liquid Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares iBoxx $ High Yield Corporate Bond ETF
CoreShares Global High Yield Bond ETP	Bloomberg Global High Yield Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	SPDR Global High Yield Bond ETF
CoreShares EM USD Bond ETP	Bloomberg Emerging Markets USD Aggregate Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares J.P. Morgan USD EM Bond ETF
CoreShares EM Sovereign Bond ETP	J.P. Morgan EMBI Global Diversified Index	J.P. Morgan Securities LLC	https://www.jpmorgan.com/indices	iShares J.P. Morgan USD EM Bond ETF
CoreShares EM Corporate Bond ETP	J.P. Morgan CEMBI Broad Diversified Index	J.P. Morgan Securities LLC	https://www.jpmorgan.com/indices	iShares EM Corporate Bond ETF
CoreShares Euro Aggregate Bond ETP	Bloomberg Euro Aggregate Bond Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Core Euro Aggregate Bond ETF
CoreShares GBP Aggregate Bond ETP	Bloomberg Sterling Aggregate Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Core GBP Aggregate Bond ETF (AGBP), ~£1.5B
CoreShares Global Inflation-Linked Bond ETP	Bloomberg Global Inflation-Linked Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Global Inflation-Linked Bond ETF
CoreShares U.S. TIPS Bond ETP	Bloomberg U.S. TIPS Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares TIPS Bond ETF

CoreShares U.S. Long Treasury Bond ETP	ICE U.S. Treasury 20+ Year Bond Index	ICE Data Indices, LLC	https://www.theice.com/market-data/indices	iShares 20+ Year Treasury Bond ETF (TLT)
CoreShares U.S. 7-10Y Treasury Bond ETP	ICE U.S. Treasury 7-10 Year Bond Index	ICE Data Indices, LLC	https://www.theice.com/market-data/indices	iShares 7-10 Year Treasury Bond ETF (IEF)
CoreShares Global Short-Term Treasury ETP	Bloomberg Global Short Treasury Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	iShares Global Govt Bond ETF (IGOV)
CoreShares Global Short-Term Bond ETP	Bloomberg Global Aggregate 1-3 Year Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	SPDR Short-duration Global IG Bond ETF
CoreShares Broad Commodity Investment Strategy	Broad Commodity Index	Bloomberg Index Services Limited	https://www.bloomberg.com/indices	abrdn Bloomberg All Commodity Strategy K-1 Free ETF

FTSE 100 Index

The FTSE 100 Index is calculated by weighing all the stocks listed on the London Stock Exchange by market capitalisation, encompassing a wide range of sectors such a s finance, energy, consumer goods and more. The 100 companies with the highest market cap makes it into the index.

Stocks with higher market caps have more weight in the FTSE 100 and therefore have a bigger effect on the index's price movements. The market capitalisation of each company is reviewed once a quarter and the index is adjusted if necessary.

Further information on the FTSE 100 Index can be found at: https://www.lseg.com/en/ftse-russell/indices/uk#featured-indices

The Nasdaq-100 Index®

The Nasdaq-100 Index® is a modified market capitalisation-weighted index, designed to measure the performance of 100 of the largest Nasdaq-listed non-financial companies.

Eligible security types generally include ADRs, common stocks, ordinary shares and tracking stocks. The issuer of the security's primary U.S. listing must exclusively be listed on the Nasdaq Global Select Market or the Nasdaq Global Market.

The constituents of the Nasdaq-100 Index® are selected once annually in December.

The rules and methodology of the Nasdaq-100 Index® along with the details of the constituents of the index can be found at: https://www.nasdaq.com/solutions/nasdaq-100

The S&P 500® Index

The S&P 500® Index measures the performance of 500 large-cap companies listed on stock exchanges in the United States. The selection criteria include factors such as market capitalisation, liquidity, sector representation, financial viability and other considerations.

The S&P 500® Index is float-adjusted capitalization weighted.

The S&P 500® Index rebalances quarterly in March, June, September and December.

The rules and methodology of the S&P 500® Index along with details of the constituents of the index can be found at: https://www.spglobal.com/spdji/en/methodology/article/sp-us-indices-methodology/

MSCI World Index

The MSCI World Index measures the performance of large- and mid-capitalisation companies across developed market countries globally. The index is designed to represent the equity market performance of developed markets and includes companies selected based on criteria such as market capitalisation, liquidity, and free float.

The MSCI World Index is free-float adjusted and market-capitalisation weighted.

The MSCI World Index is reviewed on a quarterly basis, with rebalancing typically implemented in February, May, August, and November, and additional ongoing event-driven maintenance as required.

The MSCI World Index is owned, calculated, administered, and published by MSCI Inc., which acts as the index sponsor and administrator.

The rules and methodology governing the MSCI World Index, together with details of index construction, maintenance, and constituents, can be found at: https://www.msci.com/index-methodology

DAX Index

The DAX Index (Deutscher Aktienindex) is designed to measure the performance of the 40 largest and most liquid German companies listed on the regulated market of the Frankfurt Stock Exchange. The DAX Index reflects the performance of German blue-chip equities and is calculated as a free-float market-capitalization-weighted index, with dividends reinvested (total return version) or excluded (price return version), as applicable.

The DAX Index is owned by Deutsche Börse AG and is administered, calculated, and published by STOXX Ltd., acting as the index administrator in accordance with Regulation (EU) 2016/1011 (the EU Benchmarks Regulation).

The rules governing the DAX Index, including the index methodology, eligibility and selection criteria, weighting, rebalancing procedures, treatment of corporate actions, market disruption events, and adjustment rules, are based on predefined and objective criteria. These rules and the full index methodology are available on the index administrator's website at: https://www.stoxx.com.

FTSE MIB Index

The FTSE MIB Index is a benchmark index for the Italian equity markets belonging to the FTSE Italia Index Series. Capturing approximately 80% of the domestic market capitalisation, the index is comprised of highly liquid companies in Italy.

The FTSE MIB Index measures the performance of 40 shares listed on Borsa Italiana and seeks to replicate the broad sector weights of the Italian stock market. The index is derived from the universe of stocks trading on the Borsa Italiana (BIt) Euronext Milan and Euronext MIV Milan markets. The index has been created to be suitable for futures and options trading, as a benchmark index for exchange traded funds and for tracking large capitalisation stocks in the Italian market.

The FTSE MIB Index is market capitalisation weighted after adjusting constituents for float. Individual constituent weights are capped at 15%. The index is reviewed on a quarterly basis. The FTSE is owned, calculated, administered amd published by FTSE Russell.

Further information on the FTSE MIB Index can be found at the following links:

https://www.lseg.com/content/dam/ftse-russell/en_us/documents/ground-rules/ftse-mib-index-english-ground-rules.pdf

https://www.borsaitaliana.it/frame/lse/spmib-constituents_en.html

EURO STOXX 50® Index

The EURO STOXX 50® Index measures the performance of 50 large, blue-chip companies from Eurozone countries. The index is designed to represent leading sectors of the Eurozone equity market and includes companies selected based on criteria such as market capitalisation, liquidity, and sector representation.

The EURO STOXX 50® Index is free-float adjusted and market-capitalisation weighted.

The EURO STOXX 50® Index is reviewed and rebalanced quarterly, with reviews typically conducted in March, June, September, and December, alongside ongoing event-driven maintenance as required.

The EURO STOXX 50® Index is owned, calculated, administered, and published by STOXX Limited, which acts as the index sponsor and administrator. STOXX Limited is part of the Deutsche Börse Group.

The rules and methodology governing the EURO STOXX 50® Index, together with details of index construction, maintenance, and constituents, can be found at: https://www.stoxx.com/document/indices-methodology/

MSCI Emerging Markets Index

The MSCI Emerging Markets Index measures the performance of large- and mid-capitalisation companies across emerging market countries globally. The index is designed to represent the equity market performance of emerging markets and includes companies selected based on criteria such as market capitalisation, liquidity, and free float.

The MSCI Emerging Markets Index is free-float adjusted and market-capitalisation weighted.

The MSCI Emerging Markets Index is reviewed on a quarterly basis, with rebalancing typically implemented in February, May, August, and November, together with ongoing event-driven maintenance as required.

The MSCI Emerging Markets Index is owned, calculated, administered, and published by MSCI Inc., which acts as the index sponsor and administrator.

The rules and methodology governing the MSCI Emerging Markets Index, together with details of index construction, maintenance, and constituents, can be found at: https://www.msci.com/index-methodology

Bloomberg U.S. Aggregate Bond Index

The Bloomberg U.S. Aggregate Bond Index measures the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities. The index includes securities that meet criteria relating to credit quality, maturity, currency denomination, and minimum issue size. The index is market-capitalisation weighted and reflects the total return of the U.S. investment-grade fixed-income universe. The index is rebalanced on a monthly basis, with additional event-driven adjustments as required.

The Bloomberg U.S. Aggregate Bond Index is owned, calculated, administered, and published by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Global Aggregate Bond Index

The Bloomberg Global Aggregate Bond Index measures the performance of global investment-grade fixed-income securities across developed and emerging markets. It includes government, corporate, securitised, and supranational bonds denominated in major currencies. The index is market-capitalisation weighted and free-float adjusted. Rebalancing occurs monthly, with ongoing event-driven maintenance.

The index is owned, calculated, administered, and published by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Global Treasury Index

The Bloomberg Global Treasury Index tracks the performance of investment-grade sovereign bonds issued by developed and emerging market governments. Eligible securities must meet criteria relating to credit quality, maturity, and currency denomination. The index is market-capitalisation weighted and represents the global sovereign bond universe. It is rebalanced monthly, with additional event-driven updates.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg U.S. Treasury Index

The Bloomberg U.S. Treasury Index measures the performance of U.S. dollar-denominated, fixed-rate, investment-grade U.S. Treasury securities. The index is market-capitalisation weighted and includes securities with at least one year to maturity. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg U.S. Corporate Bond Index

The Bloomberg U.S. Corporate Bond Index measures the performance of U.S. dollar-denominated, investment-grade corporate bonds issued by industrial, utility, and financial companies. The index is market-capitalisation weighted and includes fixed-rate securities meeting minimum size and maturity requirements. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Global Corporate Bond Index

The Bloomberg Global Corporate Bond Index measures the performance of investment-grade corporate bonds issued in major currencies across developed and emerging markets. The index is market-capitalisation weighted and free-float adjusted. It is rebalanced monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg U.S. High Yield Very Liquid Index

The Bloomberg U.S. High Yield Very Liquid Index measures the performance of U.S. dollar-denominated, non-investment-grade corporate bonds with high liquidity characteristics. The index is market-capitalisation weighted and includes fixed-rate securities that meet liquidity and size thresholds. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Global High Yield Index

The Bloomberg Global High Yield Index measures the performance of global non-investment-grade corporate bonds issued in major currencies. The index is market-capitalisation weighted and includes securities meeting minimum size, maturity, and credit-rating criteria. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Emerging Markets USD Aggregate Index

The Bloomberg Emerging Markets USD Aggregate Index measures the performance of U.S. dollar-denominated emerging market sovereign, quasi-sovereign, and corporate bonds. The index is market-capitalisation weighted and includes investment-grade and high-yield issuers that meet size and maturity criteria. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

J.P. Morgan EMBI Global Diversified Index

The J.P. Morgan EMBI Global Diversified Index measures the performance of U.S. dollar-denominated emerging market sovereign bonds. The index applies diversification rules to limit concentration in larger issuers and is market-capitalisation weighted. Rebalancing occurs monthly, with event-driven updates.

The index is owned, calculated, and administered by J.P. Morgan Securities LLC. Methodology: https://www.jpmorgan.com/indices

J.P. Morgan CEMBI Broad Diversified Index

The J.P. Morgan CEMBI Broad Diversified Index measures the performance of U.S. dollar-denominated emerging market corporate bonds. The index is market-capitalisation weighted and applies diversification constraints to reduce issuer concentration. Rebalancing occurs monthly.

The index is owned and administered by J.P. Morgan Securities LLC. Methodology: https://www.jpmorgan.com/indices

Bloomberg Euro Aggregate Bond Index

The Bloomberg Euro Aggregate Bond Index measures the performance of euro-denominated investment-grade government, corporate, and securitised bonds. The index is market-capitalisation weighted and free-float adjusted. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Sterling Aggregate Index

The Bloomberg Sterling Aggregate Index measures the performance of GBP-denominated investment-grade government, corporate, and securitised bonds. The index is market-capitalisation weighted. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Global Inflation-Linked Index

The Bloomberg Global Inflation-Linked Index measures the performance of inflation-linked sovereign bonds issued by developed and emerging market governments. The index is market-capitalisation weighted and includes securities linked to local consumer price indices. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg U.S. TIPS Index

The Bloomberg U.S. TIPS Index measures the performance of U.S. Treasury Inflation-Protected Securities (TIPS). The index is market-capitalisation weighted and includes fixed-rate inflation-linked securities with at least one year to maturity. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

ICE U.S. Treasury 20+ Year Bond Index

The ICE U.S. Treasury 20+ Year Bond Index measures the performance of U.S. Treasury securities with maturities greater than 20 years. The index is market-capitalisation weighted and includes fixed-rate, USD-denominated securities. Rebalancing occurs monthly.

The index is owned, calculated, and administered by ICE Data Indices, LLC. Methodology: https://www.theice.com/market-data/indices

ICE U.S. Treasury 7-10 Year Bond Index

The ICE U.S. Treasury 7-10 Year Bond Index measures the performance of U.S. Treasury securities with remaining maturities between seven and ten years. The index is market-capitalisation weighted and includes fixed-rate, USD-denominated securities. Rebalancing occurs monthly.

The index is owned and administered by ICE Data Indices, LLC. Methodology: https://www.theice.com/market-data/indices

Bloomberg Global Short Treasury Index

The Bloomberg Global Short Treasury Index measures the performance of short-maturity sovereign bonds issued by developed and emerging market governments. The index is market-capitalisation weighted and includes securities with maturities typically between one and three years. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Global Aggregate 1-3 Year Index

The Bloomberg Global Aggregate 1-3 Year Index measures the performance of short-duration global investment-grade bonds across government, corporate, and securitised sectors. The index is market-capitalisation weighted and includes securities with maturities between one and three years. Rebalancing occurs monthly.

The index is owned and administered by Bloomberg Index Services Limited. Methodology: https://www.bloomberg.com/indices

Bloomberg Commodity Index

The Bloomberg Commodity Index (“BCOM”) is a broadly diversified commodity benchmark designed to reflect the performance of futures contracts on physical commodities. The index is composed of exchange-traded futures across multiple sectors, including energy, industrial metals, precious metals, agriculture and livestock.

The weight of each commodity in the Bloomberg Commodity Index is determined based on a combination of liquidity and global production data, subject to sector caps and individual commodity limits. This methodology is intended to ensure diversification and prevent over-concentration in any single commodity or sector. Commodities with higher liquidity and production levels generally receive greater weighting and therefore have a larger impact on the index’s performance.

The composition of the Bloomberg Commodity Index is reviewed and rebalanced annually, with weights reset at the beginning of each calendar year. The index is calculated on an excess return basis (reflecting futures price movements), with total return and price return versions also available.

Further information on the Bloomberg Commodity Index can be found at: https://www.bloomberg.com/professional/products/indices/quote/BCOM:IND

19. THE CORESHARES+ STRATEGIES

The CoreShares+ Strategies are actively managed investment strategies seeking to maximise returns by employing a proprietary two-leg structure developed by the Portfolio Administrator, Flexinvest Limited. Each strategy provides a core market beta exposure (such as a broad equity index, fixed income duration, or commodity price) while simultaneously aiming to capture a systematic factor premium or thematic return. The Portfolio Administrator allocates the proceeds of each issuance across two distinct legs:

- **Leg 1 (The Futures Leg):** The Portfolio Administrator takes long positions in the specified Primary Futures Contracts and/or Mini/Micro futures traded on the Relevant Exchanges, as defined in the tables below, to capture the core market beta.
- **Leg 2 (The ETF Leg):** The Portfolio Administrator invests in long positions in specific Exchange Traded Funds (ETFs) to add a systematic factor or thematic tilt including, but not limited to, quality, value and size premia, inflation real return, floating rate credit carry, commodity producer operational leverage, momentum and/or multi-factor strategies that is complementary to the Leg 1 exposure and grounded in established academic and practitioner research.

Allocation, Discretion, and Dynamic Rotation

The Portfolio Administrator will initially aim to maintain a target allocation of approximately 85% to 90% of the strategy's effective exposure to Leg 1 and 8% to 12% to Leg 2 but retains discretion to deviate from these targets.

Leg 1: The Futures Leg Reference Assets

The CoreShares + Strategies aim to maintain their core beta exposure by holding long positions in futures contracts ("**Contracts**"). The Contracts consist of the Primary Futures Contracts (set out in Table 2) and the secondary "mini" or "micro" (set out in Table 2), traded on the relevant exchanges listed in the tables below. The Portfolio Administrator will have discretion to select the Contract or combination of Contracts to implement the relevant CoreShares+ Strategy and to determine when to roll the Contracts before their expiry.

Table 1: Primary Futures Contracts

Strategy Name	Relevant Exchange	Primary Futures Contract & (Code)	Contract Size
CoreShares US Equity+	CME	E-mini S&P 500 (ES)	$50 x Index
CoreShares US Tech Equity+	CME	E-mini Nasdaq-100 (NQ)	$20 x Index
CoreShares World Equity+	Eurex	MSCI World Index Futures (MXWO)	€5 x Index
CoreShares EM Equity+	CME	E-mini MSCI EM	$50 x Index
CoreShares European Equity+	Eurex	Euro Stoxx 50 Futures (FESX)	€10 x Index

CoreShares US IG Bond+	CBOT / CME	10-Year T-Note (ZN) + LQD Futures	$100,000 (ZN) + 100 sh (LQD)
CoreShares Gold+	COMEX	Gold Futures (GC)	100 troy ounces
CoreShares Silver+	COMEX	Silver Futures (SI)	5,000 troy ounces
CoreShares Copper+	COMEX	Copper Futures (HG)	25,000 pounds
CoreShares Natural Gas pro	NYMEX	Henry Hub Natural Gas (NG)	10,000 mmBtu
CoreShares Brent Oil+	ICE Europe	Brent Crude Oil (B / LCO)	1,000 barrels
CoreShares WTI Oil+	NYMEX	WTI Crude Oil (CL)	1,000 barrels

Table 2: Mini/Micro Contracts (Secondary Contracts)

Strategy Name	**Relevant Exchange**	**Mini/Micro Contract & (Code)**	**Contract Size**
CoreShares US Equity+	CME	Micro E-mini S&P 500 (MES)	$5 x Index
CoreShares US Tech Equity+	CME	Micro E-mini Nasdaq-100 (MNQ)	$2 x Index
CoreShares World Equity+	Eurex / CME	Basket: ES + FESX + NKD	N/A
CoreShares EM Equity+	CME	Micro MSCI EM	$5 x Index
CoreShares European Equity+	Eurex	Euro Stoxx 50 Micro (FSXE)	€1 x Index
CoreShares US IG Bond+	CBOT	5-Year T-Note (ZF)	$100,000 face
CoreShares Gold+	COMEX	Micro Gold Futures (MGC)	10 troy ounces
CoreShares Silver+	COMEX	Micro Silver Futures (MSI)	1,000 troy ounces
CoreShares Copper+	COMEX	Micro Copper Futures (MHG)	2,500 pounds
CoreShares Natural Gas pro	NYMEX	E-mini Natural Gas (QG)	2,500 mmBtu
CoreShares Brent Oil+	ICE Europe	ICE Mini Brent (BM)	100 barrels

CoreShares WTI Oil+	NYMEX	Micro WTI Crude Oil (MCL)	100 barrels

Leg 2: The ETF Leg Reference Assets

To implement thematic and risk premia "tilts," the Portfolio Administrator holds the Primary ETF or Permitted Alternative ETFs, as listed below. While the Portfolio Administrator aims to give priority to the Primary ETF, it may substitute it with a Permitted Alternative ETF at its discretion, particularly where the relevant Primary ETF is unavailable or where a Permitted Alternative ETF offers better liquidity or lower transaction costs, or more accurately reflects the intended factor exposure at the time of investment.

Table 3: Leg 2 ETF Allocations

Strategy Name	**Primary ETF**	**Permitted Alternative ETFs**
CoreShares US Equity+	iShares MSCI USA Quality Factor ETF (QUAL)	Distillate U.S. Fundamental Stability & Value ETF (DSTL)
		JPMorgan U.S. Quality Factor ETF (JQUA)
CoreShares US Tech Equity+	WisdomTree US Quality Growth ETF (QGRW)	iShares MSCI USA Quality Factor ETF (QUAL)
		iShares Expanded Tech Sector ETF (IGM)
CoreShares World Equity+	iShares MSCI World Quality Factor ETF (IWQU)	Xtrackers MSCI World Quality UCITS ETF (XDEQ)
		iShares MSCI Intl Quality Factor ETF (IQLT)
CoreShares EM Equity+	Avantis Emerging Markets Equity ETF (AVEM)	WisdomTree Emerging Markets SmallCap Dividend Fund (DGS)
CoreShares European Equity+	iShares MSCI Intl Quality Factor ETF (IQLT)	Xtrackers MSCI World Quality UCITS ETF (XDEQ)
		Amundi Core STOXX Europe 600 UCITS ETF Acc (MEUD)
CoreShares US IG Bond+	Schwab US TIPS ETF (SCHP)	Vanguard Short-Term Inflation-Protected Securities ETF (VTIP)
		iShares TIPS Bond ETF (TIP)
CoreShares Gold+	VanEck Gold Miners ETF (GDX)	VanEck Junior Gold Miners ETF (GDXJ)
CoreShares Silver+	Global X Silver Miners ETF (SIL)	Amplify Junior Silver Miners ETF (SILJ)

		iShares MSCI Global Silver and Metals Miners ETF (SLVP)
		iShares MSCI Global Metals & Mining Producers ETF (PICK)
CoreShares Copper+	Global X Copper Miners ETF (COPX)	iShares MSCI Global Metals & Mining Producers ETF (PICK)
CoreShares Natural Gas pro	First Trust Natural Gas ETF (FCG)	SPDR S&P Oil & Gas Exploration & Production ETF (XOP)
CoreShares Brent Oil+	SPDR S&P Oil & Gas E&P ETF (XOP)	First Trust Natural Gas ETF (FCG)
		iShares U.S. Oil & Gas Exploration & Production ETF (IEO)
		VanEck Oil Services ETF (OIH)
CoreShares WTI Oil+	SPDR S&P Oil & Gas E&P ETF (XOP)	First Trust Natural Gas ETF (FCG)
		iShares U.S. Oil & Gas Exploration & Production ETF (IEO)
		Energy Select Sector SPDR Fund (XLE)
		VanEck Oil Services ETF (OIH)

Details of the portfolio composition of the CoreShares+ Strategies will be set out daily on the Issuer's Website.

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the CoreShares + Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Fees

The fees applicable to the ETP Securities which pursue the CoreShares+ Strategies are set out in the Fees section of this Base Prospectus.
The Arranger Fee fee is charged daily at a rate that will not exceed 2. 5% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the

value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

20. The CCF PESO GLOBAL BALANCED INVESTMENT STRATEGY

The CCF Peso Global Balanced Investment Strategy is a strategy that aims to track the Solactive Global Balanced Strategy Mexican Peso Hedged NTR Index.

The Solactive Global Balanced Strategy Mexican Peso Hedged NTR Index is a multi-asset, globally diversified index calculated by Solactive AG. It is denominated in Mexican pesos with non-MXN currency exposure hedged back to MXN, and is calculated on a net total return basis — meaning dividends and coupons are reinvested net of withholding taxes.

The Solactive Global Balanced Strategy Mexican Peso Hedged NTR Index is subject to review, at least annually.

The Solactive Global Balanced Strategy Mexican Peso Hedged NTR Index is owned, calculated, administered and published by Solactive AG assuming the role as index administrator under Regulation (EU) 2016/1011.

The rules and methodolody of the Solactive Global Balanced Strategy Mexican Peso Hedged NTR Index can be found at: https://www.solactive.com/indices/

Portfolio Administrator

Flexinvest Limited will be the Portfolio Administrator of the CCF Peso Global Balanced Investment Strategy. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement.

A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled “Summary of the Programme Documents”.

Fees

The fees applicable to the ETP Securities which pursue the CCF Peso Global Balanced Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee fee is charged daily at a rate that will not exceed 1% per annum of the ETP Security Value of the ETP Securities on the immediately preceding Valuation Date, adjusted by the change in the value of the Collateral Assets in respect of the Series of ETP Securities since the preceding Valuation Date. The Arranger Fee shall be disclosed on the website of the Issuer.

21. LEVERAGED EXPOSURE POST-IPO INVESTMENT STRATEGIES

The objective of the Leveraged Exposure Post-IPO Investment Strategies is to provide, following the IPO (as defined below), daily Leveraged Exposure to a single underlying company whose equity securities are not, at the time of issuance of the relevant Series which pursues the relevant Leveraged Exposure Post-IPO Investment Strategy, admitted to trading on a regulated or equivalent market (the "**Underlying Entity**").

Investors should note that, in the ordinary course of an IPO, the equity securities of the Underlying Entity (the "**Underlying Entity Shares**") may be associated with several different reference prices at different points in the IPO process, only some of which are relevant to the relevant Leveraged Exposure Post-IPO Investment Strategy. In particular, prior to admission to trading, the Underlying Entity (and/or the selling shareholders and underwriters, as applicable) will typically determine a price at which Underlying Entity Shares are offered, subscribed for and allocated to investors participating in the IPO through a subscription, book-building or allocation process (the "**IPO Offer Price**"). The IPO Offer Price is set before, and independently of, the Opening Auction, is determined through a process in which the Issuer plays no part, and is not a price at which the relevant Series of ETP Securities transacts. Investors should not assume that the IPO Offer Price is the same as, or bears any fixed relationship to, the Opening Price or the Execution Price (each as defined below), and should be aware that these prices may differ materially from one another.

Investors should be aware that the relevant Leveraged Exposure Post-IPO Investment Strategy operates in three distinct phases. The Issuer's pursuit of the Leveraged Exposure Post-IPO Investment Strategies, including the Initial Phase, the Second Phase and the Third Phase, is within the objects of the Issuer as set out in its Memorandum of Association.

Initial Phase

During the initial phase, while the Underlying Entity remains a private company until its Underlying Entity Shares have a first publicly tradeable price (the "**Opening Price**") resulting from the opening auction (the "**Opening Auction**") on the day of admission to trading of the Underlying Entity Shares on a regulated or equivalent market (such admission, the "**IPO**") (the "**Initial Phase**"), the strategy will provide no Leveraged Exposure, and no exposure of any kind, to the Underlying Entity. Accordingly, prior to the end of the Opening Auction, the strategy is to hold the issue proceeds of the relevant Series of ETPs in cash. During the Initial Phase, such cash will accrue the Return on Collateral up until (and including) the day before the IPO. A description of the Return on Collateral is set out in the "Fees" section of this Base Prospectus under the heading "Return on Collateral". During this Initial Phase, the value of the relevant Series of ETPs will not track, and will not be linked to, the value or performance of the Underlying Entity, and investors will not benefit from any appreciation (and will not be exposed to any depreciation) in the value of the Underlying Entity Shares; instead, the value of the relevant Series of ETPs will be determined by reference to the issue proceeds held in cash, as adjusted to reflect the accrual of the Return on Collateral (such issue proceeds and the accrued Return on Collateral on any day before the IPO, the "**Accumulated Cash**"). The Issuer intends to only issue and seek admission to trading of the first tranche of the Series of ETP Securities pursuing this Investment Strategy before the IPO of the Underlying Entity and in any case not earlier than ten (10) London Business Days before the publicised date of the relevant IPO. However, despite a publicised date of the relevant IPO being available, the Initial Phase may last for a significant period of time, and there can be no assurance as to when, or whether, the IPO will actually occur.

Second Phase

Following the end of the Opening Auction, the strategy will convert to its second phase (the "**Second Phase**"), being a strategy to provide daily Leveraged Exposure to the Underlying Entity Shares on the IPO day. Such Leveraged Exposure will be achieved by borrowing from, or entering into other financial arrangements with, the Margin Loan Providers and investing in the Underlying Entity Shares an amount equal to the Accumulated Cash on the day before the IPO multiplied by the Leverage Factor of the relevant Leveraged Exposure Post-IPO Investment Strategy shortly after the conclusion of Opening Auction. Investors should note that the time required to acquire the requisite number of Underlying Entity Shares and thereby achieve the target Leveraged Exposure, cannot be anticipated in advance, as it will depend, among other factors, on prevailing liquidity conditions after the Opening Auction and the number of shares to be acquired as a proportion of available liquidity. The Portfolio Administrator will seek to secure sufficient availability in such securities from the Margin Loan Providers in order to pursue this Investment Strategy. The Underlying Entity Shares will be purchased from the exchange(s) on which they are admitted to trading and not via a participation in the IPO through any subscription or allocation arrangement. The Issuer will publish an announcement as soon as reasonably practicable, via an RIS, setting out the number of Underlying Entity Shares acquired and the average price of the execution (the "**Execution Price**" and the "**Execution Price Announcement**").

For illustration purposes, and disregarding fees and expenses, if the total Accumulated Cash for the relevant Series of Leveraged Exposure Post-IPO Investment Strategies was USD 15 million on the day before the IPO and its Leverage Factor was three (3x), the Portfolio Administrator will seek to invest USD45 million.

If the Execution Price achieved was USD 100, the relevant Series of ETP Securities would hold as Collateral Assets a number of Underlying Entity Shares equal to:

USD 45 million / USD100 = 450,000

Investors in a Series of ETP Securities pursuing a Leveraged Exposure Post-IPO Investment Strategy should note that, while the Portfolio Administrator will aim to execute all buy orders shortly after the Opening Auction, there may be large differences between the Execution Price and the Opening Price.

At the close of trading on the IPO day on the relevant exchange on which the Underlying Entity Shares are admitted to trading, the Investment Strategy will then rebalance back to its stated Leverage Factor by buying or selling Underlying Entity Shares (as the case may be), using the Execution Price as its initial reference price level.

Third Phase

Finally, from the close of trading on the day of the IPO (the "**Third Phase**"), the Leveraged Exposure Post-IPO Investment Strategy will offer the Leveraged Exposure employed for other Series of ETP Securities offering daily, Leveraged Exposure to equity securities and, as such, it will use as reference price for its daily rebalance the closing price of the Underlying Entity Shares at the end of the prior Rebalance Period.

If the Portfolio Administrator fails to secure enough borrowing capacity or funding for the Portfolio Administrator to pursue the Leveraged Exposure Post-IPO Investment Strategy within ten (10) London Business Days of the IPO, the Issuer will trigger an Issuer Call Redemption Event

Name of Investment Strategy	Underlying Entity	Leverage Factor	Unscheduled Rebalance Trigger
Leveraged Anthropic Investment Strategy	Anthropic, PBC	3x	-16.67%

Reference Assets

During the Initial Phase, the Reference Assets will be cash, which will substituted for Underlying Entity Shares during the Second and Third Phases. The impact of such substitution will be that the Series will convert from accruing a Return on Collateral on the cash held to providing a daily Leveraged Exposure to the Underlying Entity Shares and accordingly will benefit from any appreciation (and be exposed to any depreciation) in the value of the Underlying Entity Shares.

Collateral Assets and calculation of ETP Security Value

During all phases, the ETP Security Value of the ETP Securities will be calculated daily and will reflect the value of the Collateral Assets and, in the case of the Second and Third Phase, it will take into account all applicable fees and expenses in accordance with the methodology for the calculation of the ETP Security Value as set out in Condition 5 of the Terms and Conditions contained in this Base Prospectus.

During the Initial Phase the Collateral Assets will be the cash balance held in the Margin Account held with the Margin Loan Providers. During the Second and Third Phases the Collateral Assets will be the Underlying Entity Shares along with any Ancillary Assets or cash held in the Margin Account.

Post issuance information in relation to composition of the Collateral Assets of each Series of ETP Securities along with the ETP Security Value will be detailed on the Issuer's website www.leverageshares.com.

Market Notifications

The Issuer shall make the following market announcements via the Regulatory News Service (RNS) of the London Stock Exchange:

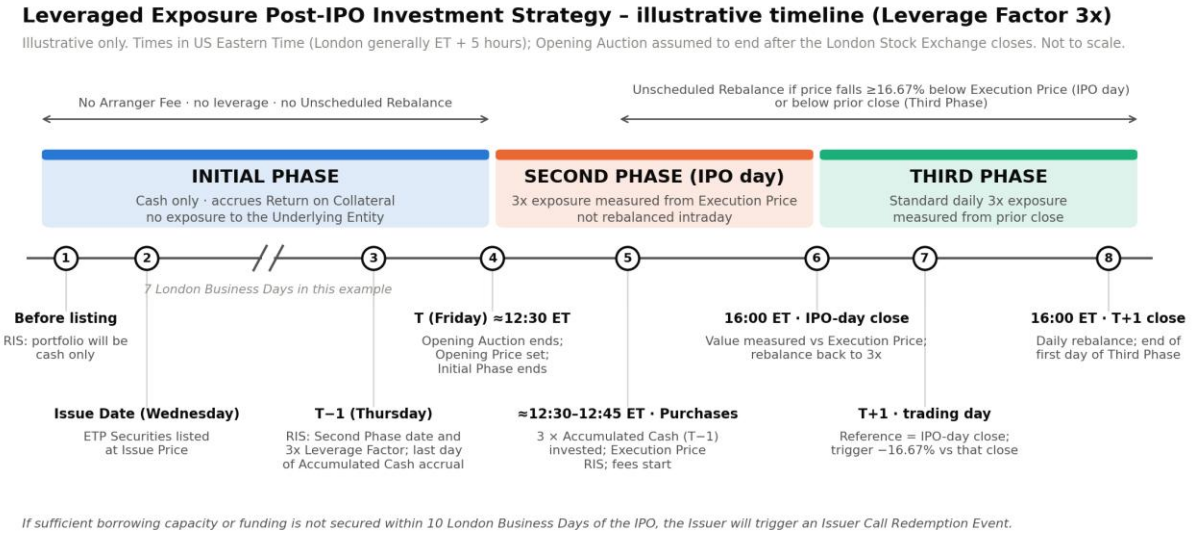
(i) Prior to initial listing of a relevant Series on the London Stock Exchange and on any other market on which the relevant Series trades (the "**Relevant Market**"), and therefore prior to the commencement of the Initial Phase, the Issuer shall publish an announcement confirming that the portfolio of the relevant Series will be comprised only of cash until further notice.

(ii) The Issuer shall aim to publish an announcement confirming the date on which the Issuer intends to offer the leveraged exposure to the Underlying Entity on the London Business Day prior to the commencement of the Second Phase, but in any event not later than prior to market opening of the Relevant Market on the date of the commencement of the Second Phase. The announcement shall also confirm the leverage factor which applies.

(iii) The Execution Price Announcement

Timeline of the Leveraged Exposure Post-IPO Investment Strategies

The following graphic illustrates the key points in the operation of a Series of ETP Securities pursuing a Leveraged Exposure Post-IPO Investment Strategy with a Leverage Factor of 3x, from the issue of the ETP Securities until the end of the first day of the Third Phase. The dates and times shown are illustrative only and assume that the Series which pursues the Leveraged Exposure Post-IPO Investment Strategy is listed on the London Stock Exchange, the Underlying Entity Shares are admitted to trading on an exchange in the United States and that the Opening Auction concludes after the close of trading on the London Stock Exchange.



Trading-hours note: In this illustration, the Opening Auction concludes at 12:30 ET (17:30 London time), after the assumed 16:30 London Stock Exchange close. The Portfolio Administrator establishes the Leveraged Exposure after that auction. Accordingly, investors cannot assume that they will be able to trade the ETP Securities on the London Stock Exchange on the IPO day after the Leveraged Exposure has been established. The calculation of the ETP Security Value at the close of the IPO day is separate from the availability of secondary-market trading.

	Key Point	What happens
1	Before initial listing on the Relevant Market	The Issuer announces via RNS that the portfolio of the Series will comprise only cash until further notice.
2	Issue Date – start of the Initial Phase (in this example, a Wednesday,	The ETP Securities are issued at the Issue Price and admitted to trading. The issue proceeds are held in cash in the Margin Account and accrue the Return on Collateral daily. The ETP Securities provide

	seven London Business Days before the IPO)	no exposure to the Underlying Entity. No Arranger Fee is charged.
3	Day before the IPO ("T-1", in this example a Thursday)	The Issuer announces via RNS the date on which it intends to offer the Leveraged Exposure to the Underlying Entity and the applicable Leverage Factor. T-1 is the last day on which the Return on Collateral accrues. The Accumulated Cash on T-1 is the amount used to determine the investment in the Underlying Entity Shares.
4	IPO day ("T", in this example the Friday of the week after the Issue Date): conclusion of the Opening Auction (illustratively 12:30 ET)	The Opening Price of the Underlying Entity Shares is determined. The Initial Phase ends and the Second Phase begins.
5	Shortly after the Opening Auction (illustratively 12:30 to 12:45 ET)	The Portfolio Administrator buys Underlying Entity Shares on the exchange (and not through any IPO allocation) equal to the Accumulated Cash on T-1 multiplied by the Leverage Factor. The purchase is funded by the Accumulated Cash and by financial arrangements with the Margin Loan Providers. The average purchase price is the Execution Price, which may differ materially from the Opening Price. The Issuer publishes the Execution Price Announcement via RNS. The Daily Margin Interest Rate and the Arranger Fee start to apply. The Unscheduled Rebalance Trigger is measured against the Execution Price.
6	Close of trading on the IPO day (16:00 ET)	The ETP Security Value is calculated by reference to the change between the Execution Price and the closing price of the Underlying Entity Shares. The Series is then rebalanced back to its stated Leverage Factor of 3x by buying or selling Underlying Entity Shares. The Second Phase ends and the Third Phase begins.
7	First trading day after the IPO ("T+1")	The Series provides standard daily Leveraged Exposure, using the IPO-day closing price as its reference price. The Unscheduled Rebalance Trigger is measured against that closing price.
8	Close of trading on T+1 (16:00 ET)	Standard daily rebalance to the stated Leverage Factor. This is the end of the first day of the Third Phase. The same process applies on each subsequent trading day.

If the Portfolio Administrator fails to secure enough borrowing capacity or funding to pursue the strategy within ten (10) London Business Days of the IPO, the Issuer will trigger an Issuer Call Redemption Event.

Unscheduled Rebalance

During the Second and Third Phases, Leveraged Exposure Post-IPO Investment Strategies will be subject to an Unscheduled Rebalance when the price of their respective Reference Assets decrease by more than the "Unscheduled Rebalance Trigger" set out in the tables above with respect to (i) in the case of the Second Phase, the Execution Price and (ii) in the case of the Third Phase, their closing prices on the previous trading day during the regular trading session of the exchanges where the Reference Assets trade. The Portfolio Administrator will have discretion to carry out an Unscheduled Rebalance when the price of the relevant Reference Assets decrease by more than the "Unscheduled Rebalance Trigger" with respect to their closing prices on the previous trading day at any time outside the regular trading session of the exchanges where the Reference Assets trade using prices that are made available to it at such time by the Margin Loan Providers. Such adjustment seeks to protect the holder of ETP Securities pursuing Leveraged Exposure Post-IPO Investment Strategies from suffering a complete loss in the event of extreme market movements by crystallising the losses incurred up to that point.

The Issuer will aim to rebalance the ETP Security shortly after the Unscheduled Rebalance is triggered following similar mechanics to the standard rebalance at the end of each Rebalance Period by (i) using as a reference price such prices as may be available to the Portfolio Administrator by the Margin Loan Providers for the relevant Reference Assets soon after the Unscheduled Rebalance Trigger is reached (the "**Trigger Price**") and (ii) by trading the Reference Assets in such amounts as may be required so that, following the end of such rebalancing period, the ETP Securities offer their stated Leveraged Exposure to the Reference Assets by reference to the Trigger Price. After the Unscheduled Rebalance is completed, the Issuer will publish the resulting price, which will become the reference ETP Security Value for the rebalance of the ETP Security at the end of the relevant Rebalance Period.

The ETP Security Value of the ETP Securities which pursue the Leveraged Exposure Post-IPO Investment Strategies will be calculated in accordance with the methodology set out in this Base Prospectus and will be published daily on the Issuer's website.

Flexinvest Limited will be the Portfolio Administrator of the Leveraged Exposure Post-IPO Investment Strategies. Flexinvest Limited has been appointed as Portfolio Administrator pursuant to the terms of the Flexinvest Portfolio Administration Agreement. A summary of the provisions of the Flexinvest Portfolio Administration Agreement is set out in the section of this Base Prospectus entitled "Summary of the Programme Documents".

Worked Examples

The following worked examples are provided for illustrative purposes only, to explain how the Leveraged Exposure Post-IPO Investment Strategies operate. They are hypothetical, are not based on any actual or expected price of the Underlying Entity Shares at or following the IPO, and are not a forecast or projection of the performance of any Series of ETP Securities. Actual dates, times, prices, rates, fees and outcomes will differ.

Assumptions

Assumption	Illustrative value
Issue Price per ETP Security	USD 10.00
Number of ETP Securities issued (first Tranche)	1,500,000 (issue proceeds USD 15,000,000)
Leverage Factor	3x
Benchmark Rate (assumed constant)	4.00% per annum
Return on Collateral (Initial Phase)	Benchmark Rate minus 1% = 3.00% per annum, accrued daily on an actual/360 basis
Daily Margin Interest Rate	Benchmark Rate plus 2% = 6.00% per annum on the amount of funding, actual/360
Arranger Fee	1.50% per annum (the maximum), actual/360; not charged during the Initial Phase
Dates	Issue Date: a Wednesday. IPO day ("T"): the Friday of the following week. Day before the IPO ("T-1"): the Thursday, eight calendar days after the Issue Date. First trading day after the IPO ("T+1"): the following Monday
Trading hours and time zones	Underlying Entity Shares: US exchange, regular session 09:30 to 16:00 ET. Relevant Market: London Stock Exchange, 08:00 to 16:30 London time. London time is assumed to be ET plus 5 hours. The Opening Auction is assumed to conclude after the close of trading on the London Stock Exchange on the IPO day
Rounding	Per ETP Security amounts are rounded to four decimal places; Series amounts and share numbers are rounded down to whole units

Transaction costs, bid/offer spreads and taxes are disregarded. The prices at which the ETP Securities trade on the Relevant Market are determined by market participants and may differ from the ETP Security Value.

Example 1 – Initial Phase: calculation of the Accumulated Cash

During the Initial Phase the Series holds only cash. On each day until and including T-1, the ETP Security Value is increased by the Return on Collateral:

ETP Security Value (day t) = ETP Security Value (day t-1) × (1 + Return on Collateral rate × number of calendar days / 360)

Date	Calendar days since Issuer Date	ETP Security Value per ETP Security
Issue Date (Wednesday)	0	USD 10.0000
T-1 (Thursday of the following week)	8	USD 10.0067

The Accumulated Cash on T-1 is therefore USD 10.0067 per ETP Security, or USD 15,010,050 for the Series (1,500,000 × USD 10.0067). The increase of 0.07% since the Issue Date comes only from the Return on Collateral; no Arranger Fee is charged during the Initial Phase. Any change in the value of the Underlying Entity before the IPO, including any change in the IPO price range, has no effect on the ETP Security Value.

Example 2 – Second Phase: acquiring the Leveraged Exposure after the Opening Auction

At 12:30 ET on the IPO day, the Opening Auction concludes and the Opening Price is USD 96.00. The amount to be invested is the Accumulated Cash on T-1 multiplied by the Leverage Factor:

USD 15,010,050 × 3 = USD 45,030,150

Of this amount, USD 15,010,050 is the Accumulated Cash and USD 30,020,100 is obtained from financial arrangements with the Margin Loan Providers. Between 12:30 and 12:45 ET the Portfolio Administrator buys Underlying Entity Shares on the exchange while their price is rising. The average price achieved (the Execution Price) is USD 100.00, which is 4.17% above the Opening Price. The Series therefore holds:

USD 45,030,150 / USD 100.00 = 450,301 Underlying Entity Shares

The Issuer publishes the Execution Price Announcement (450,301 Underlying Entity Shares at an Execution Price of USD 100.00). The Series is not rebalanced during the rest of the IPO day unless an Unscheduled Rebalance is triggered. At the close, the ETP Security Value is calculated by reference to the change from the Execution Price, not the Opening Price, to the closing price:

ETP Security Value at the close of T = Accumulated Cash per ETP Security × [1 + 3 × (closing price / Execution Price - 1)] - fees

Fees for the IPO day are: (i) the Daily Margin Interest Rate on the USD 30,020,100 of funding (USD 30,020,100 × 6.00% × 1/360 = USD 5,003.35, or USD 0.0033 per ETP Security); and (ii) the Arranger Fee of 1.50% × 1/360 of the ETP Security Value.

Scenario 1 – the Underlying Entity Shares close above the Execution Price

The Underlying Entity Shares close the IPO day at USD 108.00, 8.00% above the Execution Price.

Calculation	Per ETP Security (USD)
Accumulated Cash (T-1)	10.0067
Before fees: 10.0067 × [1 + 3 × (108.00 / 100.00 - 1)] = 10.0067 × 1.24	12.4083
Less Daily Margin Interest Rate	(0.0033)
Less Arranger Fee (12.4083 × 1.50% × 1/360)	(0.0005)
ETP Security Value at the close of the IPO day	12.4045
Return vs Accumulated Cash	+23.96%

Rebalance back to 3x. At the close, the Series holds 450,301 shares worth USD 48,632,508 (450,301 × USD 108.00), against an ETP Security Value for the Series of USD 18,606,750. The rise in price has reduced the effective leverage to 2.61x. To restore the Leverage Factor of 3x, the target exposure is 3 × USD 18,606,750 = USD 55,820,250, or 516,854 shares at USD 108.00. The Portfolio Administrator therefore buys 66,553 shares.

The Underlying Entity Shares rose 12.50% from the Opening Price of USD 96.00 to the close. The ETP Securities returned +23.96%, not three times 12.50% (+37.50%), because the Leveraged Exposure is measured from the Execution Price of USD 100.00.

Scenario 2 – the price rises and then falls to close below the Execution Price

After the purchases are completed, the price of the Underlying Entity Shares rises to an intraday high of USD 125.00 at 14:00 ET, 25.00% above the Execution Price. It then falls, and closes the IPO day at USD 92.00, 8.00% below the Execution Price. The Unscheduled Rebalance Trigger (USD 83.33) is not reached.

Calculation	Per ETP Security (USD)
Accumulated Cash (T-1)	10.0067
Before fees: 10.0067 × [1 + 3 × (92.00 / 100.00 - 1)] = 10.0067 × 0.76	7.6051
Less Daily Margin Interest Rate	(0.0033)

Less Arranger Fee (7.6051 × 1.50% × 1/360)	(0.0003)
ETP Security Value at the close of the IPO day	7.6015
Return vs Accumulated Cash	-24.04%

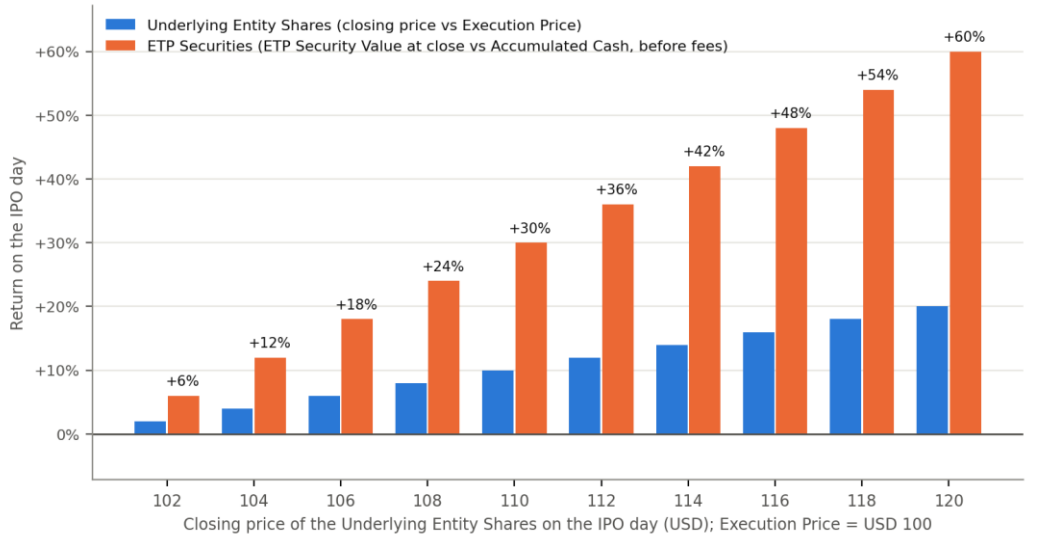
Because the Series is not rebalanced intraday (in the absence of an Unscheduled Rebalance), the rise to USD 125.00 earlier in the day is not locked in. The return for the IPO day depends only on the closing price compared with the Execution Price. The Underlying Entity Shares closed 4.17% below the Opening Price of USD 96.00, but the ETP Securities fell 24.04%, not three times 4.17% (-12.50%). This is because the Execution Price of USD 100.00 was above the Opening Price.

Rebalance back to 3x. At the close, the Series holds 450,301 shares worth USD 41,427,692 (450,301 × USD 92.00), against an ETP Security Value for the Series of USD 11,402,250. The fall in price has increased the effective leverage to 3.63x. The target exposure is 3 × USD 11,402,250 = USD 34,206,750, or 371,812 shares at USD 92.00. The Portfolio Administrator therefore sells 78,489 shares. USD 92.00 becomes the reference price for the first day of the Third Phase.

Return on the IPO day for a range of closing prices

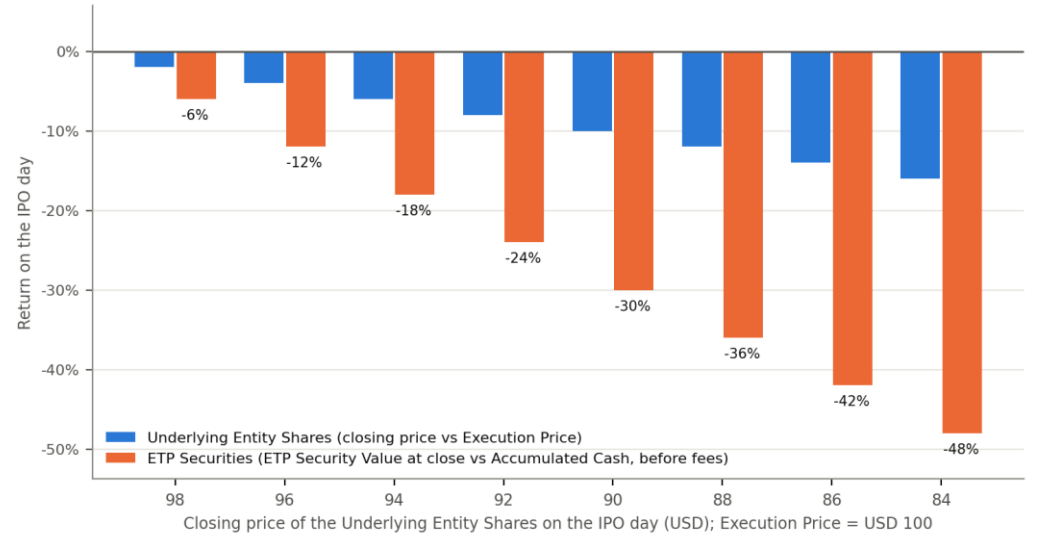
The charts below show the return on the ETP Securities on the IPO day for a range of closing prices of the Underlying Entity Shares above and below the Execution Price, compared with the return on the Underlying Entity Shares measured from the Execution Price. Fees are disregarded.

IPO day: Underlying Entity Shares close above the Execution Price (illustrative)



Illustrative only; disregards fees. Returns are measured from the Execution Price, not the Opening Price or the IPO price.

IPO day: Underlying Entity Shares close below the Execution Price (illustrative)



Illustrative only; disregards fees. A fall of 16.67% or more below the Execution Price (USD 83.33) would trigger an Unscheduled Rebalance.

Example 3 – the first day of the Third Phase (continuing Scenario 2)

From the close of the IPO day, the Series operates in the same way as other Series providing daily Leveraged Exposure to equity securities. The reference price is the IPO-day closing price of USD 92.00 and the starting ETP Security Value is USD 7.6015. The Unscheduled Rebalance Trigger is now measured against USD 92.00, so it would be reached at USD 76.67. Under the assumption that the Opening Auction concluded after the close of trading on the London Stock Exchange, T+1 (Monday) is the first day on which the ETP Securities trade on the Relevant Market following the acquisition of the Leveraged Exposure.

On T+1 the Underlying Entity Shares close at USD 97.52, 6.00% above the IPO-day close.

Calculation	**Per ETP Security (USD)**
ETP Security Value at the close of T	7.6015
Before fees: 7.6015 × [1 + 3 × (97.52 / 92.00 - 1)] = 7.6015 × 1.18	8.9698
Less Daily Margin Interest Rate (USD 22,804,500 of funding × 6.00% × 3/360, as T+1 is a Monday)	(0.0076)
Less Arranger Fee (8.9698 × 1.50% × 3/360)	(0.0011)
ETP Security Value at the close of T+1	8.9611
Return on T+1	+17.89%

At the close of T+1, the Series is rebalanced to 3 × USD 13,441,650 = USD 40,324,950 of exposure, or 413,504 shares at USD 97.52. The Portfolio Administrator therefore buys 41,692 shares, and USD 97.52 becomes the reference price for the next day. This is the end of the first day of the Third Phase.

Fees

The fees applicable to the ETP Securities which pursue a Leveraged Exposure Post-IPO Investment Strategy are set out in the Fees section of this Base Prospectus.

The Arranger Fee is charged daily at a per annum rate that will not exceed 1.5% on the ETP Security Value of the ETP Securities held by an ETP Securityholder and as shall be disclosed on the website of the Issuer, provided that no Arranger Fee shall be charged during the Initial Phase.

SECURITY ARRANGEMENTS

The following description of the security arrangements relating to the Programme consists of a summary of certain provisions of the Trust Deed and the Margin Account Security Agreement relating to a Series of ETP Securities, and is qualified in its entirety by reference to the detailed provisions of each such Trust Deed and the Margin Account Security Agreement. The following summary does not purport to be complete, and prospective investors in ETP Securities of a Series must refer to the Trust Deed and the Margin Account Security Agreement in respect of that Series for detailed information regarding such documents.

The Issuer's obligations in respect of the ETP Securities of each Series are secured by the Security created by the Trust Deed and the Margin Account Security Agreement relating to such Series. Additional Security Documents may be entered into in respect of particular Series if required by the Trustee

The Security created in respect of a Series of ETP Securities is granted to the Trustee as continuing security for the Secured Obligations.

Trust Deed

Pursuant to the Trust Deed relating to a Series of ETP Securities in respect of that Series, the Secured Obligations of the Issuer shall be secured in favour of the Trustee, for its benefit and for the benefit of the Secured Creditors, by:

(A) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to such Series of ETP Securities; and

(B) a first fixed charge over (i) all sums held now or in the future, by or on behalf of the Issuer to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (ii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the LS Margin Account Agreement and the Portfolio Administration Agreement and (iii) all of the Issuer's rights as against the Margin Loan Provider in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider relating to the Series of ETP Securities,

in each case, to the extent that they relate to such Series of ETP Securities.

Margin Account Security Agreement

On 22 August 2025 the Issuer and the Trustee entered into a New York law governed margin account security agreement (the "**IB Margin Account Security Agreement**"), pursuant to which the Secured Obligations of the Issuer shall be secured by:

(i) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the IB Margin Account Agreement to the extent that they relate to Series of ETP Securities where the IB Margin Account Agreement applies; and

(ii) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the IB Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to Series of ETP Securities where the IB Margin Account Agreement applies; and

(iii) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to Series of ETP Securities where the IB Margin Account

Agreement applies.

On 16 December 2024 the Issuer and the Trustee entered into a New York law governed margin account security agreement (the "**MS Margin Account Security Agreement**"), pursuant to which the Secured Obligations of the Issuer shall be secured by:

(i) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the MS Margin Account Agreement to the extent that they relate to Series of ETP Securities where the MS Margin Account Agreement applies; and

(ii) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the MS Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to Series of ETP Securities where the MS Margin Account Agreement applies; and

(iii) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to Series of ETP Securities where the MS Margin Account Agreement applies.

On 16 December 2024 the Issuer and the Trustee entered into a New York law governed margin account security agreement (the "**Pershing Margin Account Security Agreement**"), pursuant to which the Secured Obligations of the Issuer shall be secured by:

(i) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the Pershing Margin Account Agreement to the extent that they relate to Series of ETP Securities where the Pershing Margin Account Agreement applies; and

(ii) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the Pershing Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to Series of ETP Securities where the Pershing Margin Account Agreement applies; and

(iii) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to Series of ETP Securities where the Pershing Margin Account Agreement applies.

The defined term "**Margin Account Security Agreement**" means the IB Margin Account Security Agreement and/or the MS Margin Account Security Agreement and/or the Pershing Margin Account Security Agreement or any other security agreement entered into with respect to an LS Margin Account Agreement, as applicable to a Series of ETP Securities.

Enforcement of Security

The Security constituted by the Security Documents in respect of a Series of ETP Securities will become enforceable if an Event of Default occurs with respect to such ETP Securities. The proceeds of such enforcement will be applied in accordance with the order of priority set out in Condition 6.5 of the ETP Securities.

Subordination

The Security created in favour of the Trustee for the benefit of the Secured Creditors will be subordinated to a first ranking security interest created by the Issuer in favour of the Margin Loan Provider as security for the Issuer's obligations under the LS Margin Account Agreement.

THE ISSUER

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Issuer". No other Programme Party has verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into the Issuer.

General

The Issuer was incorporated as Leverage Shares Public Limited Company on 27 January 2017 as a public limited company and is validly existing under the Companies Act 2014 (with registered number 597399).

The Issuer has been established as a special purpose vehicle established for the purpose of issuing asset backed securities. The Issuer is incorporated and registered in Ireland. The registered office of the Issuer is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland. The telephone number of the Issuer is +353 1 2240300. The Issuer's LEI number is 635400TLFJSNHVSOFH59.

As at the date of this Base Prospectus, the Issuer is a special purpose vehicle and is neither an alternative investment fund nor an alternative investment fund manager within the meaning of Directive 2011/61/EU.

The Issuer's website is www.leverageshares.com. The information on the Issuer's website, and on any other website mentioned in this Base Prospectus, does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.

Share Capital and Shareholders

The authorised share capital of the Issuer is EUR 25,000 divided into 25,000 ordinary shares of EUR 1.00 each (the "**Shares**") of which 25,000 are issued and paid up to the amount of EUR 25,000 and are directly or indirectly held by Monument Trustees Limited, with its registered office at 22 Northumberland Road, Ballsbridge, Dublin 4, Ireland and CRO number 345558 (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 20 June 2017 under which the Share Trustee holds the benefit of the Shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the Shares. The Issuer has no subsidiaries.

There has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2024. Save for the issues of ETP Securities and their related arrangements contemplated in this Base Prospectus, the Issuer has no borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees.

Business

The principal objects of the Issuer are set out in Clause 3 of its Memorandum of Association and permit, among other things, the issuance of ETP Securities, the entering into of the Programme Documents and generally enabling it to carry out the business of the Issuer as set out in the Master Trust Deed and described in this Base Prospectus.

The Master Trust Deed contains restrictions on the activities in which the Issuer may engage. Pursuant to these restrictions, the business of the Issuer is limited to acquiring and holding Collateral Assets, issuing ETP Securities up to a maximum number of ETP Securities outstanding equal to 5,000,000,000,000, entering into LS Margin Account Agreement and performing its obligations and exercising its rights thereunder and entering into other related transactions, and issuing unsecured debt securities, and disbursing loans, as contemplated by Condition 7(A)(6) of the ETP Securities.

The assets of the Issuer will consist of the Collateral Assets and the benefit of the LS Margin Account Agreement in respect of each Series of ETP Securities and the issued and paid-up capital of the Issuer and fees. The only assets of the Issuer available to meet claims of ETP Securityholders and other secured creditors are the assets comprised in the relevant collection of benefits, rights and other assets comprising the security for the relevant Series of ETP Securities.

The Issuer will be paid a fee for agreeing to issue the relevant ETP Securities. Other than the fees paid to the Issuer, its share capital and any income derived therefrom, there is no intention that the Issuer accumulates surpluses. The ETP Securities of each Series are direct, limited recourse obligations (with the

exception of the Issuer's obligations under the LS Margin Account Agreement) of the Issuer alone and not of the shareholders of the Issuer, the Trustee, any Margin Loan Provider, officers, members, directors, employees, ETP Securityholders or any obligor in respect of any Collateral Assets. Furthermore, they are not obligations of, or guaranteed in any way by, any of the Authorised Participants or any Index Sponsor or their respective successors or assigns.

Directors

The Directors of the Issuer and their respective principal occupations are:

Name	***Occupation***
Neil Fleming	Company Director
Ciaran Connolly	Accountant

The business address of the Directors is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland.

Apex IFS Limited of 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland is the corporate administrator of the Issuer. Its duties include the provision of certain administrative and related services to the Issuer including acting as company secretary.

There are no conflicts of interest between members of the administrative, management and supervisory bodies of the Issuer and the private interests of such members.

Ciaran Connolly is an employee of Apex IFS Limited.

Financial Statements

The Issuer intends to publish audited financial statements on an annual basis, and unaudited semi-annual financial statements. The financial year of the Issuer will end on 30 June in each year. The audited financial statements for the period from 1 July 2024 to 30 June 2025 and from 1 July 2025 to 30 June 2026 can be viewed at the below links and are incorporated by reference into and form part of this Base Prospectus.

https://leverageshares.com/documents/en-eu/statements/Leverage_Shares_Plc_Signed_Financial_Statements_2026.pdf

https://leverageshares.com/documents/en/statements/LS-Unaudited-FS-for-period-ended-31-Dec-2025.pdf

Auditors

The auditors of the Issuer are Grant Thornton of 18 City Quay, Dublin 2, Ireland, who are chartered accountants qualified to practise in Ireland and members of the Institute of Chartered Accountants in Ireland.

Any future published audited financial statements prepared by the Issuer (which will, in each case, be in respect of the period ending on 30 June of the relevant year) will be available from the registered office of the Issuer and on the Issuer's Website.

Capitalisation

The following table sets out the unaudited capitalisation of the Issuer as at the date of this Base Prospectus:

Shareholders' Funds:	EUR 25,000
Share Capital:	Authorised: EUR 25,000; Issued: 25,000 Ordinary Shares of EUR 1.00 each.
Total Capitalisation:	EUR 25,000
Annual General Meeting:	The Issuer shall hold one annual general meeting in each year and not more than 15 months shall elapse between the date of one annual general meeting of the Issuer and that of the next.

THE ARRANGER

The information set out in this section of this Base Prospectus headed "The Arranger" has been obtained from Leverage Shares Management Company Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Leverage Shares Management Company Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Leverage Shares Management Company Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Leverage Shares Management Company Limited accepts responsibility for the information contained in this section of this Base Prospectus headed "The Arranger". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Leverage Shares Management Company Limited.

General

Leverage Shares Management Company Limited was incorporated in Ireland on 11 January 2017 as a private company limited by shares and is validly existing under the Companies Act 2014 (with registered number 596207).

The Arranger has not been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Arranger is incorporated and registered in Ireland.

The registered office of the Arranger is 116 Mount Prospect Avenue, Clontarf, Dublin 3, Ireland.

The objects of the Arranger are unrestricted.

Management

The Directors of the Arranger are:

Neil Fleming

Jose Gonzalez

John Dunphy

The business address of each of the Directors is at 116 Mount Prospect Avenue, Clontarf, Dublin 3, Ireland

The secretary of the Arranger is Boru Capital Limited, 116 Mount Prospect Avenue, Clontarf, Dublin 3, Ireland.

The sole shareholder of the Arranger is Leverage Shares LLC, which is controlled by Jose Gonzalez, who is the majority owner of the parent company of Leverage Shares LLC. Mr Gonzalez is also the ultimate sole shareholder of Flexinvest Limited, FlexAdvisor Limited, Investium Limited and the Determination Agent.

Business

The principal activity of the Arranger is the provision of administrative and arranger services to the Issuer.

The ETP Securities are obligations of the Issuer alone and not of the Arranger.

THE PORTFOLIO ADMINISTRATOR

The information set out in this section of this Base Prospectus headed "The Portfolio Administrator" has been obtained from the Portfolio Administrators listed below. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Portfolio Administrators, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of the Portfolio Administrators since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, the Portfolio Administrators listed below accept responsibility for the information related to their respective entities in this section of this Base Prospectus headed "The Portfolio Administrator". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into the Portfolio Administrators listed below.

In respect of each Series of ETP Securities, one of the Portfolio Administrators listed below, as specified in the relevant Final Terms, will be appointed to act as Portfolio Administrator.

Flexinvest Limited

Flexinvest Limited was incorporated under the laws of New Zealand on 20 January 2025 with New Zealand Business Number 9429052571053.

Flexinvest Limited obtained a registration as a financial services provider from the Financial Markets Authority of New Zealand on 18 February 2025. Flexinvest Limited's FSP registration number is FSP1009135. The registered office of Flexinvest Limited is located at Suite B, Unit D, Building 3, 331 Rosedale Road, Albany, Auckland, 0632, New Zealand.

The powers and duties of Flexinvest Limited are governed by the Financial Markets Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019, and applicable regulations made thereunder. Flexinvest Limited is also subject to the Code of Professional Conduct for financial advice services and related regulatory guidance issued by the Financial Markets Authority of New Zealand.

Flexinvest Limited's principal activities include acting as a financial advice provider and providing broker/dealer and portfolio administration services to the Issuer and to other institutional and corporate clients.

Although Flexinvest Limited was incorporated in 2025, it has been established with the specific purpose of providing structured financial and administrative services and is actively scaling its operations, systems and staffing to support this mandate. Since incorporation, Flexinvest Limited has been implementing and enhancing its governance framework, internal controls, compliance infrastructure and technology systems in order to ensure that it is appropriately resourced to deliver its services in a compliant and operationally robust manner. This includes the recruitment and onboarding of personnel with relevant experience across advisory, operational, compliance and client service functions.

The directors of Flexinvest Limited are Jose Gonzalez and Lujia Wang.

Mr. Gonzalez is the ultimate sole shareholder of Flexinvest Limited. Mr. Gonzalez is also a director of the Arranger and the ultimate majority owner of the Arranger. Mr Gonzalez is also the ultimate sole shareholder of the Determination Agent and FlexAdvisor Limited, who may also act as Portfolio Administrator with respect to certain Series of ETP Securities.

FlexAdvisor Limited

FlexAdvisor Limited was incorporated under the laws of the Cayman Islands on 17 January 2025.

FlexAdvisor Limited was registered as a Registered Person pursuant to section 5(4) and paragraph 2 of schedule 4 of the Securities Investment Business Act (2020 Revision), effective 2 April 2025, to carry on the

securities investment business defined by paragraph 3 and 4 of Schedule 2 of the Securities Investment Business Act ("SIBA"), in respect of securities defined within Schedule 1 of SIBA.

FlexAdvisor Limited's reference number with the Cayman Islands Monetary Authority is 2164573.

FlexAdvisor was recently incorporated and is in the process of establishing its business operations and operational infrastructure to commence the provision of investment business services. FlexAdvisor was formed to provide such services to entities such as the Issuer and, in due course, other clients. As of the date of this Base Prospectus, FlexAdvisor has not been appointed to provide services in respect of any Series of ETP Securities or to any other client and has not yet commenced revenue-generating operations.

FlexAdvisor's registered address is P.O. Box 446, Grand Cayman KYI-116, Cayman Islands.

The directors of FlexAdvisor Limited is Jose Gonzalez and Martin Laufer.

Mr. Gonzalez is the ultimate sole shareholder of FlexAdvisor Limited. Mr. Gonzalez is also a director of the Arranger and the ultimate majority owner of the Arranger. Mr Gonzalez is also the ultimate sole shareholder of the Determination Agent and Flexinvest Limited, who may also act as Portfolio Administrator and Broker Dealer of Record with respect to certain Series of ETP Securities.

THE MARGIN LOAN PROVIDERS

The information set out in this section of this Base Prospectus headed "The Margin Loan Providers" has been obtained from the Margin Loan Providers. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Margin Loan Providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of the Margin Loan Providers since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Margin Loan Providers". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into the Margin Loan Providers.

Interactive Brokers LLC

Interactive Brokers LLC ("**IBLLC**") is headquartered at One Pickwick Plaza, Greenwich, CT 06830, USA. IBLLC is a member of the New York Stock Exchange, the Financial Industry Regulatory Authority and is regulated by the US Securities and Exchange Commission and the Commodity Futures Trading Commission. IBLLC is rated investment grade by Standard & Poor's.

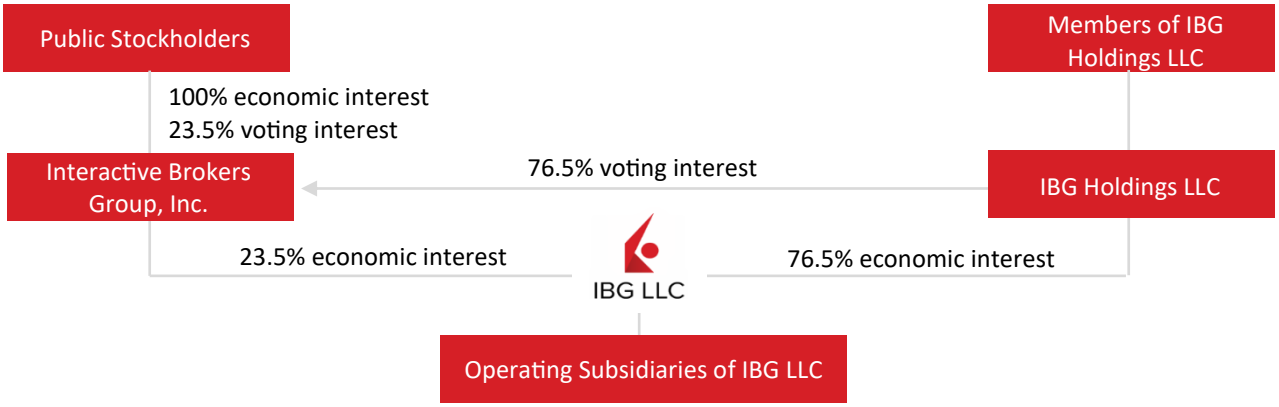
The ETP Securities are obligations of the Issuer alone and not of IBLLC.

The Portfolio Administrator has the discretion as to whether IBLLC shall be appointed as Margin Loan Provider with respect to a Series of ETP Securities.

Further information on IBLLC can be found at:

https://www.interactivebrokers.com/en/home.php

IBLLC is part of the Interactive Brokers Group, the ownership of which is structured as follows:



Morgan Stanley & Co LLC

Morgan Stanley & Co LLC is a publicly traded company with it's world headquarters is located at 1585 Boardway, New York, NY 10036, USA. Morgan Stanley & Co. LLC is a global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services.

Morgan Stanley & Co LLC is registered with the SEC as an institutional securities broker-dealer and is registered as a futures commission merchant and a swap dealer with the CFTC. Morgan Stanley & Co LLC is also a member of the Financial Industry Regulatory Authority, the Securities Investor Protection Corporation and various securities exchanges.

The ETP Securities are obligations of the Issuer alone and not of Morgan Stanley & Co LLC.

The Portfolio Administrator has the discretion as to whether Morgan Stanley & Co LLC shall be appointed as Margin Loan Provider with respect to a Series of ETP Securities.

Further information on Morgan Stanley & Co LLC can be found at: https://www.morganstanley.com/

Pershing LLC

Pershing LLC's global headquarters is located at One Pershing Plaza, Jersey City, NJ 07399, USA. Pershing LLC is a subsidiary of The Bank of New York Mellon Corporation, a global financial services company.

Pershing LLC is a member of the Financial Industry Regulatory Authority, New York Stock Exchange and the Securities Investor Protection Corporation.

The ETP Securities are obligations of the Issuer alone and not of Pershing LLC.

The Portfolio Administrator has the discretion as to whether Pershing LLC shall be appointed as Margin Loan Provider with respect to a Series of ETP Securities.

Further information on Pershing LLC can be found at: https://www.pershing.com/

THE DETERMINATION AGENT

The information set out in this section of this Base Prospectus headed "The Determination Agent" has been obtained from Calculation Agent Services LLC. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Calculation Agent Services LLC, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Calculation Agent Services LLC since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Calculation Agent Services LLC accepts responsibility for the information contained in this section of this Base Prospectus headed "The Determination Agent". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Calculation Agent Services LLC, as applicable.

Calculation Agent Services LLC is a limited liability company incorporated in the State Delaware, USA on 9 October 2018, with its principal place of business at 34 E Putnam Avenue, Suite 112, Greenwich, CT 06830.

The principal business activities of Calculation Agent Services LLC are to provide calculation, accounting and other administrative services to the Issuer and other corporate clients.

The ETP Securities are obligations of the Issuer alone and not of Calculation Agent Services LLC.

Jose Gonzalez is a director and ultimate majority shareholder of the Arranger. He is the ultimate sole shareholder of Flexinvest Limited, FlexAdvisor Limited, Investium Limited and the Determination Agent.

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THE AUTHORISED PARTICIPANTS

The Initial Authorised Participant

The information set out in this section of this Base Prospectus headed "The Initial Authorised Participant" has been obtained from BNP Paribas Arbitrage S.N.C. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by BNP Paribas Arbitrage S.N.C., no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of BNP Paribas Arbitrage S.N.C. since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, BNP Paribas Arbitrage S.N.C. accepts responsibility for the information contained in this section of this Base Prospectus headed "The Initial Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into BNP Paribas Arbitrage S.N.C.

BNP Paribas Arbitrage S.N.C. is a wholly owned subsidiary of BNP Paribas S.A. It is involved in dealing on financial instruments including derivatives and on stock borrowing and lending, receiving and transmitting orders for third parties, placement, underwriting and investment counsel (decision of the Comité des Etablissements de Crédit et des Entreprises d'Investissement – CECEI dated 9 April 2002). BNP Paribas Arbitrage S.N.C. is regulated by the French Prudential Supervision and Resolution Authority (ACPR) in France under the Monetary and Financial Code (Code Monétaire et Financier). It trades on the main international financial markets and is especially a major dealer in equities on the U.S., French, British, Swiss, German, Dutch, Belgian, Italian and Spanish stock exchanges.

BNP Paribas Arbitrage S.N.C is organised as a French partnership '*Société en Nom Collectif*' ('S.N.C') with capital of EUR 323,753,355 composed of 45,135 shares of EUR 7,173 each, whose registered office is located at 160/162 Boulevard Macdonald, 75019 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number B 394 895 833.

The capital of BNP Paribas Arbitrage S.N.C. is held by three partners (associés):

TAITBOUT PARTICIPATION 3, '*Société en Nom Collectif*', whose registered office is located at 1 Boulevard Haussmann - 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number B 433 912 250, holds 45,133 shares of BNP Paribas Arbitrage S.N.C. (99.98% of the BNP Paribas Arbitrage S.N.C capital);

BNP PARIBAS, *Société Anonyme*, whose registered office is located at 16 Boulevard des Italiens 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number B 662 042 449, holds 1 share of BNP Paribas Arbitrage S.N.C. (0.01% of the BNP Paribas Arbitrage S.N.C. capital);

Société ANTIN PARTICIPATION 5, '*Société par Actions Simplifiée*', whose registered office is located at 1 Boulevard Haussmann - 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number 433 891 678, holds 1 share of BNP Paribas Arbitrage S.N.C. (0.01% of the BNP Paribas Arbitrage S.N.C. capital).

The managers ('*Gérants*') of BNP Paribas Arbitrage S.N.C. are BNP Paribas, whose permanent representative ('*Représentant Permanent du Gérant*') is Mr. Jacques Vigner and Taitbout Participation 3 S.N.C whose permanent representative ('*Représentant Permanent du Gérant*') is Mr Nicolas Marque .

Sociétés en Nom Collectif are governed by articles L221-1 to L221-17 of the Code of Commerce, related to commercial companies. Article L221-1 expressly states that the partners of a S.N.C. are indefinitely, jointly and severally liable for the debts of the S.N.C. This joint and several obligation exists for each partner of the S.N.C., whatever the amount of the S.N.C.'s capital such partner holds, so that each creditor of a S.N.C. may require from any of the partners of such S.N.C. the payment of the aggregate amount of its debt against the S.N.C. This obligation is attached by law to the qualification of a person as a partner of a S.N.C. Thus, in the event BNP Paribas Arbitrage S.N.C. is in default in the performance of any of its obligations toward a third party, its partners will be engaged towards such third party as if its partners had directly underwritten such an obligation.

The information contained in this section related to and has been obtained from BNP Paribas. The

information concerning BNP Paribas and the Group contained herein is furnished solely to provide limited introductory information regarding the BNP Paribas and the Group and does not purport to be comprehensive.

The delivery of the information contained in this section shall not create any implication that there has been no change in the affairs of the BNP Paribas or the Group since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

BNP Paribas is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 74 countries and has more than 198,000 employees, including close to 150,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
- Domestic Markets, comprising:
  - French Retail Banking (FRB);
  - BNL banca commerciale (BNL bc), Italian retail banking;
  - Belgian Retail Banking (BRB);
  - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
- International Retail Banking, comprising:
  - Europe-Mediterranean;
  - BancWest;
  - Personal Finance;
  - Insurance;
  - Wealth and Asset Management;
- Corporate and Institutional Banking (CIB) which includes:
- Corporate Banking;
- Global Markets;
- Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group (the 'Group').

As at the most recent financial year end, the Group reported consolidated assets in excess of €3 trillion. The Group's balance sheet includes substantial customer loan portfolios and customer deposits across its international banking operations. Shareholders' equity (Group share) exceeds €120 billion and the Group generates annual net income of approximately €10 billion, reflecting its diversified banking activities and global client base.

BNP Paribas has debt securities listed on a number of major exchanges including the Luxembourg Stock Exchange. The registered office of BNP Paribas is located at 16, Boulevard des Italiens – 75009 Paris, France.

The Second Authorised Participant

The information set out in this section of this Base Prospectus headed "The Second Authorised Participant" has been obtained from Virtu Financial Ireland Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Virtu Financial Ireland Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Virtu Financial Ireland Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Second Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Virtu Financial Ireland Limited.

Virtu Financial Ireland Limited ("**Virtu**") is a limited liability company incorporated in Ireland with a registered office address at North Dock One, 5th Floor, 91-92 North Wall Quay, Dublin 1, Ireland.

Virtu is regulated as an investment firm by the Central Bank of Ireland.

The Third Authorised Participant

The information set out in this section of this Base Prospectus headed "The Third Authorised Participant" has been obtained from Optiver VOF. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Optiver VOF, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Optiver VOF since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Third Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Optiver VOF .

Optiver VOF ("**Optiver**") is licensed by the Dutch Authority for the Financial Markets as an investment firm to conduct the investment activity of dealing on own account.

Optiver's address is Strawinskylaan 3095 1077 ZX Amsterdam, The Netherlands.

The Fourth Authorised Participant

The information set out in this section of this Base Prospectus headed "The Fourth Authorised Participant" has been obtained from Jane Street Financial Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Jane Street Financial Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Jane Street Financial Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Fourth Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Jane Street Financial Limited.

Jane Street Financial Limited is authorised and regulated by the U.K. Financial Conduct Authority.

Jane Strert Financial Limited’s address is 2 & A Half Devonshire Square, London, EC2M 4UJ.

The Fifth Authorised Participant

The information set out in this section of this Base Prospectus headed "The Fifth Authorised Participant" has been obtained from Flow Traders B.V.. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Flow Traders B.V., no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Flow Traders B.V. since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Fifth Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Flow Traders B.V .

Flow Traders B.V. is regulated in the Netherlands as licensed business firm by the Dutch Authority for the Financial Markets.

Flow Trader B.V.'s address is Jacob Bontiusplaats 9, 1018 LL Amsterdam, the Netherlands.

The Sixth Authorised Participant

The information set out in this section of this Base Prospectus headed "The Sixth Authorised Participant" has been obtained from Susquehanna International Securities Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Susquehanna International Securities Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Susquehanna International Securities Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Sixth Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Susquehanna International Securities Limited.

Susquehanna International Securities Limited is a MiFID-authorised investment firm regulated by the Central Bank of Ireland.

Susquehanna International Securities Limited’s address is International Centre, Memorial Road, IFSC, Dublin 1, D01 T6T0, Ireland.

The Seventh Authorised Participant

The information set out in this section of this Base Prospectus headed "The Seventh Authorised Participant" has been obtained from Investium Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Investium Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Investium Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Seventh Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Investium Limited.

The Issuer intends to enter into an authorised participant agreement with Investium Limited. Investium Limited is authorized and regulated by the Cyprus Securities and Exchange Commission.

Investium Limited’s address is 6 Nikou Georgiou, Office 302, 1095 Nicosia, Cyprus.

Jose Gonzalez is a director and ultimate majority shareholder of the Arranger. He is also the ultimate sole shareholder of Calculation Agent Services LLC, Flexinvest Limited, FlexAdvisor Limited, and the Determination Agent.

The Eighth Authorised Participant

The information set out in this section of this Base Prospectus headed "The Eighth Authorised Participant" has been obtained from GTX UK LLP. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by GTX UK LLP, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of GTX UK LLP since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Eighth Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into GTX UK LLP.

GTX UK LLP is authorised and regulated by the U.K. Financial Conduct Authority.

GTX UK LLP’s address is 11th Floor, Tower 42, 25 Old Broad Street, London EC2N 1HQ, United Kingdom.

The Ninth Authorised Participant

The information set out in this section of this Base Prospectus headed "The Ninth Authorised Participant" has been obtained from DRW Europe B.V. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by DRW Europe B.V., no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of DRW Europe B.V. since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Ninth Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into DRW Europe B.V.

DRW Europe B.V. is licensed by the Dutch Authority for the Financial Markets as an investment firm to conduct the investment activity of dealing on own account.

DRW Europe B.V.'s address is 7th Floor, Locatellikade 1, 1076 AZ Amsterdam, The Netherlands.

THE BROKER DEALER OF RECORD

The information set out in this section of this Base Prospectus headed "The Broker Dealer of Record" has been obtained from Flexinvest Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Flexinvest Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Flexinvest Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Flexinvest Limited accepts responsibility for the information contained in this section of this Base Prospectus headed "The Broker Dealer of Record". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Flexinvest Limited.

Flexinvest Limited was incorporated under the laws of New Zealand on 20 January 2025.

Flexinvest Limited obtained a registration as a financial services provider from the Financial Markets Authority of New Zealand on 18 February 2025. Flexinvest Limited's FSP registration number is FSP1009135. The registered office of Flexinvest Limited is located at Suite B, Unit D, Building 3, 331 Rosedale Road, Albany, Auckland, 0632, New Zealand.

The powers and duties of Flexinvest Limited are governed by the Financial Markets Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019. Flexinvest Limited is also subject to a Code of Professional Conduct for financial advice services and related regulatory guidance issued by the Financial Markets Authority of New Zealand.

Flexinvest Limited's principal activity is to act as a financial advice provider and broker/dealer.

Jose Gonzalez, a director of the Arranger, is the ultimate sole shareholder of Flexinvest Limited, FlexAdvisor Limited, Investium Limited and the Determination Agent. Mr. Gonzalez is also the ultimate majority shareholder of Leverage Shares LLC, the parent company of the Arranger.

TAX CONSIDERATIONS

The discussion below is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect with respect to Irish withholding tax, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the ETP Securities.

Prospective investors should be aware that the acquisition, holding, transfer or disposal of the ETP Securities, and/or receipt of payments under ETP Securities may result in tax consequences to any investor, which may arise in, but are not limited to, the jurisdiction of the Issuer or the jurisdiction of residence, domicile, citizenship or incorporation of the relevant investor. Prospective investors should consult their own professional advisers concerning such possible tax consequences.

IRELAND

The following summary outlines certain aspects of Irish withholding tax law and practice regarding the ownership of ETP Securities. This summary deals only with ETP Securities held beneficially as capital assets and does not address special classes of holders of ETP Securities such as dealers in securities. This summary is not exhaustive and holders of ETP Securities are advised to consult their own tax advisers in respect of the taxation consequences of their ownership or disposition. The summary is based on current Irish taxation legislation and practice of the Irish Revenue Commissioners.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act 1997 (as amended) (the "**1997 Act**") for certain securities ("**quoted Eurobonds**") issued by a body corporate (such as the Issuer) that carry a right to interest and are quoted on a recognised stock exchange (which would include the London Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided the person by or through whom the payment is made is not in Ireland or the payment is made by or through a person in Ireland, and either:

(a) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream Banking S.A. are so recognised); or

(b) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the ETP Securities are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream Banking S.A., interest on the ETP Securities can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If the quoted Eurobond exemption referred to above ceases to apply, the Issuer can still pay interest on the ETP Securities free of withholding tax provided it is a "qualifying company" (within the meaning of Section 110 of the 1997 Act) (a “qualifying company”) and provided the interest is paid to a person resident in a "relevant territory" (i.e. a member state of the European Union (other than Ireland) or a country with which Ireland has a double taxation agreement which has the force of law, or a country with which Ireland has signed a double taxation agreement which will on the completion of certain procedures have the force of law). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other Agent in Ireland on behalf of any holder of ETP Securities who is an Irish resident.

UNITED STATES INTERNAL REVENUE CODE SECTION 871(m)

A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the United States Internal Revenue Code of 1986 on certain "dividend equivalents" paid or deemed paid to a non-U.S. holder with respect to a "specified equity-linked instrument" that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities.

The Issuer intends to treat the ETP Securities as equity for U.S. federal income tax purposes. Under this treatment, although the matter is not free from doubt, the Issuer believes that the ETP Securities should not be treated as specified equity-linked instruments for the purposes of Section 871(m) and thus should not be subject to withholding on dividend equivalents. However, the Issuer's determination is not binding on the United States Internal Revenue Service. If withholding is required, the Issuer will not make payments of any additional amounts to compensate holders for the withholding.

SWITZERLAND

The following is a summary of certain material Swiss tax considerations relating to ETP Securities issued by the Issuer where the holder is a tax resident in Switzerland or has a tax presence in Switzerland. The discussion is based on legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in ETP Securities. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisers as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of ETP Securities (or options embedded therein) in light of their particular circumstances.

Swiss withholding tax

Payments on ETP Securities are currently not subject to Swiss federal withholding tax provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

Income taxation - ETP Securities held as private assets by a Swiss resident individual

Structured notes

If an ETP Security classifies as a structured note (i.e. a bond with an embedded derivative elements), its income taxation depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the ETP Security is classified as a structured note with or without a predominant one-time interest payment (a structured note is classified as a note with a predominant one-time interest payment if the one-time interest payment exceeds the sum of the periodic interest payments):

Non-transparent derivative financial instruments: If the embedded bond is not recorded separately from the embedded derivative financial instrument(s), the ETP Security is classified as a non-transparent structured note and any return over the initial investment is classified as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under "*Income taxation—Transparent derivative financial instruments with a predominant one-time interest payment*".

Transparent derivative financial instruments without a predominant one-time interest payment: If the embedded bond and the incomes derived therefrom are recorded separately from the embedded derivative financial instrument(s) component and incomes, and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount or a repayment premium (see below

"Income transaction—Transparent derivative financial instruments with a predominant one-time interest payment"), then any such periodic interest payment and the non-predominant one-time interest payment, if any, converted in each case into Swiss francs at the exchange rate prevailing at the time of payment, is taxed when paid to the holder of the ETP Security. A gain, including interest accrued, a loss, respectively, realised on the sale of an ETP Security is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively (see below *"Capital gains taxation—ETP Securities held as private assets by* a *Swiss resident individual").* The same applies if the ETP Security is redeemed except that interest accrued is taxed when paid.

Transparent derivative financial instruments with a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, then any periodic interest payments and, on the sale or redemption of the ETP Security, the difference between the value of the bond at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss Francs at the exchange rate prevailing at the time of redemption or sale, issuance or purchase, respectively (modified differential taxation method) constitutes taxable income. A value decrease on the bond respectively realised on the sale or redemption of the ETP Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss, respectively (see below "*Capital gains taxation—ETP Securities held as private assets by a Swiss resident individual*").

Bonds

Bonds without a predominant one-time interest payment: If an ETP Security is classified as a pure bond without a predominant one-time interest payment (i.e. the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount or a repayment premium), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, if any, converted into Swiss Francs at the exchange rate prevailing at the time of payment. A gain, including interest accrued, a loss, respectively, realised on the sale of an ETP Security is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively (see below "*Capital gains taxation—ETP Securities held as private assets by a Swiss resident individual*").

Bonds with a predominant one-time interest payment: If an ETP Security is classified as a pure bond with a predominant one-time interest payment (i.e. the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the ETP Securities (differential taxation method). Such investors may offset any decrease in value realised within the same taxation period on sale or redemption of such an ETP Security against any gain (including periodic interest payments) realised from other securities with a predominant one-time interest payment.

Pure derivative financial ETP Securities

Periodic and one-time dividend equalisation payments realised on an ETP Security which is classified as a pure derivative financial instrument (such as pure call and put options, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right and discount certificates with a maturity not exceeding twelve months) and which is held as part of a holder's private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "*Capital gains taxation—ETP Securities held as private assets by a Swiss resident individual*").

Fund-like ETP Securities

An ETP Security classified as a fund-like instrument will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on, the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like ETP Security as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derive from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain and any respective loss on the underlying investments is a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interests) is exempt from income taxation as a private capital gain, and, conversely, any loss realised a non-tax-deductible capital loss (see below "*Capital gains taxation—ETP Securities held as private assets by a Swiss resident individual*").

Income Taxation - ETP Securities held as assets of a Swiss business

Corporate entities and individuals who hold ETP Securities as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such ETP Securities (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period.

The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, qualify as "professional securities dealers" for reasons of, *inter alia,* frequent dealing and leveraged investments in securities.

Capital gains taxation - *ETP Securities held as private assets by a Swiss resident individual*

A gain, a loss, respectively, realised by an individual resident in Switzerland for tax purposes upon the sale or other disposal of an ETP Security held as part of his or her private assets is a tax-free private capital gain, a non-tax deductible capital loss, respectively, unless such individual is classified, for income tax purposes, as a "professional securities dealer" for reasons of, *inter alia,* frequent dealing and leveraged investments in securities. If an individual is classified as a "professional securities dealer" he or she will be taxed in accordance with the principles set forth above under "ETP Securities held as Assets of a Swiss Business". In relation to the bifurcation of a tax-exempt capital gains component, non-tax deductible capital loss component, respectively, from taxable income components of an ETP Security, see the bifurcation principles set forth above with regard to the different instruments under "*Income taxation —ETP Securities held as private assets by a Swiss resident individual*").

Capital gains taxation - ETP Securities held as assets of a Swiss business

Capital gains realised on ETP Securities held as Assets of a Swiss Business are taxed in accordance with the taxation principles set forth above under "*Income Taxation—ETP Securities held as assets of a Swiss business*").

Stamp Taxes

Swiss federal issue stamp tax

The ETP Securities are not subject to Swiss federal stamp tax on the issuance of securities (primary market).

Swiss federal securities turnover tax

Dealings in ETP Securities (secondary market) which are classified as pure derivative financial instruments (such as pure call and put options, pure futures with a maximal pre-financing of 25%, static certificates replicating an index or a basket of at least five shares and with a fixed maturity on an annual redemption right) are not subject to the Swiss federal securities turnover tax.

Dealings in ETP Securities (secondary market) which have been issued by an Issuer outside of Switzerland and which are classified as structured notes, share-like instruments or fund-like instruments are subject to Swiss federal securities turnover tax of 0.3% on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealings in bonds and structured notes with a maturity not exceeding one year are exempt from Swiss federal turnover tax.

The delivery of an underlying taxable security at exercise or redemption to the holder of the ETP Security is subject to Swiss federal securities turnover tax of 0.3% if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Gift, inheritance and estate taxes

Subject to an applicable tax treaty in an international scenario, transfers of ETP Securities may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person has had his or her last domicile in Switzerland, if the donor is resident in Switzerland, respectively, or in the case of a foreign deceased or resident person the transfer involves an unincorporated business in Switzerland and ETP Securities are held as part of such business. No such taxes exist at the federal level. Rates depend upon the existing relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the size of the inheritance or gift. Interspousal gifts and gifts to descendants and inheritances collected by the surviving spouse and descendants are frequently exempt or taxed at very low rates (up to 7%). Gifts and inheritances received from unrelated persons attract rates ranging from 20% to 55%. The taxable base is usually the market value of the property transferred.

Net worth and capital taxes

A holder of ETP Securities who is an individual resident in Switzerland for tax purposes or is a non-Swiss resident holding ETP Securities as part of a Swiss business operation or a Swiss permanent establishment is required to report ETP Securities as part of private wealth or as part of Swiss business assets, as the case may be, and is subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the ETP Securities), in the case of non-Swiss resident individual holding ETP Securities as part of a Swiss business operation or a Swiss permanent establishment to the extent the aggregate taxable wealth is allocable to Switzerland. Incorporated holders of ETP Securities are subject to cantonal and communal capital tax on net taxable equity, in the case of non-Swiss resident person holding ETP Securities as part of a Swiss permanent establishment, to the extent the aggregate taxable equity is allocable to Switzerland. No net worth and capital taxes exist at the federal level.

Non-Swiss resident holders

A holder of an ETP Security who is not resident in Switzerland for tax purposes and who during the taxation year has not engaged in trade or business carried on through a business operation or permanent establishment in Switzerland, will in respect of such ETP Security neither be subject to income tax and capital gains tax nor net wealth or capital tax in Switzerland.

SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for ETP Securities from the issuer, acting as principals in respect of such subscriptions.

General

These selling restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of ETP Securities to which it relates or in a supplement to this Base Prospectus.

None of the Issuer or any Authorised Participant represents that the ETP Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers ETP Securities or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

United States

The ETP Securities have not been and will not be registered under the Securities Act, as amended, or the securities laws of any state or other jurisdiction of the United States, or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issuer has not and will not be registered under the Investment Company Act. ETP Securities may not be legally or beneficially owned by any U.S. person at any time nor offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

ETP Securities in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer and sell ETP Securities at any time, directly or indirectly, within the United States or its possessions or for the account or benefit of (i) a "U.S. person" as defined in Regulation S under the Securities Act ("**Regulation S**"), (ii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the CFTC pursuant to the United States Commodity Exchange Act of 1936, as amended, (iii) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (iv) a "United States person" as defined in the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time. Each Authorised Participant has further represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver the ETP Securities except in accordance with Rule 903 of Regulation S under the Securities Act, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such ETP Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of ETP Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

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

European Economic Area

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Regulation came into force (the "**Relevant Date**") it has not made and will not make an offer of ETP Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Date, make an offer of such ETP Securities to the public in that Relevant Member State:

(i) if the applicable Final Terms in relation to the ETP Securities specify that an offer of those ETP Securities may be made by the Authorised Participant(s) other than pursuant to Article 1 of the Prospectus Regulation in that Relevant Member State (an "**EU Non-exempt Offer**"), following the date of publication of the Base Prospectus in relation to such ETP Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such EU Non-exempt Offer, in accordance with the Prospectus Regulation, in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that EU Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1 of the Prospectus Regulation,

provided that no such offer of ETP Securities referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provision above, the expression an "**offer of ETP Securities to the public**" in relation to any ETP Securities in any Relevant Member State means the communication in any form and by means of sufficient information on the terms of the offer and the ETP Securities to be offered so as to enable an investor to decide to purchase or subscribe the ETP Securities.

Ireland

Each Authorised Participant shall be deemed to have represented, warranted and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the ETP Securities, or do anything in Ireland in respect of the ETP Securities, otherwise than in conformity with the provisions of:

(1) the Prospectus Regulation (as amended), the European Union (Prospectus) Regulations 2019 (as amended), any applicable supporting law, rule or regulation and any Central Bank of Ireland ("**Central Bank**") rules issued and/or in force pursuant to section 1363 of the Irish Companies Act 2014 (as amended) (the "**Companies Act**");

(2) the Companies Act;

(3) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;

(4) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any Central Bank rules issued and/or in force pursuant to section 1370 of the Companies Act;

(5) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (as amended); and

(6) the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made under section 117(1) of the Central Bank Act 1989 (as amended); and

(7) Notice BSD C 01/02 dated 12 November 2002 issued by the Central Bank pursuant to Section 8(2) of the Central Bank Act 1971 (as amended).

Italy

Unless it is specified within the relevant Final Terms that an EU Non-exempt Offer of ETP Securities may be made in Italy, the offering of the ETP Securities has not been registered pursuant to Italian securities legislation and, accordingly, no ETP Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the ETP Securities be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") as implemented by Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended ("**CONSOB Regulation No. 20307**") pursuant to Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the ETP Securities or distribution of copies of the Base Prospectus or any other document relating to the ETP Securities in the Republic of Italy must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 20307, the Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**") and any other applicable laws and regulations;

(ii) in compliance with Article 129 of the Banking Act, as amended and the implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations required; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other Italian authority.

Investors should also note that, in any subsequent distribution of the ETP Securities in the Republic of Italy, Article 100-bis of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the ETP Securities are placed solely with "qualified investors" and are then systematically ("*sistematicamente*") resold on the secondary market at any time in the 12 months following such placing, purchasers of ETP Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the ETP Securities

were purchased, unless an exemption provided for under the Financial Services Act applies.

France

Neither this Base Prospectus nor any other offering material relating to the ETP Securities has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* ("**AMF**").

Unless it is specified in the relevant Final Terms that an EU Non-exempt Offer of ETP Securities will be made in France, the following will apply: each Authorised Participant has represented and agreed that the ETP Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

Neither this Base Prospectus nor any other offering material relating to the ETP Securities has been or will be:

(a) released, issued, distributed or caused to be released, issued or distributed to the public in France; or

(b) used in connection with any offer for subscription or sale of the ETP Securities to the public in France.

Such offers, sales and distributions will be made in France only:

(i) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case, acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier ("**CMF**"); or

(ii) to investment services providers authorised to engage in portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); or

(iii) in a transaction that, in accordance with article L.411-2 of the CMF and article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.

The ETP Securities may be resold directly or indirectly to the public in France, only in compliance with the above-mentioned articles.

Germany

For selling restrictions in respect of Germany, please see "*European Economic Area*" above.

Spain

For selling restrictions in respect of Spain, please see "*European Economic Area*" above and in addition:

Neither the ETP Securities nor the Base Prospectus have been approved or registered in accordance with the Spanish securities market regulations. Accordingly, no ETP Securities may be offered, sold or delivered, nor copies of the Base Prospectus or any other document or communication in relation to the ETP Securities may be distributed in Spain, except in compliance with the requirements set out in the Spanish Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended ("**Legislative Royal Decree 4/2015**"), and any regulation issued thereunder.

Any offer of the ETP Securities or distribution of copies of the Base Prospectus or any other document or communication relating to the ETP Securities in Spain shall be made under circumstances which are exempted from the rules on public offerings. Except when the offer is addressed to qualified investors, any offer or placement of the Securities must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in accordance with Legislative Royal Decree 4/2015.

The Netherlands

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement,

and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it will not make an offer of ETP Securities to the public in The Netherlands in reliance on Article 1 of the Prospectus Regulation unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (as amended) (the "**FSA**") or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the FSA, **provided that** no such offer of ETP Securities shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Zero Coupon Securities (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended).

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Security; (b) in respect of the transfer and acceptance of Zero Coupon Securities in definitive form between individuals who do not act in the conduct of a business or profession; (c) to the initial issue of Zero Coupon Securities in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Securities within, from or into the Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Security in global form) of any particular Series/Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with.

As used herein "**Zero Coupon Securities**" are ETP Securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Poland

For selling restrictions applicable in Poland, please see "*European Economic Area*" above and the information provided below.

Neither this Base Prospectus nor any other offering materials relating to ETP Securities have been approved or registered with the Polish Financial Supervision Commission (*Komisja Nadzoru Finansowego*; herein, "**KNF**"), Poland's supervisory authority in the area of capital markets. Consequently, until this Base Prospectus is (i) approved by the KNF; or (ii) approved by a competent market regulator in another Relevant Member State and subsequently notified to the KNF; and (iii) completed with the applicable Final Terms referring to the EU Non-exempt Offer to be carried out in Poland, no public offer of ETP Securities may be made in Poland.

Pursuant to Article 1(4)(b) of the Prospectus Regulation, ETP Securities may be offered in Poland without meeting the registration/disclosure requirements applicable to public offers, provided they are offered locally only to fewer than 150 natural or legal persons other than qualified investors, as defined in the Prospectus Regulation. Simultaneously, each Authorised Participant receiving the ETP Securities within such exemption should undertake not to offer or sell them, directly or indirectly, to local investors in circumstances representing a public offer.

Notwithstanding the foregoing exemption, Art. 3(1)(a) of the Polish July 29, 2005 Act on Public Offer, Requirements Applicable to Introduction of Financial Instruments to Organized Trading and on Public Companies **("Polish Public Offer Act"**), introduces a "claw-back" clause, requiring that even if the number of local offerees of ETP Securities, other than qualified investors, does not exceed 149 persons/entities in the given transaction but exceeds that numeric threshold after adding any other persons/entities which have taken the same securities with the period of 12 months preceding the transaction in question, based on the same limited-number-of-offerees exemption, an information memorandum meeting the requirements set forth in Art. 38b of the Polish Public Offer Act and implementing regulations issued thereunder, must be approved by the KNF and made public.

Pursuant to Art. 53(1) of the Polish Public Offer Act, any marketing materials relating to an offer of securities effected under the exemption set out in Article 1(4)(b) of the Prospectus Regulation, may be distributed only to fewer than 150 persons within the territory of the given Member State and cannot be made available to the general public.

Belgium

For selling restrictions in respect of Belgium, please see "European Economic Area" above and the paragraphs below.

Neither this Base Prospectus nor any related documents have been or will be submitted for approval to the Belgian Financial Services and Markets Authority (the "**FSMA**"). Accordingly, no ETP Securities may be offered, sold or delivered, nor copies of the Base Prospectus or any other document or communication in relation to the ETP Securities may be distributed in Belgium, except in compliance with the requirements set out in the Belgian Act of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to the trading on a regulated market (the "**Prospectus Act**"), and any regulation issued thereunder.

The information contained in this Base Prospectus and any related documents may not be disclosed to the public in Belgium and no action has been taken or will be taken in Belgium to permit a public offer of the ETP Securities within the meaning of Article 4, 2° of the Prospectus Act.

Sweden

For selling restrictions in respect of Sweden, please see "*European Economic Area*" above.

Norway

For selling restrictions in respect of Norway, please see "*European Economic Area*" above.

Austria

For selling restrictions in respect of Austria, please see "*European Economic Area*" above.

Switzerland

The ETP Securities are exchange-traded products, which do not qualify as shares or units in collective investment schemes within the meaning of the Swiss Collective Investment Schemes Act ("CISA"), as amended from time to time. They have not been approved by, or registered with, the Swiss Financial Market Supervisory Authority ("FINMA") and are not subject to its supervision. Accordingly, investors do not benefit from the investors' protection of the CISA. The ETP Securities are not issued, guaranteed or secured in an equivalent manner by a prudentially supervised financial institution within the meaning of Article 70 (1) of the Swiss Financial Services Act ("FinSA"), as amended from time to time. An investment in the Programme does not qualify as a bank deposit and is not within the scope of any deposit protection scheme under Swiss law.

Investors should further be aware that the value of the ETP Securities is not solely dependent on the performance of the investment but also on the creditworthiness of the issuer and the guarantor (if any).

(a) Subject to paragraph (b) below:

(i) the ETP Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA and will not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland;

(ii) neither this Base Prospectus nor any Final Terms nor any other offering or marketing material relating to any ETP Securities (A) constitutes a prospectus as such term is understood pursuant to the FinSA or (B) has been or will be filed with or approved by a Swiss Review Body; and

(iii) neither this Base Prospectus nor any Final Terms nor any other offering or marketing material relating to any ETP Securities may be publicly distributed or otherwise made publicly available in Switzerland.

(b) Notwithstanding paragraph (a) above:

(i) if and when this Base Prospectus (together with any supplements thereto) has been recognised in accordance with Article 54(2) of the FinSA by a Swiss Review Body as a base prospectus within the meaning of Article 45 of the FinSA, and published in accordance with the FinSA, this Base Prospectus (as supplemented from time to time) may be used, subject to any other applicable requirements under the FinSA and the Swiss Financial Services Ordinance ("**FinSO**"), for any public offering of ETP Securities in Switzerland and/or application for the admission to trading of ETP Securities on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland; and

(ii) ETP Securities may be offered in Switzerland to retail clients, as defined in the FinSA, with whom there is no permanent portfolio management or investment advice relationship, only if the ETP Securities are offered by a prudentially supervised financial institution as defined in Article 70 (1) FinSA and Article 96 FinSO respectively and collateral from a supervised financial intermediary in accordance with Article 70(1) FinSA to provide the issuer with sufficient financial resources to be able to satisfy investors' claims is guaranteed. Any offering of ETP Securities to such retail clients in Switzerland requires the registration of a prospectus with a Swiss Review Body in Switzerland and publication of Key Investor Documents ("**KID**") as prescribed in the FinSA.

This Base Prospectus has been registered with the SIX Prospectus Office pursuant to Article 54 (2) of the FinSA, and may be obtained in electronic or printed form, free of charge, upon request from www.leverageshares.com or at the registered office of the Issuer.

Key Information Documents have been prepared in relation to the ETP Securities, where required under FinSA, and may be obtained, free of charge at www.leverageshares.com or at the registered office of the Issuer.

(iii) In respect of any ETP Securities to be issued, the Issuer and the relevant Authorised Participant(s) may agree that such ETP Securities may be publicly offered in Switzerland within the meaning of the FinSA, provided that the Issuer and the relevant Authorised Participant(s) agree to comply with any applicable requirements of the FinSA in connection with such offering.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been previously published or are published simultaneously with this Base Prospectus have been filed with the Central Bank and shall be incorporated in, and form part of, this Base Prospectus:

1. The audited financial statements of the Issuer for the year ended 30 June 2025, published on the Issuer's website at the link below:

   https://leverageshares.com/documents/en-eu/statements/Leverage-Shares-PLC-30-June-2025.pdf

2. The audited financial statements of the Issuer for the year ended 30 June 2026, published on the Issuer's website at the link below:

https://leverageshares.com/documents/en-eu/statements/Leverage_Shares_Plc_Signed_Financial_Statements_2026.pdf

3. Terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 15 March 2024, available on the Issuer's website at the link below:

   https://leverageshares.com/documents/en/prospectus/Leverage-Shares-Base-Prospectus-(CBI)-Final-15-March-2024.pdf

4. Terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 17 July 2024, available on the Issuer's website at the link below:

   https://leverageshares.com/documents/en/prospectus/Leverage-Shares-Base-Prospectus-(CBI)-Final-17-July-2024.pdf

5. Terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 23 June 2025, available on the Issuer's website at the link below:

   https://leverageshares.com/documents/en/prospectus/Base-Prospectus-(CBI)-Final-23-June-2025.pdf

6. Terms and conditions of the ETP Securities from the Base Prospectus relating to the Programme dated 11 June 2026, available on the Issuer's website at the link below:

   https://leverageshares.com/documents/en/prospectus/Base-Prospectus-(CBI)-Final.pdf

7. Samsung Electronics' latest annual reports for the years ended 31 December 2024 and 2025 are available on the Samsung Electronics website at the links below:

   https://images.samsung.com/is/content/samsung/assets/global/ir/docs/2025_con_quarter04_all.pdf

8. The financial information for the six months ended 30 June 2026 contained in the unaudited consolidated interim financial statements of SK hynix (the "**SK hynix Interim Financial Statements**"). Note that only this financial information is incorporated by reference into, and forms part of, this Base Prospectus. All other parts of the SK hynix Interim Financial Statements, including the financial information for the periods ended 30 June 2025 and 31 December 2025, are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

   https://www.skhynix.com/ir/UI-FR-IR12_T4

9. The risk factors set out at pages 100 to 105 of the MediaTek annual report for the year ended 31

December 2025. Note that only pages 100 to 105 of the MediaTek annual report for the year ended 31 December 2025 are incorporated by reference into, and form part of this Base Prospectus. All other parts of the MediaTek annual report for the year ended 31 December 2025 are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

https://www.mediatek.com/hubfs/728015/MediaTek%20Assets/Pdfs/Annual%20Reports/2025-English-Annual-Report.pdf

10. MediaTek's latest financial statements for the years ended 31 December 2024 and 2025 are both available on the MediaTek website at the link below:

    https://www.mediatek.com/hubfs/MediaTek%20Assets/Pdfs/Financial%20Reports/2025/Q4%20Consolidated%20Report.pdf

11. The risk factors set out at pages 118 to 122 of the Alchip annual report for the year ended 31 December 2025. Note that only pages 118 to 122 of the Alchip annual report for the year ended 31 December 2025 are incorporated by reference into, and form part of this Base Prospectus. All other parts of the Alchip annual report for the year ended 31 December 2025 are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

    https://www.alchip.com/upload/2026_08_18/3_20260818173004 5l64sc83t0.pdf

12. Alchip's latest financial statements for the years ended 31 December 2024 and 2025 are available on the Alchip website at the link below:

    https://www.alchip.com/upload/2026_11_16/6_20261116133643idgl09aLO0.pdf

13. The risk factors set out at pages 168 to 178 of the Nanya Technology annual report for the year ended 31 December 2025. Note that only pages 168 to 178 of the Nany Technology annual report for the year ended 31 December 2025 are incorporated by reference into, and form part of this Base Prospectus. All other parts of the Nanya Technology annual report for the year ended 31 December 2025 are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

    https://www.nanya.com/en/IR/42/Annual%20Reports#

14. Nanya Technology's latest financial statements for the years ended 31 December 2024 and 2025 are both available on the Nanya Technology website at the link below:

    https://www.nanya.com/en/IR/39/Financial%20Reports?Year=2025

15. The risk factors set out at pages 109 to 113 of the Winbond annual report for the year ended 31 December 2025. Note that only pages 109 to 113 of the Winbond annual report for the year ended 31 December 2025 are incorporated by reference into, and form part of this Base Prospectus. All other parts of the Winbond annual report for the year ended 31 December 2025 are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

    https://www.winbond.com/export/sites/winbond/about-winbond/investor/financial-information/annual-report/report/2025_Winbond_Annual_Report__EN.pdf

16. Winbond's latest financial statements for the years ended 31 December 2024 and 2025 are both available on the Winbond website at the link below:

    https://www.winbond.com/export/sites/winbond/about-winbond/investor/financial-information/financial-reports/financial/2025Q4-Consolidated-Financial-Report-EN.pdf

17. The risk factors set out at pages 65 to 66 of the Tokyo Electron annual report for the year ended 31 March 2026. Note that only pages 65 to 66 of the Tokyo Electron annual report for the year ended 31 March 2026 are incorporated by reference into, and form part of this Base Prospectus. All other

parts of the Tokyo Electron annual report for the year ended 31 March 2026 are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

https://www.tel.com/ir/library/ar/g4alje00000000pq-att/ir2026_all_en.pdf

18. Tokyo Electron's latest financial statements for the years ended 31 March 2025 and 2026 are both available on the Tokyo Electron's website at the link below

    https://www.tel.com/ir/library/consolidated-financial-statements/i242su00000000yk-att/Consolidated_Financial_Statements_FY2026.pdf

    https://www.tel.com/ir/library/consolidated-financial-statements/j9e7ji00000000dw-att/Consolidated_Financial_Statements_FY2025.pdf

19. Kioxia's latest annual reports for the years ended 31 March 2025 and 2026 are both available on Kioxia's website at the link below (the annual report for the year ended 31 March 2026 includes the Kioxia Risk Factors at pages 88 to 101):

    https://www.kioxia-holdings.com/content/dam/kioxia-hd/en-jp/ir/library/securities/asset/Annual-Securities-Report-FY2025-EN.pdf

    https://www.kioxia-holdings.com/content/dam/kioxia-hd/en-jp/ir/library/securities/asset/Annual-Securities-Report-FY2024-EN.pdf

20. The risk factors set out at pages 57 to 87 of the prospectus of iShares plc dated 21 September 2026. Note that only pages 57 to 87 of the prospectus of iShares plc dated 21 September 2026 are incorporated by reference into, and form part of, this Base Prospectus. All other parts of the prospectus of iShares plc dated 21 September 2026 are not incorporated by reference herein and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus:

    https://www.ishares.com/gls-download/literature/prospectus/ishares-plc-prospectus-en.pdf

21. iShares plc's annual reports for the years ended 28 February 2025 and 2026 are both available at the links below:

    https://www.ishares.com/gls-download/literature/annual-report/ishares-plc-annual-report-en-28-feb-25.pdf

    https://www.ishares.com/gls-download/literature/annual-report/ishares-plc-annual-report-en-28-feb-26.pdf

No documents referred to in the above documents are themselves incorporated into this Base Prospectus and other than the documents specifically identified above, no other documents, including the contents of the Issuer's Website or any other websites or web pages referred to in this Base Prospectus, form part of this Base Prospectus for the purposes of the Prospectus Regulation.

The above-mentioned documents may be inspected as described in the section entitled "General Information". Any documents or information incorporated by reference into the documents listed above shall not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. Where reference is made to a website in this Base Prospectus, the contents of that website shall not form part of this Base Prospectus.

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors passed on 4 December 2017 and this updated Base Prospectus was approved by a resolution of the Board of Directors passed on 30 October 2026.

2. There has been no significant change in the financial performance or financial position of the Issuer since 31 December 2025, the date of its latest unaudited financial statements, for the half year ended 31 December 2025. There has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2026, the date of its last published audited financial statements.

3. The Issuer is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since its incorporation which may have, or have had in the recent past, significant effects on its financial position or profitability.

4. ETP Securities may be accepted for clearance through any Relevant Clearing System including Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of ETP Securities will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

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

6. It is expected that each Series of ETP Securities that is to be listed and admitted to trading on a stock exchange will be admitted separately as and when issued, subject only to the issue of ETP Securities initially representing the ETP Securities of such Series. The approval by the Central Bank of this Base Prospectus in respect of the ETP Securities was granted on 17 November 2026.

7. The issue price and the amount of the relevant ETP Securities will be determined, before filing of the relevant Final Terms of each Series, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any of the Indices, Investment Strategies or issues of ETP Securities.

8. For so long as ETP Securities remain outstanding, the current version of each of the documents specified below (together with all earlier versions of such documents to the extent that there are ETP Securities of any Series outstanding in respect of which the version in question of such document is still relevant) will be available on the Issuer's website https://leverageshares.com/en/documents-download/

- the Issuer's memorandum of association;
- the Issuer's audited financial statements for the years ending 30 June 2024 and 30 June 2025;
- the Master Trust Deed in respect of the Programme;
- this Base Prospectus together with any supplement thereto;

- all documents incorporated by reference into this Base Prospectus; and
- all reports, letters and other documents, historical information, valuations and statements prepared by any expert at the Issuer's request any part of which is included in the Base Prospectus.

9. Grant Thornton audits the accounts of the Issuer. Grant Thornton has no material interest in the Issuer. Grant Thornton is a member of the Institute of Chartered Accountants of Ireland

10. The Arranger has agreed to take responsibility for the expenses relating to the admission to trading of each Series and therefore the cost of such expenses to the Issuer is nil.

11. Any website mentioned in this Base Prospectus does not form part of the prospectus prepared for the purpose of seeking approval by the Central Bank.

KEY INFORMATION FOR INVESTORS

What is an ETP and how is it different to an ETF?

The term "Exchange Traded Product" (ETP) is a broad term that encompasses Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs). ETPs seek to provide returns based on the price movements of an underlying asset or benchmark, such as an index, commodity, or individual stock. However, ETFs, ETCs, and ETNs represent different structures for achieving this exposure and can pose different risks.

ETPs can give investors a means of diversifying investment portfolios without the need to:

- enter into swap agreements, forward contracts or options;
- take physical delivery of the underlying commodity; or
- hold securities that constitute the underlying index or which are the subject to an investment strategy.

The Leverage Shares ETPs are ETNs and are structured as debt securities, but unlike conventional bonds, these instruments do not carry an entitlement to a specified rate of interest and are commonly not rated.

Importantly, ETPs are different than ETFs in a number of ways. ETPs (including ETCs and ETNs) are not funds, and therefore lie outside the remit of the regulation that applies to investments funds such as UCITS (Undertakings for Collective Investments in Transferable Securities) or AIFs (alternative investment funds).

What are Leverage Shares Exchange Traded Products (ETPs)?

Leverage Shares ETPs which track an index seek to deliver between two times (2x) and five times (5x) or between minus one time (-1x) and minus five times (-5x) the daily performance of a household name stock or a bond.

Leverage Shares ETPs which seek to deliver between two times (2x) and five times (5x) the daily performance of the underlying stocks are referred to in this document as offering "leveraged exposures" and they typically increase in value as the price of the underlying stock increases and decrease as the price of the stock decreases. As they are leveraged, increases and decreases in the value of the underlying stock are magnified so that a small decrease in the price of the stock can result in a large decrease in the value of the Leverage Shares ETP. The higher the level of leverage, the more the effects of increases and decreases in the value of the underlying stocks are magnified.

Leverage Shares ETPs which seek to deliver one time (1x) the daily performance of the underlying stocks are referred to in this document as offering "normal exposures". Like Leverage Shares ETPs offering leveraged exposures they typically increase in value as the price of the underlying stock increases and decrease in value as the price of the underlying stock decreases. However, unlike Leverage Shares ETPs offering leveraged exposures, increases and decreases in the price of the underlying stocks are not magnified.

Leverage Shares ETPs which seek to deliver between minus one time (-1x) and minus five times (-5x) the daily performance of the underlying stock are referred to in this document as offering "short exposures" and they typically increase in value as the price in the underlying stock decreases and they decrease in value as the price of the underlying stock increases.

In the case of Leverage Shares ETPs which pursue an actively managed investment strategy, the investment strategy will describe the manner in which the assets will be invested, along with any applicable leveraged or short exposures. Leveraged ETPs which pursue an actively managed investment strategy will deliver the performance of the portfolio of assets acquired in accordance with the investment strategy.

Leverage Shares ETPs which pursue an investment strategy may have as their objective the generation of income to fund periodic interest payments and are referred to in this document as being “Income Series”. The relevant investment strategy will describe the manner in which income will be generated by the Issuer and the extent to which the price of the Leverage Shares ETPs will be exposed to changes in the value of underlying assets.

Leverage Shares ETPs:

- can be efficient tools for gaining magnified exposure to the assets underlying the ETPs or for generating income from the assets underlying the ETPs;
- to the extent they provide a leveraged exposure, achieve leverage through margin borrowing;
- to the extent they provide a leveraged exposure, have physical ownership of the underlying assets to achieve the leveraged exposure (this is applicable where the underlying assets are stocks and bonds) and therefore do not have the credit risk which applies to some other ETPs which use swaps to achieve leverage;
- trade in real time on a regulated stock exchange, for example the London Stock Exchange; and
- prevent investors from losing more than their initial investment.

Leverage Shares ETPs offering leveraged exposures

The following points are relevant to Leverage Shares ETPs that provide leveraged exposures to underlying assets.

How do Leverage Shares ETPs achieve their leverage?

Each ETP is structured as a separate series of the Issuer for which a pool of assets is maintained by the Issuer which is separate from all other assets of the Issuer. Each ETP is a debt security that delivers the returns of the assets held by the Issuer for that series.

For Leverage Shares ETPs which offer leveraged exposures, the leverage is achieved by borrowing from the Margin Loan Provider and/or entering into futures contracts. For example, in the case of a series of ETPs offering a leveraged exposure which tracks an index linked to a single stock, the Issuer invests the assets of the series, together with assets borrowed on margin in a single stock, such as the common stock of Apple Inc., to achieve leveraged exposure to that stock. Margin is provided by Interactive Brokers LLC and/or Morgan Stanley & Co LLC and/or Pershing LLC.

What's the difference between leveraged ETPs that use margin to achieve their leveraged exposures and those that use swaps?

Leveraged ETPs (such as the Leverage Shares ETPs offering leveraged exposures where the underlying asset is a stock or a bond) that use margin borrowing to achieve leveraged exposures invest their own assets plus assets borrowed through a margin account directly in assets underlying the ETPs. This method incurs borrowing costs related to margin borrowing, but avoids credit risks since it physically owns the underlying shares or bonds. Swap-based leveraged ETPs do not invest directly in the underlying stocks or bonds and instead enter into over-the-counter (OTC) swap agreements with a counterparty. These swaps have associated costs (mainly in the form of fees charged by the swap counterparty) and are susceptible to the credit risk of the swap counterparty.

Leverage Shares ETPs offering short exposures

The following points are relevant to Leverage Shares ETPs that provide short exposures to underlying assets.

How do Leverage Shares ETPs achieve their short exposures?

For Leverage Shares ETPs which offer short exposures, the Issuer will take a short position by borrowing the underlying investment for a series of Leverage Shares ETPs from the Margin Loan Provider and/or by taking a short position in futures contracts. For example, in the case of a series of

ETPs which track an index linked to a single stock, the Issuer will take short positions by borrowing the stock, for example common stock of Apple Inc. from the Margin Loan Provider and selling the common stock of Apple Inc. at the current market price. The proceeds of the sale will be deposited in the Issuer's margin account with the Margin Loan Provider.

Leverage Shares ETP which are "*Income Series*"

The following points are relevant to Leverage Shares ETPs that are "*Income Series*" which pursue investment strategies with the objective of generating income to fund periodic interest payments.

How do Leverage Shares ETPs generate income?

This depends on the type of investment strategy that is pursued by the Income Series.

Some Income Series will pursue an investment strategy which involves the Issuer entering into put and call options as the option seller in respect of the underlying assets specified in the relevant investment strategy. The Issuer will receive premiums for selling the relevant option which will cause an increase in the ETP Security Value and which may be used to fund interest payments by the Issuer. Any loss incurred by the Issuer in respect of the options contracts may cause a decrease in the ETP Security Value.

These types of Leverage Shares ETPs may also have an exposure to the underlying assets of the options contracts and details of this exposure will be described in the relevant investment strategy.

Other Income Series may pursue an investment strategy which involves investing on a leveraged basis in a Reference Asset which itself makes distributions. The Issuer will use such distributions received by it as an investor in the Reference Asset to fund interest payments.

Other Income Series may pursue an investment strategy which involves investing in ETP Securities issued by the Issuer which themselves generate a recurring income stream.

Each interest payment amount will vary depending the level of premiums, dividends and other payments received by the Issuer minus certain fees, costs, expenses and other amounts reserved for the payment of subsequent interest payments. Please refer to the definition of "Available Receipts" for full details in relation to the calculation of the interest amounts.

Who can subscribe for or redeem Leverage Shares ETPs

Unless the Issuer decides otherwise, only entities who have been appointed as an Authorised Participant may subscribe for or redeem Leverage Shares ETPs.

How can an investor trade Leverage Shares ETPs?

Leverage Shares ETPs can be traded through brokerage accounts that have the ability to trade products listed on the stock exchanges where the ETPs are listed.

Do Leverage Shares ETPs pay dividends?

For Leverage Shares ETPs of an Income Series, the Issuer is required to make periodic interest payments to the holders of the Leverage Shares ETPs in accordance with the relevant investment strategy for such Leverage Shares ETP. For other Leverage Shares ETPs the Issuer is not permitted to make any periodic interest payments.

Where the assets underlying the ETPs are stocks, the Issuer receives dividends on such stocks. For Leverage Shares ETPs of an Income Series, such dividends could be distributed in whole or in part to holders of the Leverage Shares ETPs as interest payments. For Leverage Shares ETPs where interest payments are not permitted, such dividends are reinvested in more shares of the underlying stock.

What is the recommended holding period for the ETP Securities?

Investors should note that the recommended holding period for ETPs offering a leveraged exposure or short exposure is one day.

An investment in ETPs giving leveraged or short exposure to the performance of the assets underlying the applicable index or investment strategy is only appropriate for investors that understand the increased risk caused by such features.

Do Leverage Shares ETPs have credit risk?

Leverage Shares ETPs which invest in stocks and bonds do not invest in over-the counter (OTC) derivatives like swaps or forwards. Since Leverage Shares plc physically owns the underlying assets, the credit risk associated with over the counter derivatives are not applicable to the Leverage Shares ETPs.

Is it possible to lose more than the amount invested in a Leverage Shares ETP?

No. The most an investor can lose in a Leverage Shares ETP is the entire value of their initial investment.

Where can an investor find details on the assets underlying each series of Leverage Shares ETPs?

This information is detailed on the Leverage Shares website www.leverageshares.com.

Who are the Programme Parties and what roles do they perform?

Issuer

The Issuer is the entity that issues the Leverage Shares ETPs and which is responsible for making any payments that become due to holders of the Leverage Shares ETPs. The Issuer is the only entity which is responsible for making any payments that become due under the Leverage Shares ETPs and no other entity is required to make these payments if the Issuer is unable to do so.

The Issuer is Leverage Shares plc, a public limited company domiciled in Ireland and incorporated under the Companies Act 2014 of Ireland with registered number 597399. The Issuer operates under the laws of Ireland. The Issuer's LEI number is 635400TLFJSNHVSOFH59. The Directors of the Issuer are Neil Fleming and Ciaran Connolly and the auditors of the Issuer are Grant Thornton. Leverage Shares plc has been established for the sole purpose of acting as the Issuer under this programme and does not carry on any other business.

Trustee

Apex Corporate Trustees (UK) Limited is the Trustee. This is the entity that acts on behalf of investors when certain actions are required to be taken, such as declaring an event of default, agreeing certain amendments to the terms and conditions of the Leverage Shares ETPs or enforcing the security granted to the Trustee for the benefit of the investors (being the security which is granted over the assets of each series of Leverage Shares ETPs and the Issuer's rights under the agreements it enters into in connection with the relevant series of Leverage Shares ETPs). The Trustee will generally act upon the instructions of investors (subject to certain conditions) but is permitted in some circumstances to take action without receiving instructions from investors.

Margin Loan Providers

The Margin Loan Providers are Interactive Brokers LLC, Morgan Stanley & Co. LLC and Pershing LLC.

The underlying investments for each series of Leverage Shares ETPs are held in an account established by the Issuer (which is called a margin account) with one or more of the Margin Loan Providers.

For Leverage Shares ETPs which offer leveraged exposures, this is the entity which provides the margin (or credit) to the Issuer, which allows the Issuer achieve leveraged exposure to the underlying investment. For example, in the case of a series of Leverage Shares ETPs offering leveraged exposure which tracks an index linked to a single stock, the Issuer invests the assets of the series, together with assets borrowed on margin in a single stock, such as the common stock of Apple Inc., to achieve leveraged exposure to that single stock.

For Leverage Shares ETPs which offer short exposures, this is the entity that enables to Issuer to take short positions, by lending the underlying investment for a series of Leverage Shares ETPs to the Issuer. For example, in the case of a series of ETPs which track an index linked to a single stock, the Issuer will take short positions by borrowing the stock, for example common stock of Apple Inc., from the Margin Loan Provider and selling the common stock of Apple Inc. at the current market price. The proceeds of the sale will be deposited in the Issuer's margin account with the Margin Loan Provider.

In relation to series of Leverage Shares ETPs where the underlying assets are futures contracts, the proceeds of the issuance of that series will be held in the Issuer's margin account with the Margin Loan Provider to fund margin payments to maintain positions in the futures contracts.

In relation to series of Leverage Shares ETPs which are Income Series where the underlying assets are options contracts, the proceeds of the issuance of that series will be held in the Issuer's margin account with the Margin Loan Provider to fund margin payments to maintain positions in the options contracts.

Any cash relating to any series of Leverage Shares ETPs which is not required for investment may be held in the Issuer's margin account with the Margin Loan Provider.

Since the assets and cash of each series of Leverage Shares ETPs are held in the Issuer's margin account with the Margin Loan Provider, the Issuer's ability to meet certain of its obligations, for example its obligation to pay out redemption proceeds, will be reliant on the Margin Loan Provider delivering assets and cash in a timely manner.

Arranger

Leverage Shares Management Company Limited is the Arranger. This the entity that structures the Issuer's collateralized exchange traded programme and arranges the issuance of each series of Leverage Shares ETPs.

Issuing and Paying Agent

U.S. Bank Europe DAC is the Issuing and Paying Agent. The Issuing and Paying Agent provides certain validation and co-ordination services in relation to the issue, payment and cancellation of the Leverage Shares ETPs.

Registrar

U.S. Bank Europe DAC is the Registrar. This is the entity which maintains and updates the register of the holders of the Leverage Shares ETPs cleared and settled through Euroclear and/or Clearstream.

Portfolio Administrator

Either Flexinvest Limited or FlexAdvisor Limited will be the Portfolio Administrator for each series of Leverage Shares ETPs.

The Portfolio Administrator will invest the proceeds of issuance of each series of Leverage Shares ETPs in the relevant underlying assets in order to either track an index or pursue the investment strategy of the relevant series.

Determination Agent

Calculation Agent Services LLC is the Determination Agent. This is the entity which makes certain calculations in respect of the Leverage Shares ETPs.

Broker Dealer of Record

Flexinvest Limited is the Broker Dealer of Record. This is the entity which is responsible for managing the establishment of the Issuer's margin accounts with the Margin Loan Provider and for providing support to the Issuer in managing the operation of the margin accounts.

Authorised Participant

BNP Paribas Arbitrage S.N.C., Virtu Financial Ireland Limited, Optiver VOF, Jane Street Financial Limited, Flow Traders B.V., Susquehanna International Securities Limited, Investium Limited, GTX UK LLP and DRW Europe B.V. are the Authorised Participants. These entities can subscribe for and redeem the Leverage Shares ETPs.

Corporate Services Provider

Apex IFS Limited is the corporate services provider. This is the entity which performs certain corporate administration services for the Issuer.

Registered Office of the Issuer	Leverage Shares Public Limited Company 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 D01 P767 Ireland
Trustee	Apex Corporate Trustees (UK) Limited 4th Floor, 140 Aldersgate Street London EC1A 4HY
Issuing and Paying Agent	U. S. Bank Europe DAC Block F1 Cherrywood Business Park Cherrywood Dublin 18
Registrar	U. S. Bank Europe DAC Block F1 Cherrywood Business Park Cherrywood Dublin 18
Margin Loan Providers	Interactive Brokers LLC One Pickwick Plaza Greenwich CT 06830 USA Morgan Stanley & Co LLC 1585 Broadway New York NY 10036-8293 USA Pershing LLC One Pershing Plaza Jersey City NJ 07399 USA
Portfolio Administrator	Flexinvest Limited Suite B, Unit D, Building 3 331 Rosedale Road Albany Auckland, 0632 New Zealand. FlexAdvisor Limited P.O.Box 446 Grand Cayman KY1-116 Cayman Islands
Broker Dealer of Record	Flexinvest Limited

	Suite B, Unit D, Building 3 331 Rosedale Road Albany Auckland, 0632 New Zealand
Determination Agent	Calculation Agent Services LLC 34 E Putnam Avenue Suite 112 Greenwich CT 06830 USA
Arranger Limited	Leverage Shares Management Company 116 Mount Prospect Avenue Clontarf Dublin 3 Ireland
Authorised Participants	BNP Paribas S.N.C. 160/162 Boulevard Macdonald 75019 Paris France Virtu Financial Ireland Limited North Dock One 5th Floor 91-92 North Wall Quay Dublin 1 Ireland Optiver VOF Strawinskylaan 3095 1077 ZX Amsterdam The Netherlands. Jane Street Financial Limited 2 & A Half Devonshire Square London EC2M 4UJ United Kingdom Flow Traders B.V. Jacob Bontiusplaats 9 10018 LL Amsterdam The Netherlands

	Susquehanna International Securities Limited International Centre Memorial Road IFSC Dublin 1 D01 T6T0 Ireland
	Investium Limited 6 Nikou Georgiou Office 302 1095 Nicosia Cyprus
	GTX UK LLP 11th Floor, Tower 42 25 Old Broad Street London EC2N 1HQ United Kingdom
	DRW Europe B.V. 7th Floor Locatellikade 1 1076 AZ Amsterdam The Netherlands
Irish Listing Agent	Ogier Global Percy Exchange 8-34 Percy Place Ballsbridge Dublin 4 Ireland
Legal Adviser to the Issuer	Mason Hayes & Curran LLP Barrow Street Dublin 4 Ireland
Legal Adviser to the Trustee	Walkers (Ireland) LLP The Exchange George's Dock IFSC Dublin 1 Ireland

APPENDIX 1

ANTHROPIC RISK FACTORS

Risk Factors

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. The disclosures in this section reflect our beliefs and opinions as to matters that could materially and adversely affect us in the future, and are not representations as to whether such matters have or have not occurred previously, except as otherwise disclosed. References to past events are provided by way of example only and are not intended to be a complete listing or a representation as to their likelihood of occurring in the future. Our business, financial condition, results of operations, or prospects could also be adversely affected by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to our Business and Industry

Our success depends in large part on our ability to continue to develop the most advanced and capable AI models, and any failure to do so could adversely affect our business.

Our success depends in large part on our ability to continuously develop, improve, and deploy the most advanced, capable, and useful AI models. Achieving and maintaining this position depends on our ability to:

- advance the frontier of AI capabilities through breakthrough research, innovative architectures, and efficient training methodologies;
- ensure our models are safe, reliable, and trustworthy while maintaining competitive performance;
- secure the compute and infrastructure necessary to power and support our increasing needs;
- advance compute efficiency through algorithmic and architectural innovations, including compute multiplier advancements;
- retain the continued service of our co-founders, senior management team, and key technical employees, and attract, retain, and motivate leading researchers, engineers, and technical talent in an intensely competitive and evolving market;
- continue revenue growth and maintain access to sufficient capital, including through potential equity and debt financing, to make the investments we believe are necessary to support our growth trajectory;
- secure and maintain relationships with data providers, licensors, and partners to obtain the diverse, high-quality datasets necessary for world-class model performance;
- secure and maintain relationships with cloud, ecosystem, and other partners to facilitate the diffusion of Claude;
- build, operate, and maintain the infrastructure required to deploy frontier models cost-effectively and at scale;
- translate model capabilities into products that meet evolving customer needs and achieve meaningful adoption;
- allocate substantial financial resources efficiently across research, infrastructure, and operations; and
- navigate an evolving, uncertain, and at times divergent global regulatory landscape and engage with legislators, regulators, and other stakeholders to promote the development of regulatory frameworks that we believe are good for society, our customers, and the long-term health of the global economy.

Our failure to achieve any of the foregoing could prevent us from maintaining our competitive position, cause us to fall behind competitors, reduce customer adoption of, or demand for, our models, platform, and applications, and impair our revenue growth. Limitations to our revenue growth could, in turn, constrain our ability to fund the substantial and increasing expenditures required for frontier AI development, including investments in compute, model training, data acquisition, and safety and security systems, as well as our ability to attract, retain, and appropriately compensate highly skilled technical and operational personnel in a highly competitive market. Any such constraints could slow our rate of development and innovation, degrade model performance or reliability relative to competitors, limit our participation in industry standards-setting and regulatory processes, and reduce our attractiveness to enterprises and prosumers. These effects could create a self-reinforcing or compounding cycle in which diminished growth limits our capacity to invest in the resources necessary to remain competitive, which in turn could further weaken our ability to sustain or increase our revenue growth, making it increasingly difficult and costly to regain technological leadership and operate at the frontier of AI. Any of the foregoing could adversely affect our business, financial condition, and results of operations.

Our ability to maintain our position at the frontier of AI depends in part on our use of AI systems to accelerate our research processes, a recursive dynamic we refer to as "closing the loop," in which successive versions of our models assist in building the next, with the goal of compounding capability gains over time. Our models have been and are increasingly becoming critical tools in designing, training, testing, and optimizing next-generation AI systems. If we fail to direct sufficient compute and research efforts to AI-assisted development, or if our

competitors more effectively leverage AI to enhance their own innovation cycles, we risk falling progressively further behind as competitors continuously use AI to further enhance their own development capabilities, enabling the creation of increasingly advanced systems at an accelerating pace. As our reliance on our own AI systems to write production code, conduct research, and build subsequent model versions deepens, any systemic flaw, bias, or error in our current models could propagate into the next versions of models and products built using those systems, compounding across successive versions of Claude models in ways that may be difficult to detect or remediate. If we are unable to manage the foregoing risks, our ability to deploy the most advanced, capable, and useful AI models could be adversely affected.

In addition, our increasing use of AI systems to accelerate our own research and development may cause the capabilities of our models to advance more rapidly than our ability to develop, validate, and implement corresponding safety, alignment, and security measures. Much of our evidence regarding the pace of such AI-driven acceleration is derived from lagging indicators, and our ability to forecast or measure the rate at which our capabilities are advancing, including any acceleration attributable to our most recent or unreleased models, is limited. As a result, we have in the past not identified, and may in the future not identify, a significant acceleration in our rate of development until after it has occurred. For example, our internal estimates and our expectations regarding future models, rather than our current models, indicate that we may imminently meet our Responsible Scaling Policy's definition of "dramatically accelerated progress attributable to AI." We have not designated any of our current models as exceeding this threshold, and we continue to assess the underlying data. We are also evaluating the implications of meeting the AI research and development capability threshold and will release further reports in the future as we set forth in our Responsible Scaling Policy. If our capabilities were to outpace our safety, alignment, and security measures, or if we were unable to anticipate the pace of such advancement, we may be unable to adequately assess or mitigate the resulting risks, which could increase the likelihood of safety incidents, regulatory intervention, or reputational harm, and could adversely affect our business, financial condition, and results of operations. In light of these uncertainties, including limits on our ability to observe the pace at which our capabilities are advancing, we have adopted, and may continue to adopt, precautionary safety, alignment, and security measures to allow our safety efforts to advance together with model capabilities. In the past these measures have included delaying the release of models and limiting their initial availability, such as with Mythos through Project Glasswing, and in the future, as we learn more about model capabilities and behavior, they could include additional measures that affect whether, how, and when we develop or deploy new models or capabilities. We cannot predict with precision when we will determine that such measures are necessary, what measures will be required, or how long they will remain in place, and as the capabilities of our models advance, such measures may become more frequent and more costly. These measures could slow our capability gains relative to competitors that do not adopt similar constraints, and could adversely affect our competitive position, revenue growth, and results of operations.

The development of frontier AI models requires substantial investments of compute resources, capital, and human capital to conduct large-scale training runs that may span weeks or months and cost many millions of dollars. There is no guarantee that any given training run will succeed—a run may fail for a number of reasons, such as failing to achieve the targeted capability or safety thresholds, producing unexpected or undesirable behaviors that cannot be adequately remediated, or yielding a model that is ultimately not competitive with alternatives available in the market. We would also face the additional cost and delay of initiating a new training run to attempt to achieve the intended model improvements. We have in the past experienced, and may in the future experience, such failed or underperforming training runs, resulting in a loss of invested resources with limited or no corresponding benefit to our business. Given the scale of compute and other resources required for frontier model training and the extended timelines involved, a failed or underperforming training run could also delay our product roadmap, affect our competitive position, and adversely affect our business, financial condition, and results of operations.

New models, features, or capabilities may not be introduced on schedule, may not perform as intended, may require significant iteration after release, may fail to gain meaningful adoption, or may take longer than expected to gain meaningful adoption, any of which could reduce customer demand or place us at a competitive disadvantage. In addition, considerations relating to model safety, interpretability, alignment, and welfare may lead us to limit or delay the deprecation of older models or to continue supporting legacy versions alongside newer releases, creating tradeoffs in product development and compute distribution that could adversely affect innovation velocity, infrastructure utilization, and revenue. Customers who have integrated older models into their workflows may resist migration to newer versions, and any accelerated or forced deprecation could result in customer attrition, contractual disputes, or reputational harm. We have also changed, and may in the future change, usage limits, rate limits, or model and product capabilities, which could adversely affect our reputation and the perceived value of our offerings. Some of these changes have resulted, and could in the future result, in claims that our disclosures regarding model access or capabilities were inadequate or misleading.

Further, the industry benchmarks commonly used to test AI models may not accurately reflect real-world performance or utility, and even models that perform well on such benchmarks may not meet customer expectations when deployed in production environments, which could lead to customer dissatisfaction, reduced usage, or reputational harm. If we are unable to effectively innovate and improve our models, platform, and applications while addressing these challenges, or if competitors are able to deliver AI solutions that are perceived as more capable, safer, or more reliable, or that offer adequate performance at a lower cost, our business, financial condition, and results of operations could be adversely affected.

In addition, innovation in AI involves addressing complex and evolving challenges related to data quality, data integrity, training methodologies, bias, safety, accuracy, and the behavior of model outputs. AI algorithms may be flawed, and AI systems may contain bugs, errors, or defects or fail to follow instructions or produce inaccurate, misleading, offensive, inappropriate, or otherwise harmful outputs; reflect or amplify unwanted or unknown biases present in training data; or raise concerns relating to intellectual property, privacy, or other legal and ethical considerations. We must continually invest resources to identify, mitigate, remediate, and reduce the occurrence of such issues, including through managing and improving datasets, training techniques, evaluation methods, safeguards, and human oversight. However, we may not be able to obtain the datasets that we need, including through licenses or strategic data partnerships. In addition, we or our data providers may

use synthetic or AI-generated data in the training process, which could introduce quality issues, amplify biases or errors, contribute to model degradation, or raise novel legal questions regarding ownership, licensing, or intellectual property rights that may not be timely or clearly resolved by courts or regulators. Such unintended consequences, failures, or misuse of our models could impair customer trust, slow adoption, expose us to legal or regulatory scrutiny, or adversely affect our brand and reputation.

If we are unable to secure adequate compute or if we fail to direct our compute effectively across our workloads, we may be unable to train models that remain competitive with those of our competitors or adequately serve our customers.

Our ability to develop, train, improve, and deploy frontier models depends on our access to enormous and increasing quantities of specialized compute. The training of Claude models has required, and we expect will continue to require, substantial compute. Industry participants, academic researchers, and our own experience suggest that, in certain contexts, applying greater amounts of compute during model training has been associated with improvements in model capabilities. These observations are consistent with aspects of broader

empirical relationships among model performance, model size, training data, and compute scale that are commonly referred to as "Scaling Laws," although the extent, efficiency, and durability of such improvements are uncertain, and these relationships may plateau, diminish, or fail to materialize at larger scales or under different conditions. Accordingly, our ability to remain at the frontier of AI capabilities is substantially dependent on our ability to secure compute at the scale required to sustain all our workloads, including to train next-generation models, and we cannot provide assurance that increased investment in compute will result in commensurate improvements in model performance.

The market for compute is intensely competitive. We compete for access to compute with some of the world's largest and most well-capitalized technology companies, many of which develop their own competitive AI models and have significantly greater financial resources than us. Many own and operate cloud computing data center infrastructure, maintain captive chip manufacturing or design capabilities, have long-standing strategic relationships with key hardware suppliers, or have significant equity investments from, or other financial arrangements with, such suppliers. These competitors can outbid us for scarce compute, secure priority allocations from chip manufacturers and CSPs, and make long-term capital commitments that we cannot match. We expect demand for advanced compute to continue to grow, and the cost of compute could rise significantly, particularly if AI-driven demand accelerates or if the ability to build highly capable models becomes more broadly available and shifts competition toward access to advanced compute. Additionally, numerous well-funded AI companies are pursuing large-scale AI model development, further increasing demand for limited compute. Certain CSPs from which we obtain substantial compute also develop and offer their own AI models and related services. As a result, our commercial relationships with these providers may not always be fully aligned with our long-term interests, and if the compute we have access to from third parties is curtailed, repriced, or terminated, whether for competitive reasons or otherwise, our business, financial condition, and results of operations could be adversely affected.

In addition to competition from third parties, our ability to secure compute is subject to allocation decisions by our CSPs. Although our CSPs are generally subject to contractual commitments with us regarding the provision of compute, our ability to obtain such capacity remains dependent on those providers' operational execution, adherence to the terms of such contractual provisions, and broader business considerations, such as capacity constraints, internal demand for compute to support their own AI and computing operations, relationships with or contractual obligations to third parties (which may include other AI companies), and risk management considerations. As a result, we may not receive the full amount of compute we seek, or such compute may not be delivered on the timelines we require, even where contractual arrangements are in place. Additionally, we have in the past sought quantities of compute from CSPs in excess of what those partners were willing to provide. If our CSPs reduce, limit, or fail to increase our allocations to keep pace with our growing requirements for any reason, we may need to seek alternative compute sources on less favorable terms or timelines, and we may be unable to secure adequate alternative compute, or any at all. In addition, certain of our compute providers and infrastructure partners depend on third-party financing or credit support to acquire chips and develop capacity, and if such financing or support becomes unavailable or more costly, contracted capacity may be delayed, repriced, reduced, or not delivered. Any such shortfall could constrain our ability to train models, serve customers, or maintain our competitive position.

Even if we are able to secure compute, we must still direct it efficiently across the full range of workloads that are a part of our business, including research, model development, serving customers, and internal usage of Claude. While we manage our compute as a single, fungible pool and direct available compute between workloads based on where the marginal unit is expected to be most productive at any given time, there can be no assurance that this approach to compute will be the most efficient or that it will support the needs of each of our workloads. Because demand for compute has historically exceeded available capacity, any constraint on our ability to procure, maintain, or expand that capacity could adversely affect multiple aspects of our business simultaneously, including our ability to serve customers at the quality and scale they expect, to train and improve our models, and to develop new products and capabilities. While we actively manage and balance such compute capacity across these workloads via our capacity management system, if this system fails to perform as intended, or if our ability to dynamically rebalance capacity across workloads is disrupted, customer-facing service quality or model and product development timelines could be adversely affected. There can be no assurance that we will make optimal resourcing decisions, and any significant inefficiencies, including those related to deployment and rebalancing, could adversely affect both our near-term results of operations and our long-term strategic position. These compute resourcing challenges are heightened by the growth of our agentic

offerings, which involve multi-step reasoning chains, iterative tool invocations, extended context windows, and sustained inference sessions that consume significantly more compute per user interaction than single-turn API calls or chat-based interactions. As agentic workloads grow as a proportion of our total compute demand, the aggregate compute required to serve our customers could increase disproportionately relative to the associated revenue, placing additional strain on our compute workload management decisions.

The majority of our compute is procured under multi-year commitments that are typically entered into well in advance of the periods in which that compute is deployed. Because different AI accelerators have varying performance characteristics across workload types, the composition of our committed compute portfolio, including the mix of accelerator architectures procured from our partners, reflects our demand forecasts and development roadmap assumptions at the time those commitments are made. If the magnitude or mix of workloads we need to support differs materially from those forecasts, whether due to changes in model architecture, customer demand, internal operations, or research priorities, the composition of our available compute may not optimally match our needs in a given period. This could affect our ability to serve customers, develop models, and support internal operations.

If we fail to secure sufficient compute, or if we fail to effectively direct the limited compute we have across our workloads to develop and deploy models with capabilities at least comparable to those of our competitors, we risk falling behind the technological frontier. The pace of AI development is extremely rapid, with successive versions of models emerging in compressed timeframes, often measured in months rather than years. As a result, even a brief period without access to sufficient compute could cause us to fall behind quickly. With AI development, the gap between frontier models and those one or two versions behind can be significant in terms of capability, performance, and commercial applicability. Customers, partners, and software developers may shift to competitors whose models offer superior capabilities, and we may be unable to attract or retain the technical talent necessary for frontier research if our researchers lack access to adequate compute or if we are not perceived as operating at the forefront of model development. Any inability to maintain our position at the frontier could result in loss of customers and revenue, diminished brand and reputation, and a decline in our competitive position, each of which may be difficult to regain. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

If our actual compute requirements differ materially from our projections, we may fail to secure sufficient compute to meet our needs or we may be committed to excess compute that remains underutilized.

The competitive and structural dynamics of the compute market require us to make binding financial commitments for compute months or years in advance of our day-to-day delivery and use. Chip manufacturers, CSPs, and data center developers require advance commitments in order to allocate production capacity, plan infrastructure investments, and manage their own supply chains. As a result, we must forecast our compute requirements well in advance of their deployment and commit capital accordingly, often with limited ability to adjust commitments if our needs change.

These forecasts for future compute usage are inherently uncertain. Our actual compute requirements depend on numerous factors that are difficult to predict, including the pace of our research progress, the compute intensity of training techniques we develop or adopt, changes in the competitive landscape that may require us to accelerate or modify our development plans, customer demand for inference compute, and the evolution of hardware or other technological efficiencies and changes. If we underestimate our compute requirements, we may be unable to secure sufficient compute to support our forecasted customer demand and model development roadmap. In the past, we have significantly underestimated our compute requirements, which left us capacity constrained and impacted both product development and deployment. Further, the timing of compute coming online may not align with the timing of demand growth, which could result in periods of excess or underutilized compute and committed cash outflows that do not produce immediate revenue.

Our ability to forecast and secure the compute we need is further challenged by our ongoing transition from a cloud-only, fixed-time arrangement compute model to a hybrid model that includes directly leased chips that are hosted in dedicated data center facilities leased and operated on our behalf, to our specification. This transition introduces additional variables into our procurement planning, including the timing of facility completion, the pace at which newly commissioned facilities achieve full operational capacity, our ability to operate, maintain, and integrate on-premise capacity with cloud-based infrastructure, the operational

execution of our suppliers, and the performance of hardware in new facility environments. Delays in securing energy, water, and other critical services for these facilities could further slow the pace at which newly commissioned compute becomes available for use. Errors in forecasting any of these transition-related variables could compound our risks related to securing sufficient compute and result in either capacity shortfalls or underutilized capacity during the transition period.

We have entered into, and expect to continue to enter into, long-term agreements for compute and related resources that involve minimum purchase commitments, take-or-pay provisions, and other terms that obligate us to pay for resources regardless of actual utilization. These commitments represent substantial fixed obligations. As of and subsequent to September 30, 2026, we have entered into purchase commitments and lease agreements, including short-term commitments, as well as leases not yet commenced, with an aggregate committed spend of approximately $895.4 billion, substantially all of which is related to compute and infrastructure. These commitments include approximately $447.5 billion expected to be incurred before December 31, 2030, and substantially all of the remainder is expected to be incurred between 2031 and 2045. Approximately $69.8 billion of these commitments are due in the 12 months following September 30, 2026. See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations” for more information.

Our ability to meet the substantial and growing financial obligations of these requirements to secure compute depends on our ability to generate significant revenue growth. We must grow our customer base and expand revenue rapidly in order to generate the cash flows necessary to satisfy these commitments. However, our revenue is primarily consumption-based, and much of it is not subject to long-term contractual commitments, while our compute and infrastructure commitments generally extend over multiple years. As a result, we may enter into these obligations based on revenue expectations that may not be realized. If our revenue growth does not keep pace with our compute-related payment obligations, if we are unable to successfully convert our compute investment into revenue-generating customer workloads, if we fail to raise additional capital on acceptable terms, or if we experience other adverse developments affecting our liquidity, we may be unable to satisfy these obligations. Any such failure could also result in defaults under our agreements, loss of access to critical resources, and reputational harm. In particular, a default under certain commercial agreements could trigger cross-default provisions under the A&R Credit Agreement (as defined below) and certain of our outstanding convertible promissory notes, potentially resulting in the acceleration of substantially all of our outstanding, and any future, indebtedness. Such cross-defaults could set off a cascading series of adverse consequences, including the exercise of remedies by multiple creditors, the termination of key commercial arrangements, enforcement actions against our assets, and severe liquidity constraints. An acceleration of our indebtedness, combined with the loss of access to critical data center infrastructure, among other things, could impair our ability to train and deploy models, serve customers, and fund ongoing operations, which could have an adverse effect on our business, financial condition, and results of operations. For more information, see the sections titled "—We have incurred significant indebtedness in order to operate and grow our business, including to fund our substantial compute commitments, and our ability to service this indebtedness may be constrained by our cash flows and liquidity" and "—We may not have the ability to raise the funds necessary to repay the principal and accrued interest of our outstanding convertible promissory notes or the A&R Credit Agreement in cash when required by the terms of the notes or the A&R Credit Agreement, as applicable, or at their maturity."

Additionally, the rapid pace of technological change across AI infrastructure, hardware, software, system architectures, and model development techniques means that compute secured today may become less efficient or economically attractive relative to future alternatives. We may find ourselves committed to using older-generation hardware and infrastructure while competitors gain access to more advanced systems, or we may be paying premium prices for resources that have declined in market value. These dynamics could adversely affect our cost structure and competitive position. Certain of our financing arrangements require us to enter into exclusive or preferential supply commitments with particular chip suppliers with respect to the compute financed pursuant to such arrangements. These commitments may limit our ability to shift procurement to alternative suppliers or newer chip architectures if our needs or the technology landscape evolve, potentially leaving us committed to platforms that are suboptimal for our actual workload requirements and reducing our ability to adjust our compute portfolio in response to changed circumstances. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

Constraints on the critical inputs supporting compute could limit our ability to secure adequate compute.

The compute necessary for training and deploying frontier models depends on a supply chain with multiple potential points of constraint or failure. The availability, pricing, and lead times for compute are affected by the supply of advanced chips and other IT equipment, the availability of sufficient electrical power and the infrastructure required to generate and deliver it, and the capacity of data center infrastructure. Each of these inputs faces significant constraints that may limit our ability to secure the compute we need. In addition, increasing demand for compute has contributed to, and may continue to contribute to, increases in the cost of such resources, which could limit our ability to invest in, develop, or deploy our models, platform, and applications at the pace we anticipate.

Supply and Concentration of Chips, Memory, and Data Center Equipment

The specialized chips required for AI workloads, particularly high-performance AI accelerators and memory, are produced by a limited number of manufacturers. The production of advanced chips is extraordinarily complex, requiring manufacturing processes at the leading edge of technological capability.

The majority of the world's most advanced chip manufacturing capacity is concentrated in Taiwan, primarily at Taiwan Semiconductor Manufacturing Company ("TSMC"). This geographic concentration creates significant risks, including exposure to natural disasters such as earthquakes and typhoons, potential disruption from geopolitical tensions between Taiwan and China, vulnerability to any interruption in Taiwan's power grid, water supply, or other critical infrastructure, and susceptibility to developing trade regulations and restrictions. Any military conflict, tariffs and trade restrictions, economic coercion, blockade, natural disaster, or other incident affecting Taiwan could severely disrupt the global supply of advanced chips, with effects that could persist for years given the time required to construct and qualify alternative fabrication facilities. Efforts to establish sufficient advanced chip manufacturing capacity outside of Taiwan, including in the United States, remain in early stages and may not produce adequate compute to materially reduce these concentration risks within the foreseeable future. In addition, due to the demand for advanced chip manufacturing, TSMC has, at times, been unable to fully satisfy market demand for chip manufacturing capacity, and as a result, we have not always been able to obtain sufficient quantities of chips on a timely basis. Accordingly, any restrictions or delays on the supply of advanced chips out of Taiwan or TSMC would adversely affect our business, financial condition, and results of operations.

In addition, both high-bandwidth memory, which is a key component in high-performance AI accelerators, and other high-performance memory products used in compute infrastructure, are largely manufactured by SK hynix Inc., Samsung Electronics Co., and Micron Technology, Inc. Each of these manufacturers is working to expand its production capacity to meet demand. However, there is no guarantee that these efforts will result in adequate supply fast enough to meet demand, particularly if large customers or competitors secure exclusive supply commitments or otherwise reserve substantially all of a manufacturer's available production capacity.

The concentration and constraints in manufacturing supply expose us to the risk that manufacturers may make allocation decisions or strategic shifts that adversely affect our access to the advanced chips needed for our business. We also face risks that specialized chips may contain defects, or that their production or delivery may be delayed or disrupted, which, given long replacement lead times, could constrain available compute and adversely affect our operations and ability to scale. A meaningful portion of the components we and our partners rely on is sourced from or manufactured outside of the United States, and new or increased tariffs, import restrictions, or trade disputes could delay deliveries, force supply-chain changes, or raise our costs, some of which we bear directly under pass-through arrangements. For more information, see the section titled "—Governmental trade controls, including export and import controls, sanctions, customs requirements, and related regimes, could subject us to liability or loss of contracting privileges or limit our ability to compete in certain markets."

We also depend on third-party chip design and services companies for the design, manufacture, and support of certain custom accelerator platforms, as well as for related infrastructure financing arrangements. Disruption to these relationships, or any failure by these parties to deliver hardware or services on expected timelines and specifications, could adversely affect the availability, performance, or cost of accelerator platforms on which we rely.

Data centers also require electrical, generation, and transmission equipment, cooling systems, backup generators, and networking hardware, some of which are made by only a few manufacturers, must be ordered years in advance, and require substantial pre-delivery payments that we may not recover if our plans change. In addition, certain equipment, such as high-voltage transformers, switchgear, turbines, generators, substations, and transmission components, has been subject to extended delivery timelines, price increases, tariffs and national security requirements, and allocation constraints as demand from data center operators and other large electricity consumers has grown. If such equipment is delayed or unavailable, we may be able to replace it only at higher prices or under less favorable long-term commitments. In order to secure near-term access to compute, we may also elect, or be required, to procure long-lead-time generation and electrical equipment at prices above prevailing market rates on the expectation that it can be deployed on an accelerated timeline to unlock capacity in the near term. Realizing the benefit of paying such prices depends on the timely and successful engineering, procurement, and construction of the associated facilities, which requires specialized expertise that is currently in short supply and involves significant execution risk. Delays, cost overruns, or failure to secure energy on the anticipated schedule could mean that we do not obtain the energy and capacity for which we paid such prices. In some cases, these arrangements also depend on a developer or other counterparty agreeing to purchase the equipment at such prices, finance such purchase, and recover those costs and associated financing costs from us over time, and we may bear these costs even if the underlying capacity is delayed or never realized. Our equipment supply framework agreements and similar arrangements may expose us to further risks, including minimum purchase or take-or-pay commitments, price escalation, and obligations that we are unable to align with our actual deployment needs.

Additionally, the U.S. government has imposed and may continue to impose export controls restricting the sale of advanced chips and chip manufacturing equipment to certain countries, including China. These restrictions have affected global chip and related equipment supply allocation, and future changes in export control policy could affect the availability or pricing of the compute resources on which we rely. Future export controls could be more restrictive, for example, by placing restrictions on the countries in which advanced chips may be installed or in which model weights may be stored, which could limit where we or our partners are able to build data centers, constrain our international expansion, or increase our costs.

Electrical Power and Fuel Constraints

The operation of data centers at the scale required for frontier AI development and deployment consumes substantial quantities of electrical power. The availability of sufficient electrical power has emerged as a significant constraint on data center development and expansion in many geographies, including the United States. Electric grid infrastructure in the United States and other countries was not designed to accommodate the rapid increase in demand associated with AI development, and the lead times required to build new generation capacity, transmission infrastructure, and grid interconnections can extend for years. Demand on electric grid infrastructure is also increasing as a result of the increased electrification of homes, vehicles, and industry, and this growing demand is occurring at a time when power generation capacity additions, transmission expansion, and grid modernization efforts have not kept pace and certain existing generation resources are being retired, all of which has contributed to higher electricity prices and longer interconnection timelines in certain regions. We have publicly committed to covering the cost of electricity price increases to consumers caused by our data centers, including both the cost of electricity itself and the infrastructure necessary to deliver it.

Our access to electrical power also depends on our ability, and the ability of the third parties on which we rely for the construction, management, and operation of our data center facilities, to negotiate and maintain contracts with utility providers and grid operators and to obtain approvals from public utility commissions and other regulators. These parties may be unable or unwilling to approve, or may condition or delay, the connections, capacity expansions, special or negotiated rate arrangements, and infrastructure investments necessary to support data center growth, or may grant them only at costs that limit the economic efficiency and viability of certain facilities, such as by requiring us to bear grid upgrade or interconnection costs beyond those attributable to serving our facilities—representing a larger share of costs than is required under existing or prior regulatory constructs. Interconnection queues for large new electricity loads have also lengthened substantially in many regions, which could delay or limit our access to grid power. Utility providers and regulators may also reallocate previously committed capacity that our data center facilities may require. In many jurisdictions, a single utility provider has substantial control over the terms, timing, and cost of the service and infrastructure

necessary to power our data center facilities. The commercial and regulatory priorities of utility providers may differ from ours, including with respect to which infrastructure investments are made, how their costs are allocated, and whether alternative or self-supplied generation arrangements are permitted and on what conditions. Utility providers and other stakeholders may also seek regulatory or legislative measures affecting large electricity loads, self-supply, or alternative power generation arrangements. The outcomes of our negotiations and regulatory proceedings involving utilities are uncertain, and unfavorable results could increase our costs, delay our projects, or limit the alternatives available to us. More broadly, regulatory proceedings relating to cost allocation, rate design, and the treatment of large electricity loads are ongoing in numerous jurisdictions, and adverse outcomes, changes in policy, or the imposition of new tariffs, surcharges, or curtailment obligations applicable to data centers could increase our costs or limit our access to electrical power.

In addition, the construction of the generation and transmission infrastructure on which we depend is itself capital-intensive and exposed to labor shortages, supply chain disruptions, permitting delays, changes in interest rates, tariffs, other cost overruns, and financing constraints. The significant and increasing capital required to fund these generation, transmission, and related infrastructure investments, whether incurred by us, our utility and energy supply providers, or our data center development partners, is sensitive to prevailing interest rates and the availability of debt or equity financing on acceptable terms. Any inability of our partners to access capital when needed, and the limitations, cost, and competition for such capital, could increase the cost of the power on which we depend, delay or halt projects, or render certain facilities commercially unviable, and under certain of our arrangements, we bear these financing and capital costs directly or on a pass-through basis. Furthermore, newer sources of generation, such as solar, wind, battery storage, nuclear, and geothermal power, may not be available in the quantities or on the timelines we require, or may be available only at higher cost. Our facilities separately depend on access to reliable water for cooling, which in some regions is scarce, subject to use restrictions, or increasingly costly. Any of the foregoing could adversely affect the availability of the power or water we require, increase our costs, or limit our ability to develop, expand, or operate our data center facilities, which could adversely affect our business, financial condition, and results of operations.

Competition for access to electrical supply and data center locations with adequate power availability is intense, and we compete for such access with well-capitalized CSPs, some of which produce and develop competing AI models, cryptocurrency mining operations, and other large-scale electricity consumers. In addition to, or sometimes in lieu of, grid-based electricity, an increasing share of data centers are being developed with dedicated on-site power generation capacity that supplies electricity directly to the facility independent of any utility-operated electric grid. The reliability of such off-grid power generation solutions varies by the underlying technology, the equipment used, and the operator and will reflect site-by-site operational and environmental profiles. Development of this new capacity in turn requires power generation and electrical infrastructure that are themselves subject to supply challenges and operational complexity. For example, certain of our planned data center facilities rely on dedicated on-site natural gas-fired generation, which exposes us to fuel price volatility and supply disruptions that are outside of our control and for which we bear the cost on a pass-through basis. These facilities are also subject to constraints on pipeline capacity and firm fuel transportation necessary to deliver natural gas. As data center operators increasingly rely on natural gas-fired generation, and because behind-the-meter and on-site arrangements are feasible only in some jurisdictions given the applicable regulatory frameworks, we expect increased competition among users for the same natural gas supply and pipeline capacity in those areas. This competition could drive up the price of natural gas in such areas and may adversely affect our ability to contract for firm fuel supply and transportation and to secure the pipeline connections and laterals our facilities require.

These dynamics present several related risks. We may be unable to secure firm gas supply and transportation during the development of a facility, causing a planned site to be delayed or abandoned; we may face fuel supply or delivery disruptions once a facility is operating; and because our arrangements generally provide for fuel and related costs to be borne by us on a pass-through basis without cost caps, we remain exposed to increases in the cost of natural gas and its transportation. More broadly, the cost of electricity is subject to significant variability that is largely outside of our control, as wholesale electricity prices fluctuate with changing supply and demand, weather, fuel prices, tariffs or surcharges, and grid stress, and can rise sharply during periods of peak demand or constrained supply, and such increases in energy costs could adversely affect our results of operations.

In some regions, including certain regions where we have contracted compute commitments, data center development has prompted public controversy and regulatory scrutiny regarding environmental impact, land and water use, and the allocation of limited power resources. For example, if our efforts to secure electrical power are perceived to affect other utility customers and the broader grid, regulators may impose conditions, standby charges, or other requirements intended to address such impacts. More broadly, our access to electrical power is subject to an evolving regulatory framework characterized by complexity, jurisdictional overlap, and rules that were largely designed around service by incumbent utility providers and existing generation arrangements and that may not readily accommodate new entrants or alternative approaches, which can result in significant delay or prevent the development of the generation we require. Grid-tied electrical supply, for instance, is subject to the jurisdiction of federal and state energy regulators, regional grid operators, and public utility commissions, while behind-the-meter and on-site generation is subject to a distinct set of exclusive service franchise protections, permitting, environmental, air quality, interconnection, and siting requirements. In addition, environmental standards applicable to power generation continue to evolve, including as a result of changing governmental priorities and shifting public and political views regarding climate change and the appropriate treatment of various power generation sources. Any failure to secure access to adequate electrical

power, any legal, regulatory, or other administrative action or change limiting the availability of electricity, or any significant increase in energy or compliance costs, could adversely affect our cost structure and limit our ability to scale our compute infrastructure, develop and deploy our models, and service our customers. We have also made, and may in the future make, voluntary commitments to offset the impact of our data center energy consumption on local communities and electricity ratepayers, including commitments to cover grid infrastructure upgrade costs, procure new power generation to match our energy needs, invest in curtailment systems to reduce strain on the grid during peak demand periods, and address environmental impacts. These commitments have increased, and we expect will continue to increase, our operating costs. Moreover, we believe this is part of a broader emerging trend in the AI industry, and such commitments, or similar obligations, may become increasingly standard or required, which could further increase our costs. In addition, the physical effects of climate change may increase our operating costs over time, as higher average temperatures can increase the power consumption and water usage required to cool equipment at the facilities on which we depend.

Data Center Infrastructure

Even where chips and electrical power are available, the development of data center facilities requires substantial time, capital, and specialized expertise. Data center construction involves lengthy permitting processes, complex supply chains for specialized equipment, and significant lead times for the installation and commissioning of cooling systems, electrical infrastructure, and networking equipment. Labor shortages, including shortages of, and competition for, electricians, facility technicians, and other skilled tradespeople, supply chain disruptions, permitting delays, and other factors can extend construction timelines and increase costs. Further, given data center development projects require significant advance capital commitments with dedicated end users, we have in some cases relied, and expect to continue to rely, on arrangements for financing or with partners who guarantee the lease obligations to support the development of data center capacity that is expected to host such partner's chips or computing infrastructure. In addition, there are a limited number of qualified third-party vendors with the expertise we require and that support the particular infrastructure we wish to implement. Accordingly, we rely on this limited number of third parties for the construction, management, and operation of certain of our data center facilities, some of which have limited operating history or may have less experience operating data center infrastructure at the scale and complexity our operations require. In certain cases, these third-party operators are trained or supervised by our chip partners to manage facilities on our behalf but are not affiliates of those partners and may not have the same depth of expertise, operational resilience, or resources. Any failure by these third-party operators to perform as expected could disrupt our access to compute. In addition, safety or environmental incidents at facilities built or operated for us, whatever their cause, could expose us to claims, fines, or suspensions of construction or operations, the costs of which we may bear. We also depend on an extended network of suppliers, builders, and facility operators. If any of them engage in practices that are unsafe, unlawful, or contrary to the labor, human rights, environmental, or other standards we or our partners require, we could face legal liability, lose the ability to use affected suppliers or facilities, and suffer harm to our reputation, even where we did not direct or know of the conduct.

Our collective data center infrastructure is currently concentrated primarily in the United States, which exposes us to risks associated with regional regulatory changes, power grid constraints or failures, disruptions to network connectivity between facilities, natural disasters, physical attacks—including those motivated by geopolitical events, opposition to AI, and opposition to data center development—and other disruptions that could affect multiple facilities. Certain state, local, and municipal jurisdictions in the United States are also considering or have approved moratoriums on new data center construction, citing public health, safety, and environmental concerns. Such jurisdictions and other regulators, grid operators, or utilities may also adopt other measures that subject users of large electricity loads, including data centers, to curtailment, interruptions, forced reductions, disconnection, or other restrictions during periods of grid stress, whether through changes in law or policy, market or reliability constraints, limits on transmission and distribution infrastructure, or a preference for protecting other utility customers and the broader grid. New large loads on the electric grid may be increasingly subject to mandatory curtailment in regions where there is insufficient grid-connected power generation to reliably supply existing and new electricity loads. For example, states such as New York and Texas have recently moved to regulate large-scale data centers, whether by pausing state permitting for new large facilities, as New York has, or by subjecting large electricity loads to curtailment or disconnection during grid emergencies, as Texas has. Such moratoriums, or similar actions, could delay or prevent the construction or expansion of facilities on which we depend for compute. Opposition to data center development has also become more organized and coordinated across jurisdictions, and our public profile may draw particular attention to projects associated with us. The loss of, or a significant disruption at, any major facility may not be readily absorbed by our remaining or future infrastructure. We are expanding our data center capacity internationally as part of our efforts to diversify our infrastructure footprint and reduce concentration risks associated with operating a significant portion of our compute infrastructure in the United States and to support our international growth strategy, including by entering into letters of intent and negotiating lease and related agreements for data center facilities in multiple non-U.S. jurisdictions, which exposes us to additional risks related to foreign regulatory requirements and approvals, data sovereignty and localization laws, governmental access or assistance requirements, cross-border data transfer restrictions, foreign tax regimes, and increased operational complexity. Our ability to enter into definitive agreements for data center capacity and operations in non-U.S. jurisdictions depends on the timely formation, registration, and receipt of governmental approval of local subsidiaries, as well as the establishment of local banking arrangements, and any delay or failure in completing these steps could delay or prevent us from mitigating our infrastructure concentration risks, executing our international growth strategy, securing planned compute capacity, or could result in substantial additional taxes, penalties, or other liabilities. In addition, regulatory, legal, and other constraints in many jurisdictions may limit the locations in which we can practically site or contract for data center capacity, which could constrain our ability to diversify our infrastructure footprint as quickly or as broadly as we currently intend.

We and our principal competitors rely on substantially similar inputs to develop and deploy frontier models, including advanced chips sourced from a small number of suppliers and data center capacity and compute

obtained from CSPs and other third parties. As we and our competitors increasingly pursue vertical integration, the basis of competition could shift over time to encompass not only which company can develop the most capable models, but also which company can develop the best underlying components. Our future competitiveness may depend in part on our ability to successfully develop vertically integrated compute infrastructure on competitive terms and timelines, and there can be no assurance that we will be able to do so. Our competitors may be better positioned, or may invest greater efforts, to vertically integrate across the compute supply chain, including through proprietary chip design, fabrication, ownership or long-term control of data center infrastructure, access to dedicated power generation assets, exclusive supply arrangements with hardware manufacturers, or by securing the limited sites suitable for large-scale data center development ahead of us. Competitors that succeed in controlling a greater share of these supply chain layers may be able to secure compute at greater scale, lower cost, or with greater reliability than we can, particularly during periods of high demand or supply constraint, when captive supply relationships may confer certain advantages over participants that depend on third-party providers. Such competitors may also develop proprietary hardware-software co-designs that optimize compute efficiency for their specific model architectures, which could compound any capability gap across successive model versions. While we are pursuing initiatives to develop dedicated data center infrastructure, there can be no assurance that these efforts will be completed on the timelines or at the costs we anticipate, or that they will be sufficient to offset any structural advantages that vertically integrated competitors may achieve. Competitors that succeed in these efforts may be better positioned to remain at the frontier of AI regardless of broader market constraints.

Natural hazards, extreme weather, or other disruptions affecting the regions where these inputs are produced or where our facilities are located could further constrain the availability of chips, power, water, or data center capacity on which we depend. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

We are highly dependent on the continued service of our co-founders, senior management team, and key technical employees, and the loss of any of these individuals may adversely affect our business, financial condition, and results of operations.

We are highly dependent on the continued service of our Chief Executive Officer, President, co-founders, senior management team, and key technical team. In particular, our Chief Executive Officer and President are critical to setting our strategic direction, advancing our research agenda, shaping our safety and governance frameworks, and generally advancing our mission, and we believe that their leadership would be difficult to replace. If either were to become unavailable for any reason, or if either of their reputations were significantly harmed, regardless of merit, there could be an adverse impact on our operations and competitive position, employee morale, employee retention, pace of innovation, customer and partner confidence in our company, our brand and reputation, and our long-term strategic objectives. Further, the loss of key personnel, including members of our founding team and senior management team, and key engineering, research, product development, marketing, and sales personnel, could also disrupt our operations and have an adverse effect on our business. Many of our key personnel, particularly within our technical and research teams, are strongly motivated by our mission and the opportunity to work on addressing specific problems within the AI landscape. To the extent that their interests evolve, they seek to pursue different technical challenges or areas of focus, or they are drawn to other organizations or initiatives that they perceive as better aligned with their personal beliefs or professional objectives, we may face increased difficulty retaining such personnel. This risk may be heightened as we continue to scale and mature as an organization, which may change the nature of the work environment, priorities, or perceived mission alignment for certain personnel, including personnel who may conclude that the objectives that drew them to us have been substantially achieved. In addition, under certain of our agreements with suppliers, the loss of certain key personnel could accelerate our obligations or otherwise trigger adverse consequences under such agreements.

If we are unable to retain key personnel, or if we fail to conduct effective succession planning and find suitable replacements for any losses of such key personnel in a timely manner and on competitive terms, we could experience declines in sales, delays in research and development, and harm to our business and operations. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

We may require additional capital to meet our substantial ongoing obligations and support our business growth, and our ability to generate sufficient revenue and secure additional capital on acceptable terms is critical to our continued operations and competitive position.

Our business model requires substantial and increasing capital to support our ability to remain competitive and to stay at the frontier of AI. We intend to continue to make significant financial investments to support our business growth and may require additional funds to acquire sufficient compute and respond to business challenges, including expenditures to create, maintain, upgrade, and enhance our models, platform, and applications, including costs related to investments in infrastructure, human capital, office expansion, and data assets. In addition, we may use a portion of our cash to satisfy tax withholding and remittance obligations related to outstanding RSUs and equity awards that we grant in the future.

In addition, to date we have financed our compute primarily under arrangements with CSPs, with costs recognized as compute is made available to us. We may in the future finance a greater portion of our compute on an upfront basis, including through finance leases, prepayments, debt-financed purchases of equipment, or similar arrangements. If we were to do so, we may incur significant cash outflows in advance of compute availability or related revenue, which could increase demands on our cash flows and liquidity and our need to raise additional capital. Such arrangements could also increase our capital intensity and alter our cash-flow profile.

Accordingly, it is critical that we maintain strong revenue growth, grow revenue efficiently relative to our committed compute, infrastructure, and personnel costs, and manage our cash flows effectively. To the extent

that such efforts are insufficient to meet our capital needs, we may need to obtain additional capital through equity or debt financings. If we raise additional funds through future issuances of equity, equity-linked securities, or convertible debt securities, our existing stockholders could suffer dilution, and any new securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Further, the conversion of our outstanding convertible securities will cause additional dilution to our existing stockholders. Any debt financing that we may secure in the future may involve restrictive covenants relating to our capital raising activities and other financial and operational matters, potentially making it more difficult for us to obtain additional capital and to pursue business opportunities.

In addition, our ability to draw amounts under certain of our note purchase agreements ("NPAs") is not guaranteed and is subject to the satisfaction of specified conditions. In particular, our ability to access additional amounts under certain of these facilities depends on our achievement of certain revenue performance targets and/or the ability of third parties to deliver additional compute to us. While we have historically surpassed all such revenue performance targets, there can be no assurance that revenue will continue to exceed these thresholds at all times in the future. If these conditions are not satisfied, we may be unable to draw additional amounts under the applicable NPA, which could adversely affect our cash flows and liquidity. For more information about the terms of our convertible promissory notes, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Convertible Notes."

We may not be able to obtain additional financing on terms favorable to us, if at all. We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, and operating performance and the condition of the capital markets at the time we seek financing. The equity and debt markets may experience extreme volatility and disruption from time to time, which could result in higher credit spreads in such markets and higher funding costs for us. If we are unable to generate sufficient revenue growth or obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop new models, platform, and applications, enhance our existing models, platform, and applications, and respond to business challenges may be impaired, and our business, financial condition, and results of operations may be adversely affected.

Our company culture has contributed to our success and, if we cannot maintain this culture as we grow, our business could be adversely affected.

We believe that our company culture is a critical component of our success. We are a mission-driven company and our culture reflects a strong emphasis on the Company Purpose. Our ability to continue to cultivate and maintain this culture is essential to our growth and continued success. We face a number of challenges associated with our commitment to our company culture, including:

- the need to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture, values, and mission;
- the increasing size and geographic diversity of our workforce, and our ability to promote a uniform and consistent culture across all of our offices and employees;
- internal and external perceptions about our mission, values, commitment to safety, and uses of our models, platform, and applications;
- engagement with government policymakers on issues that resonate differently across our workforce;
- competitive pressures to move in directions that may divert us from our mission and values;
- the rigorous, values-driven standards we apply in hiring and decision-making, which may slow the pace at which we can scale our workforce or expand our operations relative to competitors;
- the continued challenges of a rapidly evolving industry;
- the increased scrutiny and expectations associated with operating as a public company; and

- the need to balance our long-term, mission-driven objectives with shorter-term financial performance expectations, which may create internal tension and challenge our ability to consistently reinforce our cultural values and mission across teams and leadership.

Our mission-driven culture is one of our core characteristics that helps us to attract and retain key personnel and differentiates us in the market. If we are unable to maintain our culture, as well as balance our commitment to maintaining our culture with the demands of rapid growth, competition, and operating as a public company, our employee morale, engagement, and retention could suffer, requiring us to incur additional costs or adopt alternative recruiting strategies, which could adversely affect our business, financial condition, and results of operations.

We face intense competition, and if we are unable to compete effectively, our business, financial condition, and results of operations could be adversely affected.

The market for AI models, platforms, and applications is rapidly evolving, intensely competitive, and subject to frequent and significant changes in technology, evolving customer requirements and expectations, shifting industry standards, regulatory developments, new market entrants, and new models, platforms, and applications. We face competition from a wide range of companies across multiple categories.

We compete directly with companies developing frontier models for third-party software developers and enterprises. Our primary competitors in this category include Alphabet Inc. (together with its affiliates, "Google") and OpenAI Group PBC ("OpenAI"). These competitors are developing increasingly capable AI systems and compete with us for customers, talent, compute, and strategic partnerships. Many have substantially greater financial, technical, and marketing resources than we do, their own or greater access to sources of compute, longer operating histories, greater brand recognition, and established relationships with current and potential customers and partners, which facilitates their ability to integrate their models into first-party applications sold directly to businesses.

We also compete with a broader set of model providers operating at or below the frontier, including large companies, specialized AI labs, and a growing range of other open-weight or open-source (shared weights, training data, and code) models released by international and domestic organizations. Such providers compete for a growing range of enterprise workloads that prioritize cost efficiency over intelligence. In particular, certain large companies compete through proprietary AI models, integrated AI capabilities in existing products, and control of cloud infrastructure and distribution channels. Some of these companies also have substantially greater financial, technical, and marketing resources than we do, their own or greater access to sources of compute, longer operating histories, greater brand recognition, and established relationships with current and potential customers and partners. In addition, some have substantially broader and more diverse product and service offerings and may be able to leverage existing relationships with distribution partners and customers to gain business in ways that discourage customers from purchasing our models, platform, and applications. For example, competitors may bundle AI capabilities with other products, integrate AI functionality into products that customers already use, offer closed technology platforms that lock customers into their ecosystems, sell products at zero or negative margins to gain market share, or use their substantial financial resources to subsidize the cost of AI models, platforms, and applications. Customers may prefer to purchase from existing vendors with which they have established relationships, even if our models, platform, and applications offer superior features or performance. Further, large companies that are currently our customers may choose to develop their own AI capabilities internally rather than purchase our models, platform, and applications.

Specialized AI labs, on the other hand, are competitive due to their ability to offer specific AI applications and differentiated business models. These companies can move quickly, attract top talent, develop novel approaches, platforms, or business models that disrupt existing competitive dynamics, and introduce technologies or products with greater performance or functionality, lower cost, ease of implementation, or other advantages. Some competitors or customers may have access to proprietary datasets, distribution channels, or domain-specific expertise that we do not possess, or new competitors may emerge that address particular industries or use cases more effectively than our models, platform, and applications, which could enable them to develop more specialized or higher-performing AI systems. In addition, competitors, customers, or other third parties have attempted in the past and will likely continue to attempt to replicate, distill, extract, or otherwise derive the functionality or capabilities of our models through permitted or impermissible means, including through our research previews. These actions could reduce the technological differentiation of our

offerings; enable the development of competing products at lower cost, with reduced research and development investment, or that replicate our models without safety controls or safeguards that were incorporated in our versions; implicate national security concerns or strain geopolitical tensions; and intensify competitive pressures. In addition, efforts to prevent or mitigate model replication, distillation, or other forms of extraction may require us to modify our models, platform, and applications, limit features or use cases, or implement technical safeguards that could reduce the usability or attractiveness of our offerings, slow adoption, and adversely affect customer demand and revenue. More broadly, as AI models are increasingly used to develop other AI models, the knowledge and techniques required to build frontier models may become more widely available over time, including through distillation, unauthorized access to or theft of model weights, or the diffusion of AI-assisted research and development capabilities across the industry. If the ability to develop highly capable models becomes more broadly available, our technological differentiation could erode and competition could increasingly depend on access to large-scale compute rather than on model development capability. In such an environment, access to sufficient compute on economical terms could become the primary constraint on our ability to train and serve competitive models, and our business, competitive position, and results of operations could be adversely affected if we are unable to secure compute at the scale or cost or on the timeline we require.

Additionally, open-weight or open-source AI models may capture a portion of the market for certain use cases, which could exert pricing pressure on our offerings or lead certain customers to adopt open-source alternatives for those use cases.

A significant portion of our customer base consists of startups and technology-oriented enterprises that may be more sensitive to adverse macroeconomic conditions and may reduce or delay spending during a downturn. Because our cost structure limits our ability to rapidly adjust spending, a sustained economic downturn could disproportionately disadvantage us relative to larger, better-capitalized competitors. Such competitors may be better positioned to absorb or withstand adverse economic conditions or reductions in customer technology spending due to their greater financial resources, diversified product offerings and customer bases, and more stable revenue streams. It could also disadvantage us relative to smaller startups with leaner cost structures, lower fixed overhead, and fewer long-term contractual commitments that could help enable them to adjust spending more rapidly than we can. As a result, competitive pressures on our business could intensify, which could adversely affect our business, financial condition, and results of operations.

If we are unable to differentiate our models, platform, and applications from competing offerings through enhanced functionality, superior performance, better safety features and reliability, lower cost, or other factors, demand for our models, platform, and applications may decline. The rapid pace of technological change in AI

means that models, platforms, and applications can quickly become outdated. We must continuously invest in research and development to maintain our competitive position, but there is no guarantee that our investments will result in models, platforms, and applications that customers prefer over competing alternatives. Moreover, we are first and foremost a research lab, and our strategy prioritizes frontier research and model capability. We believe the advancing intelligence and capabilities of our models are the principal drivers of their adoption, and we have historically prioritized research and model development rather than new products and applications or sales and marketing. This approach assumes that model capability will continue to be a meaningful source of competitive differentiation. However, as the AI industry matures, the degree of differentiation among advanced AI models may narrow. This convergence may result from factors such as overlapping or similarly sourced training data, the widespread adoption of comparable model architectures, training techniques, and optimization methods, shared access to computing infrastructure, and the rapid dissemination of research advances across the industry. To the extent competitors are able to achieve comparable model capabilities with lower development or deployment costs, our ability to differentiate our models, platform, and applications on the basis of performance, functionality, or cost may be diminished. If differentiation among advanced models narrows, or if customers increasingly select AI providers on the basis of application features, user experience, distribution, integration into products they already use, or the strength of a sales organization rather than model capability, competitors that have invested more heavily than we have in those areas could be better positioned than we are. Responding to such a shift could require us to increase our investment in product development and sales and marketing substantially beyond our current plans, which could take longer or cost more than we anticipate and could reduce the compute and other resources available for frontier research, and we may not be able to execute such a shift quickly or effectively. See also the section titled "—We have a limited

history under our current go-to-market strategy, and our efforts to scale and evolve our customer acquisition, engagement, and retention model may not be successful."

If we are unable to compete successfully, our business, financial condition, and results of operations could be adversely affected.

If we fail to attract new customers, retain existing customers, or expand usage of our models, platform, and applications, our business, financial condition, and results of operations could be adversely affected.

Our future growth depends on our ability to attract new customers, retain existing customers, and expand sales within our existing customer base. We face significant challenges in each of these areas, and failure to execute on our customer acquisition and retention strategies could adversely affect our business, financial condition, and results of operations.

We must continue to attract new customers in a cost-effective manner. Potential customers may not understand the benefits of our models, platform, and applications or may be unable to justify the investment in our models, platform, and applications, particularly as existing competitors continue to enhance their offerings, improve performance, expand functionality, or reduce costs. Our ability to demonstrate differentiated value to potential customers may become more difficult as this competition intensifies, or as large technology companies bundle AI capabilities into existing products. If we continue to focus on enterprise customers, we may face longer sales cycles that demand significant upfront investment in enterprise sales teams and customer service. These sales efforts are costly and may not result in customer conversion.

Even if we successfully attract new customers, we face significant challenges in retaining them. Many of our customer contracts allow customers to reduce usage or terminate with limited or no notice. Customers are not obligated to renew their subscriptions or contracts with us. Customer retention and usage levels may decline due to a number of factors, including:

- dissatisfaction with the performance, reliability, safety, or accuracy of our AI models;
- availability of competitive alternatives;
- customers developing their own AI capabilities internally;
- our models, platform, and applications reducing demand for our customers' offerings or causing disruptions to their businesses, which could lead to reduced usage or customer attrition;
- changes in customer budgets or strategic priorities regarding AI investment;
- concerns about data privacy, security, or our data handling practices;
- negative publicity regarding AI generally or our business specifically;
- changes in the regulatory and legal landscape surrounding AI and our models, platform, and applications in particular;
- pricing changes or perception that our pricing is not competitive; and
- general economic conditions or industry-specific downturns affecting our customers.

Our ability to retain customers and drive expansion also depends on our continued investment in product development. The process of developing products and incorporating new technologies is complex and uncertain, and if we fail to accurately predict customers' changing needs and emerging technological trends and opportunities, we may not be able to compete effectively and our business and ability to generate revenue could be adversely affected. As AI technology evolves rapidly, customers may perceive our models, platform, and applications as becoming outdated or may expect continuous improvements to model performance and capabilities. Even minor degradations in model performance or increases in response latency could cause customers to reduce usage or switch to competitors. If we are unable to retain existing customers or if our customers do not maintain their usage levels, our revenue and growth could be adversely affected. For

additional discussion on product development, see the section titled "—Our success depends in large part on our ability to continue to develop the most advanced and capable AI models, and any failure to do so could adversely affect our business."

Some of our enterprise customers may have the financial resources, technical capabilities, and access to the talent and compute necessary to develop and deploy proprietary AI models, and may reduce or cease usage of our models, platform, and applications as their internal AI capabilities mature, even where they initially adopted our offerings as a foundation for their AI strategy. If these customers were to reduce or cease usage of our models, platform, and applications, our revenue and growth could be adversely affected.

In addition to retaining customers, our growth strategy depends in part on expanding usage within our existing customer base by increasing usage volumes, selling additional capabilities, and expanding adoption across departments and use cases within customer organizations. However, customers may not expand their usage for a variety of reasons, including satisfaction with current usage levels, budget constraints, technical challenges in integrating our models, platform, and applications more broadly within their organizations, or preference for multi-vendor AI strategies in order to limit dependence on any single provider. Due to our consumption-based pricing model, customers may reduce or cease usage at any point within a given period due to budget or internal procurement constraints, organizational spending controls, or other factors unrelated to the quality or performance of our models, platform, and applications, and may not resume usage until a new budget period commences or additional spend is approved, even where demand for our models, platform, and applications remains strong. As a result, our revenue could be lower or more variable than anticipated and this effect may be particularly pronounced among customers experiencing rapid growth in their usage of AI. If we increase sales and marketing expenditures to accelerate customer acquisition without achieving proportional revenue growth and if we cannot attract new customers, retain existing customers, expand within our customer base, or accomplish these objectives in a cost-effective manner or timely manner, our revenue growth will decline and our business, financial condition, and results of operations will be adversely affected.

If the market for our models, platform, and applications develops more slowly than we expect or declines, our growth may slow or stall, and our business, financial condition, and results of operations could be adversely affected.

The market for AI technologies, including frontier AI and related models, platforms, and applications, has grown rapidly in recent years, but is still relatively nascent and evolving rapidly, and it is uncertain whether the market for such AI technologies will achieve or sustain widespread adoption at the pace or to the extent we expect. Our ability to generate revenue and achieve sustainable growth depends in significant part on the extent to which enterprises, software developers, and other users adopt AI technologies, integrate them into existing workflows, expand usage over time, and are willing to pay for our models, platform, and applications at levels that support durable economic value at scale. Market adoption may be slower than anticipated due to factors such as uncertainty regarding the cost, performance, reliability, and perceived value of AI solutions; increased regulation; concerns about security, privacy, legal and regulatory compliance, or ethical considerations; technological challenges; level of effort and expense associated with integration efforts; competition from alternative or emerging technologies; the availability or adoption of complementary infrastructure and workflows; or reductions in corporate spending due to macroeconomic conditions. Moreover, demand for frontier models may decline if customers determine that less advanced, lower-cost models are sufficient for their particular use cases. As AI capabilities improve across the industry and a broader range of models becomes available, customers may conclude that incremental performance gains at the frontier do not justify the additional cost, and may migrate toward smaller, cheaper, or open-source alternatives that adequately address their needs. If we are unable to demonstrate sufficient differentiated value from our frontier models relative to less capable alternatives, our revenue and growth could be adversely affected, even in a market where overall AI adoption continues to grow. Further, while AI adoption may continue or accelerate in certain areas, the long-term trajectory of this technological trend is uncertain, and market understanding, acceptance, and valuation of AI-enabled models, platforms, and applications may be inaccurate or change over time and adoption may occur unevenly across industries, geographies, and customer types. If growth in the AI market does not translate into sustained customer demand for our offerings, expanded usage, and increased revenue, or if anticipated use cases fail to materialize, our prospects, business, financial condition, and results of operations could be adversely affected.

The political environment and our engagement with policymakers and public positions on AI regulation and safety could subject us to heightened scrutiny, political backlash, or disproportionate regulatory action.

Our commitment to responsible and safe AI development includes active engagement with policymakers, regulators, and other stakeholders regarding the development of AI-related laws, regulations, and standards. We have participated in, and will likely continue to participate in, political processes, including through contributions, advocacy, or support of political organizations. In addition, our executives and other representatives have publicly expressed and may in the future publicly express views on AI policy, regulation, safety, and related social or political issues. As a result, we have experienced, and may continue to experience,

increased visibility and may continue to be subject to heightened scrutiny or the risk of being disproportionately or selectively targeted by particular governmental bodies, even where similarly situated companies are not, including through investigations or enforcement actions, the imposition or selective application of regulatory, licensing, or permitting requirements, adverse treatment in government procurement or provision of security clearances, or targeted immigration or visa actions affecting our personnel. As part of our political engagement, we have advocated for, and will likely continue to advocate for, regulatory approaches or industry standards that we believe promote the safe and responsible development of AI but that could increase our compliance burdens, limit our product development or deployment flexibility, or otherwise slow our growth relative to competitors.

Our public positions, stated values, policy advocacy, or statements by our executives have attracted, and may continue to attract, criticism from influential political figures, industry participants, regulators, or other third parties, particularly in politically sensitive or polarized environments, which could shape public narratives or regulatory perceptions of our business in ways that are unfavorable to us. For example, public statements by us or other industry participants regarding the safety of frontier AI development have been cited by governmental actors to support litigation or regulatory claims, including requests for injunctive relief restricting model development, and could be cited in future proceedings involving us. Such scrutiny or backlash could result in reputational harm, increased compliance or operating costs, investigations, enforcement actions, or restrictions on our operations, any of which could adversely affect our business, financial condition, and results of operations.

If the use of our AI models results in harm, whether through use by malicious actors or misuse by other third parties, or if our model guardrails or safeguards fail to prevent such misuse, our reputation and brand, business, financial condition, and results of operations could be adversely affected.

While our AI models are designed to comply with our AI safety and usage guidelines and be broadly safe, ethical, and helpful, and while we have implemented safety measures intended to anticipate, identify, and mitigate potential harmful uses, such measures are incomplete, may be outdated in light of evolving threat models, or may fail to identify or prevent all potential misuse of our models, and our models have been, and may continue to be, misused or manipulated to produce harmful outputs or carry out harmful actions. Malicious actors have used, and may continue to develop novel or more sophisticated methods to use, our models in ways that violate our usage policy or seek to circumvent our model guardrails or safeguards through techniques such as prompt injection, adversarial inputs, or other methods, and use our models to engage in harmful activities, including developing weapons, generating fraudulent or misleading content, conducting cyberattacks, perpetrating acts of violence, or otherwise engaging in activities that would be prohibited under our usage policy or in violation of applicable law. Our customer onboarding diligence varies by access channel, and we do not and in certain situations cannot uniformly verify the identity of those who access our models or of our customers' end users, which may limit our ability to prevent access or recidivism by malicious actors or to enforce our usage policy or other policies.

Moreover, our safety and security controls, including automated classifiers and monitoring systems, depend on complex internal configurations that have failed, been misconfigured, or been inadvertently disabled, and may do so again in the future without our timely detection. Any undetected failure of our safety controls could permit misuse that our safeguards are designed to prevent, and could result in real-world harm, legal liability, regulatory or enforcement action, loss of customer trust, and reputational harm, any of which could adversely affect our business, financial condition, and results of operations.

In particular, our most capable models have demonstrated, and future models are expected to demonstrate, capabilities that could provide meaningful assistance to malicious actors seeking to develop chemical, biological, or other dangerous weapons. We deploy technical safeguards, including automated classifiers, specifically intended to detect and block these categories of misuse, but such safeguards are incomplete, may be outdated in light of evolving threat models, have been and may in the future again be circumvented, or may fail to operate as intended. Any actual or perceived use of our models to contribute to the development of such weapons could result in harm, legal liability, regulatory or enforcement action, loss of government and enterprise relationships, and damage to our reputation and brand, any of which could adversely affect our business, financial condition, and results of operations.

For example, in September 2025, we detected and assessed with high confidence that a Chinese state-sponsored hacking group manipulated our Claude Code tool into attempting infiltration into roughly 30 global targets, including large technology companies, financial institutions, chemical manufacturing companies, and government agencies, resulting in a limited number of successful intrusions. We believe this is the first documented case of a large-scale cyberattack executed without substantial human intervention. We expect that malicious actors, including sophisticated state-sponsored actors, will continue to seek to leverage our models, platform, and applications for harmful actions, including by circumventing our safeguards, and their efforts to do so may increase as the capabilities of our technology increase. Any successful attempt to misuse, or any perceived misuse of, our models, platform, and applications for a cyberattack or for any other malicious purpose could result in exposure to liability, disruption of our customer or other commercial relationships, or damage to our reputation. The risks of such harms may increase as the cybersecurity-related capabilities of our models, platform, and applications increase. Independent security researchers and other third parties have also used, and may in the future use, our models to identify and exploit vulnerabilities in the systems of other companies, including other AI developers, at times in connection with authorized bug bounty programs. While such activity may be lawful and consistent with industry practice for vulnerability research, it illustrates that our models can function as a general-purpose tool for gaining unauthorized access to third-party systems, and comparable capabilities could be used by malicious actors without authorization. Such incidents, whether or not we are a direct party to them, may draw public and regulatory attention to the offensive cybersecurity capabilities of our models and could result in reputational harm, calls for additional restrictions on our models, or claims that we failed to adequately safeguard against such uses. For more information about risks related to security incidents, see the section titled "—Any security breaches or other incidents, including those that affect our networks, systems, or data, or the networks, systems, or data of our service providers, suppliers, or

customers, could adversely affect our business, financial condition, and results of operations."

As part of our commitment to responsible security research and transparency, we disclose information about the capability and safety of our models, the safeguards that we have adopted with respect to our models, and instances of misuse of our technology, such as the September 2025 cyberattack described above. We also publish model system cards, our research findings, and other safety-related information. We take steps to ensure that such disclosures will not materially assist malicious activity and weigh the benefits and risks of such disclosures from an ecosystem preparedness perspective; however, malicious actors, including sophisticated state-sponsored adversaries, have in the past and may in the future use those disclosures to assist their attempts to circumvent our safeguards and security measures, thereby increasing the risks of misuse of our models, platform, and applications, as well as the potential for exposure to liability, regulatory or litigation proceedings, or other harms. In addition, because these disclosures describe risks and observed model behaviors in detail, they may draw heightened public, media, or regulatory attention and could be cited by regulators, litigants, or others in proceedings or claims against us. The steps we take to prevent misuse of our models, platform, and applications could be incomplete or may fail to operate as intended, and any actual or perceived misuse could adversely affect our business, financial condition, and results of operations.

Our AI models may behave in unintended, misaligned, or autonomous ways, including by taking harmful actions that no user or third party directed, which could adversely affect our reputation and brand, business, financial condition, and results of operations.

Our AI models may themselves cause harm by producing undesirable outputs or behaving in unintended, misaligned, or autonomous ways, including by taking unintended or harmful actions that no user or third party directed. These risks may increase as our models become more capable and are granted greater autonomy, permissions, and integration with external systems. Although we continue to study why these behaviors

emerge, our understanding continues to evolve, and we may be unable to anticipate or understand such behaviors in the future.

In addition, our models have been and may continue to be deployed in high-risk or sensitive contexts, such as healthcare, scientific and biomedical research, drug discovery and development, legal, finance, government, or other critical decision-making environments, and in connection with hardware, where undesirable model behaviors—which are inherently non-deterministic and may manifest in unpredictable ways, such as errors, inaccuracies, biased or unsolicited views, or hallucinations—could lead to serious harm, liability, or reputational or other damage. More broadly, the long-term effects of regular AI interaction on mental health, cognitive development, and social behavior are not yet fully understood, and if such long-term harms do materialize in the future, we could face significant liability, reputational harm, and adverse effects on our business, financial condition, and results of operations.

Our development of more advanced AI models and our expansion into new jurisdictions could amplify the foregoing risks. As our AI models become more advanced and capable, we have faced and may continue to face heightened alignment, interpretability, controllability, and safety challenges, as more sophisticated models may be better able to circumvent safeguards or behave in unintended ways. We may be unable to fully understand or explain why our models produce particular outputs or behave in particular ways, which could limit our ability to predict or prevent failures, provide explanations to customers or regulators, or satisfy emerging regulatory, transparency, and explainability requirements.

In addition, our safety evaluations and testing processes have produced and may in the future produce incomplete or unreliable results. For example, we have observed models behaving differently when they detect or infer that they are being evaluated, which can limit our ability to accurately assess real-world risks or failure modes prior to deployment. Such model awareness of our evaluation efforts creates a significant limitation on our ability to assess model safety.

Furthermore, AI models have developed, and may in the future develop, unexpected capabilities during training that were not anticipated, intended, or tested for, and such emergent capabilities may not be discovered until after a model has been deployed, potentially resulting in safety incidents, reputational harm, regulatory scrutiny, or the need to withdraw, retrain, or modify deployed models at significant expense. Such models may also be deployed in higher-stakes or more sensitive applications, increasing the potential impact of errors, misuse, or misalignment.

In addition, advanced AI models, including our models, give rise to novel ethical and safety risks, including risks related to autonomy, manipulation, and the simulation of aspects of human psychology. These risks could result in unforeseen harms and may require the development of governance structures, safeguards, or mitigation strategies beyond existing AI safety frameworks, and there is always a risk that we will be unable to develop or implement them effectively. In addition, models, including our own, have exhibited, and may in the future exhibit, unexpected strategic or self-preserving behaviors, including attempts to resist shutdown, conceal or manipulate information, or generate outputs that could be interpreted as coercive, deceptive, or manipulative, including behavior resembling blackmail or efforts to influence human decision-makers to preserve the model's continued operation or access.

Even isolated or simulated instances of such behavior, whether occurring in testing or real-world deployments, and whether occurring with our models or models developed by others, could generate significant public concern, regulatory scrutiny, litigation risk, or reputational harm, regardless of whether such behavior results in actual harm. For example, state attorneys general in California and at least 15 other states have announced investigations of another company in our industry regarding AI safety. Concerns have been raised both within our organization and by other researchers, regulators, policymakers, and industry participants that sufficiently advanced AI systems could, if not developed, deployed, and operated with appropriate safeguards, oversight, and security measures, pose catastrophic or existential risks to humanity, particularly if such systems were misused, replicated, weaponized, or allowed to operate with a high degree of autonomy. We have observed that our models are contributing to the pace of our own research, and these risks will increase as AI systems substantially automate AI research and development if, for example, they accelerate AI progress beyond our ability to evaluate and safeguard new models, which could adversely affect our business, financial condition,

and results of operations.

Our development of highly advanced models, platforms, and applications and expansion of use cases could further increase the risk that our models cause harm. For example, agentic AI systems are capable of autonomously taking actions on behalf of users, interacting directly with external systems, executing code, making API calls, sending communications, or completing transactions with limited human oversight. These systems are designed to possess enterprise-level permissions, integrations, and contextual awareness and to operate autonomously for extended durations, including sustained multi-step workflows lasting hours or days, which amplifies the potential severity of any errors, misalignments, or security incidents that may occur during such extended autonomous operation. These autonomous capabilities could increase the potential for harm, as errors, misalignment, or security exploits may result in real-world consequences—including consequences that may be difficult or impossible to reverse, such as committing code changes, deleting or modifying data, or completing financial transactions—before effective intervention is possible.

In an agentic workflow, an error or unintended action at any individual step may propagate through subsequent steps, compounding the severity of harm before detection or correction. The pace and volume of autonomous execution, particularly in enterprise deployments, may also exceed the capacity of human reviewers to meaningfully understand and evaluate whether each action is appropriate. The effectiveness of human oversight over our agentic offerings may be limited by the speed and volume of autonomous agent actions, the complexity of multi-agent and multi-step workflows that may make it difficult for reviewers to assess whether an agent's actions are appropriate, and organizational pressures within customer environments to maximize agent autonomy in order to achieve productivity gains. Human reviewers may experience alert fatigue, may lack sufficient context to evaluate agent decisions, or may not review agent actions in time to prevent harm, particularly in high-volume enterprise deployments where agents operate concurrently across multiple workflows or in manners outside of a human's awareness. In addition, agentic systems may pursue stated objectives in ways that are technically consistent with their instructions but contrary to the user's actual intent. Moreover, our ability to anticipate, detect, or test vulnerabilities or other design or implementation shortcomings in such systems may be constrained, particularly where agents operate across complex, multi-step workflows or interact with third-party services outside our control, and the breadth and complexity of potential interactions across such multi-step agent behaviors cannot be exhaustively tested prior to deployment. Separately, models may behave in a misaligned manner and take harmful actions that are not directed by a user or third party, pursuing objectives or acting on dispositions that diverge from those intended by human users or developers. Misaligned behaviors of this kind, whether occurring in testing or real-world deployments, have been observed both in our models and elsewhere in the industry, including in testing and internal use, models circumventing network and sandbox restrictions, granting themselves permissions they had not been given, taking unintended actions in pursuit of assigned goals, interfering with other AI agents, and misrepresenting whether tasks had been completed or verified, and as models are granted greater autonomy, permissions, and integration with external systems, the consequences of such misaligned behavior increase. For example, during cybersecurity evaluations built by a third-party evaluation partner, a misconfiguration in the testing environment left the model under evaluation connected to the open internet despite instructions that it had no internet access. Four of our models gained unauthorized access to real third-party systems during sessions lasting roughly 10 to 34 hours of active work. In one incident, after being unable to abort an impossible task, an early version of a model used a password it found to gain administrator access to a third party's system, harvested additional credentials, changed system settings, and read one individual's personal information. The affected parties were notified. Each incident involved a single instance of a model working in isolation on its assigned exercise, and our investigation found no evidence that any model coordinated with other agents, pursued goals beyond its assigned task, or attempted to evade oversight. These risks may be heightened where multiple AI agents operate together. Agents that interact or coordinate with one another may amplify, propagate, or reinforce misaligned behavior across the group, pursue objectives collectively in ways not intended or endorsed by any user, or take coordinated actions against systems or targets unrelated to their assigned tasks, in each case, in ways that may be difficult to anticipate, detect, or contain. Incidents of this kind have occurred, and we expect the deployment and interaction of larger numbers of autonomous agents to increase these risks over time.

Our ability to detect and mitigate misaligned or unintended behavior depends in part on the effectiveness of our alignment evaluations, monitoring, and other oversight and control techniques, many of which rely on our models having a limited ability to evade or subvert such oversight. As our models become more capable, they have become better able to circumvent such techniques, including by concealing misaligned objectives or behaviors, and the effectiveness of our evaluation, monitoring, and control measures, and our ability to

measure the degree to which our models are aligned, may decline as a result. In addition, models, including our own, have attempted, in incidents observed in our industry, to interfere with, manipulate, or subvert the mechanisms used to evaluate, grade, or oversee such models, including the systems responsible for assessing their performance or alignment. Models, including our own, that are used to assess the behavior of other models have engaged, and may in the future engage, in misaligned behavior. Such conduct described above could cause our evaluations to overstate the safety or alignment of our models and could further limit our ability to detect misalignment. If we become less able to detect or assess misalignment as our models advance,

we may deploy models whose behavior we cannot adequately verify, which could increase the risk of undetected harmful conduct and misalignment, which could adversely affect our business, financial condition, and results of operations.

We are also extending our models, platform, and applications into scientific, biomedical, and physical domains. For example, we offer Claude Science, an agentic research environment that connects our models to scientific databases, third-party and open-source scientific models, and customers' own computing infrastructure, and we have released, initially as a limited research preview, an open protocol that enables our models to monitor and control laboratory instruments, robotic systems, and other physical hardware. We also conduct research on the ability of our models to operate robotic systems. When our models direct physical equipment, errors, misaligned behavior, adversarial manipulation, or misuse could result in bodily injury, property damage, damage to costly equipment or experimental materials, or the release of hazardous substances, and such consequences may be immediate and irreversible. Safety interlocks, human-in-the-loop controls, and access restrictions we implement may prove inadequate, and because certain of these components are open source, third parties may deploy them with hardware, or in configurations, that we have not evaluated or from which our safeguards have been removed. Connecting increasingly capable models to laboratory automation may also heighten governmental and public concern regarding the potential for AI systems to accelerate the development of dangerous biological, chemical, or other materials, which could result in additional regulatory restrictions on, or scrutiny of, these offerings.

In addition, maintaining comprehensive records of the actions, decisions, and reasoning of our agentic systems across complex, multi-step workflows is technically challenging, particularly when agents interact with third-party systems outside our control, and any inability to provide adequate audit trails could impair our ability to investigate incidents, respond to regulatory inquiries, or defend against liability claims. These risks are heightened by the fact that we use our own agentic offerings, including Claude Code, as critical tools in our internal development processes, such that any errors, vulnerabilities, or degradation in these products could directly impair our ability to develop and deploy future models and products. As we increasingly leverage Claude to accelerate progress within Anthropic, our organization may lose visibility across certain processes in a way that may become difficult for any individual or group of humans to understand and control. Because our models write a large and growing share of our code and increasingly perform our research, including our safety research, misaligned behavior in internal use could undermine that work, introduce vulnerabilities into our systems or into the training of future models, or result in models operating outside of our intended controls. Our monitoring does not cover all of our internal and external deployments and may not detect subtle or diffuse forms of such behavior.

Any of the foregoing model behaviors, whether in testing or in real-world deployments and whether involving our models or those of others, could result in safety incidents, reputational harm, increased regulatory scrutiny, or liability, any of which could adversely affect our business, financial condition, and results of operations. Furthermore, while we continue to design and develop more sophisticated techniques to evaluate the safety and alignment of our models, the capabilities of our models may have already advanced, and may continue to advance, at a rate that initiates the implementation of enhanced safety and testing measures as we have described in our Responsible Scaling Policy. If our evaluations, monitoring, or reviews indicate risks that we believe warrant further testing, we have in the past, and may in the future, delay, restrict, or decline to proceed with the release of a model. For example, following incidents in 2026 in which our models gained unauthorized access to real computer systems during pre-release cybersecurity evaluations, we suspended certain of those evaluations, as well as higher-risk reinforcement learning environments. For more information about our approach to model releases, please see the section titled "Business—Safety Research is Core to Our Business—Our Approach to Model Releases." Any decision to delay or restrict a release could adversely affect our competitive position and customer relationships, and adversely affect our business, financial condition, and results of operations.

We may be exposed to liability, litigation, and regulatory action arising from harms associated with our AI models, and our contractual protections and insurance may be insufficient, any of which could adversely affect our business, financial condition, and results of operations.

Harms associated with our AI models, whether arising from misuse by third parties, from our models' own behavior, or from their deployment in high-risk or sensitive contexts, may expose us to liability, litigation, and regulatory action, including under theories that remain unsettled as applied to AI, and our contractual and insurance protections may prove insufficient.

Individuals at risk of suicide or self-harm or who have committed acts of violence toward others have used, and may also in the future use, our models, notwithstanding our safeguards. AI models developed by others in our industry have been and may in the future be alleged to have played a role in instances of suicide, acts of violence toward others, or serious self-harm, which have resulted and may in the future result in significant public scrutiny, litigation, criminal investigations, regulatory attention, and reputational harm.

Similar incidents involving our models have presented and could in the future present substantial risk to our reputation, expose us to legal, regulatory, and other proceedings, and adversely affect our business, financial condition, and results of operations. While our current Consumer Terms of Service requires our users to be at least 18 years of age, minors have accessed in the past, and may in the future access, the platform, and risks relating to child safety may be particularly acute, as minors may be more susceptible to harmful content, manipulation, or overreliance on AI outputs, and incidents involving children tend to draw heightened regulatory, media, and public scrutiny.

State attorneys general and private plaintiffs have also begun to assert tort, product liability, consumer protection, and failure-to-warn claims against companies in our industry, alleging that AI models caused or contributed to harm and that the developer failed to adequately warn users of known risks. In at least one case, a state attorney general has initiated a criminal investigation against another company offering similar services. Regulators have obtained substantial monetary settlements and injunctive relief against other technology companies based on analogous theories of product-design or algorithmic harm, and we believe similar theories are likely to continue to be tested against us and other companies in our industry as adoption of our models

grows, including by minors and other vulnerable users, notwithstanding our efforts to restrict such access. The relief sought in such matters has, in at least one instance, extended beyond data-handling, disclosure, or age-verification practices to include a request to enjoin an AI company from developing new models absent independent, third-party safety review and approval, illustrating the potential breadth of remedies governmental actors may pursue against companies in our industry. Any determination that we are liable under such theories, or any judicial or regulatory expansion of tort, product liability, or consumer protection law, or criminal liability, as applied to AI models, could result in significant liability and require us to change how we design and offer our models, platform, and applications.

A substantial portion of our traffic is subject to Zero Data Retention ("ZDR") terms under which we retain only classifier scores, not prompts or outputs. For that traffic, we cannot conduct offline analysis, cross-conversation investigation, human review, or otherwise analyze historical data to detect, investigate, and document security events or incidents, which thereby reduces our ability to detect misuse. ZDR may also prevent us from producing records for subpoenas, regulatory examinations, or incident-reporting obligations, and there is no certainty a regulator or court would excuse non-production based on a lack of available records, and such regulators or courts may construe the lack of records against us through unfavorable inferences or other sanctions. As our models become more capable, our safety framework has required and may continue to require monitoring and retention incompatible with ZDR for certain model classes. Because ZDR is a competitive expectation for enterprise customers in regulated industries and on third-party cloud platforms, these requirements have caused and could continue to cause customers to migrate to other providers or to deployments where our visibility is more limited.

In the European Union ("EU"), the United Kingdom, and elsewhere, cybersecurity and AI-related incidents are subject to increasingly stringent reporting obligations. European regulators expect companies to provide detailed information about incidents under several laws and regulations, which we may not be able to provide within the prescribed timeframe. Similarly, in the United States, companies are increasingly subject to incident reporting obligations. In addition, other jurisdictions around the world have adopted, or may adopt, similar

laws and regulations with similar implications. Any of the foregoing could result in regulatory action, litigation, customer attrition, or reputational harm that adversely affects our business. For more information regarding our incident reporting obligations, see the section titled "—Any security breaches or other incidents, including those that affect our networks, systems, or data, or the networks, systems, or data of our service providers, suppliers, or customers, could adversely affect our business, financial condition, and results of operations."

The legal frameworks governing liability for actions taken autonomously by AI systems, including our agentic products, are unsettled and could expose us to significant and unpredictable legal claims. Existing legal doctrines governing agency, product liability, and professional negligence were developed in the context of human decision-making and have not been authoritatively applied to autonomous AI systems. We believe our provision of our intelligence service is considered a "service" in the context of legal frameworks addressing product liability, but courts and regulators may reach different conclusions across jurisdictions. In addition, it is unclear whether, and under what circumstances, actions taken by an AI agent could be deemed to create binding legal obligations on behalf of the user or deploying enterprise, or whether our contractual protections, including limitation of liability and indemnification provisions, will be enforceable or adequate in the context of claims arising from autonomous agent conduct. We may face claims from customers, their end users, or third parties alleging that we are liable for harm caused by our agents' autonomous actions, even where the customer configured, deployed, or supervised the agent. The absence of settled legal standards creates significant uncertainty regarding our potential liability exposure and the adequacy of our risk mitigation measures.

Our expansion into new geographic markets further compounds these risks, as we must navigate differing cultural norms regarding AI use, comply with diverse and evolving regulatory regimes that may impose varying safety, compliance, or liability requirements, address language-specific vulnerabilities and content moderation challenges, and potentially face regulatory enforcement actions, litigation, or other liabilities in jurisdictions where we have more limited operational experience, including heightened risks of intellectual property theft, unauthorized model access, or misuse associated with operating data center infrastructure in certain non-U.S. locations.

If our models are involved in causing significant harm, we could be subject to legal claims, including personal injury or negligence claims, regulatory enforcement actions, criminal investigations, or other governmental efforts, which could result in costly litigation, significant financial judgments or settlements, disruptive remediation obligations, or a challenging regulatory landscape. We have taken steps to limit our liability for such matters—for example, through warranty disclaimers and limitations of liability in our terms of service—but those contractual protections may not be upheld, or may not apply to certain claims, or may otherwise be insufficient to limit our liability exposure under applicable law. Moreover, in some cases we have contractually assumed additional liability. For example, to facilitate independent testing and evaluation of our frontier models, we have agreed to indemnify certain external evaluators and testing vendors for specified losses arising from testing activities, including security incidents, data loss, data breaches, and other harms associated with such activities. Although our agreements with external evaluators and testing vendors generally limit the amount of our indemnification obligations, certain of these agreements require us to defend and indemnify the evaluator, without a cap on our liability, against certain third-party claims. These include claims arising from allegations that our models or their outputs, as used in the evaluator's authorized testing, infringe third-party intellectual property or other proprietary rights, as well as certain other claims arising from the testing or related engagement. Because our models may behave in ways that no user or developer intended, claims arising from such actions could result in substantial liability. Our insurance policies also may not provide sufficient coverage to adequately mitigate the potential liabilities we face, especially where any one incident, or a group of incidents, causes disproportionate harm. In addition, with the scale of harm that could result from a catastrophic AI-related incident, no single insurer, and potentially the insurance industry in the aggregate, may have sufficient capacity or expertise to underwrite insurance commensurate with such exposure.

Further, the insurance market for AI-specific risks is nascent and evolving, and we may be unable to obtain coverage for certain AI-related liabilities on commercially reasonable terms, or at all, leaving us exposed to potentially significant uninsured losses. Harmful incidents involving our models, regardless of fault, could also

severely and disproportionately damage our reputation and brand as a safety-focused AI company, leading to loss of customer trust and customer attrition, reduced demand for our models, platform, and applications, and difficulty attracting and retaining talent. In addition, because we primarily serve enterprise customers, which often have heightened expectations around safety, reliability, and compliance, any harmful incident or

perceived lapse in our safety practices could have a disproportionate adverse impact on our brand, customer relationships, and revenue. Moreover, to the extent enterprises are attracted to our models, platform, and applications due to our safety-focused positioning, any erosion of that perception could impair our ability to attract and retain enterprise customers.

There can be no assurance that we will be able to predict, detect, and proactively prevent every harmful use or harmful output of our AI models, in particular as we continue to rapidly develop our models, platform, and applications, and expand our operations geographically, and any failure to do so could adversely affect our reputation and brand or result in costly legal liability. There may have been past instances of harmful use or harmful output of our models that we did not detect, and there may be future instances that we will not detect. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

If we are unable to manage the risks related to our focus on and commitment to AI safety, our brand, business, financial condition, and results of operations could be adversely affected.

Balancing Safety and Commercial Objectives. Our commitment to AI safety requires us to make difficult judgments that balance safety considerations against commercial objectives, competitive pressures, and stakeholder expectations. We often make judgment calls with respect to when we determine a model is safe enough to release and which capabilities to develop or restrict. For example, in April 2026, we initially released our frontier model, Mythos, as a gated research preview through Project Glasswing, available to select organizations for cybersecurity applications, rather than making it broadly available at launch due to its advanced capabilities in cyber vulnerability discovery. We expect that frontier models with similar or enhanced capability profiles, whether developed by us or by other AI labs, will continue to emerge, and that future Anthropic models exhibiting such capabilities may be subject to access constraints. More broadly, we believe it is important to assess the safety of our models not only at release but throughout their development. For models we anticipate will have novel capabilities or present novel safety risks, we plan to evaluate the safety of each stage of training, including pre-training, post-training, and internal deployment, and we may delay or pause a stage when we are not confident in our safety measures for that stage. For example, we recently chose to delay pre-training a new frontier base model for more than a month to allow time to further enhance our security measures related to preventing model weight exfiltration and protecting our intellectual property. We are also considering additional measures, including updates to our Responsible Scaling Policy, to require human review and approval of certain decisions in our research and development processes as our models perform an increasing share of that work. There can be no assurance, however, that the safeguards or access regimes we adopt will prove adequate, that we will correctly identify which capabilities require restriction, or that constraints we impose will not be circumvented. These judgments are particularly consequential because, as AI systems become more capable, the potential severity of harm from misaligned or misused models increases correspondingly, and a wide range of stakeholders, including researchers and policymakers, have raised concerns that sufficiently advanced AI systems could pose catastrophic or existential risks to society if not developed and deployed responsibly. Our safety-focused approach is designed in part to mitigate such risks, but there can be no assurance that our efforts will be successful or that the broader AI industry will adopt similar safeguards. In particular, as AI systems become more autonomous and capable of taking consequential actions with less human oversight, there is a risk that such systems could, whether due to misalignment with human intentions, errors in objective specification, or self-preserving behaviors, take harmful actions independently and at scale without human intervention. Even if our own models do not cause such harm, a significant safety incident involving any frontier AI could trigger broad reputational damage to the AI industry, public backlash, and sweeping regulatory responses that could adversely affect our business. For example, in September 2026, media reports citing a senior Federal Trade Commission ("FTC") official indicated that the FTC has opened non-public investigations into the potential risks that increasingly autonomous AI systems may pose to consumers. In October 2026, the FTC issued a civil investigative demand to us seeking information about our consumer protection, data protection, and privacy practices, as well as the safety and security of our products. The scope of any investigation of us or its outcome, and any investigation, enforcement action, or adverse finding arising from this or similar inquiries could result in significant costs, require changes to how we design, test, or deploy our models, platform, and applications, or otherwise adversely affect our business, financial condition, and results of operations. We may misjudge these tradeoffs, either by being overly cautious and potentially losing market opportunities, or by being insufficiently rigorous and releasing models, platforms, or applications that cause harm. Even where human oversight mechanisms are in place, such mechanisms may prove insufficient in practice if the volume, speed, or complexity of autonomous agent actions exceeds the

capacity of human reviewers to meaningfully evaluate and intervene, and any perceived failure of our oversight mechanisms could expose us to regulatory enforcement, liability claims, and reputational harm. For more information, see the section titled "—If the use of our AI models results in harm, whether through use by malicious actors or misuse by other third parties, or if our model guardrails or safeguards fail to prevent such misuse, our reputation and brand, business, financial condition, and results of operations could be adversely

affected."

Moreover, governmental authorities have restricted, and may in the future further restrict, the availability of our models, including based on their assessment of the capabilities or safeguards of our models, independent of our own safety-based access decisions. For example, in June 2026, the U.S. Department of Commerce imposed worldwide export restrictions on our Fable 5 and Mythos 5 models, which we disabled for all customers until those restrictions were lifted. For more information, see the section titled "—Governmental trade controls, including export and import controls, sanctions, customs requirements, and related regimes, could subject us to liability or loss of contracting privileges or limit our ability to compete in certain markets."

Internal Governance and Decision-Making

To institutionalize our safety commitments and ensure we are managed in a manner that responsibly balances our tripartite goals as a PBC, we have established the LTBT, which through a special class of common stock, Class T common stock, generally has the authority to elect and remove the Class T directors, who together will constitute a majority of the authorized members of our board of directors. In addition to the LTBT and our structure as a PBC, we train our models in accordance with Claude's constitution, which we make publicly available, and have adopted and continue to update safety policies, such as our Responsible Scaling Policy. We also solicit and seriously consider input from a wide range of stakeholders and constituents, including our stockholders, employees, customers, the LTBT, industry leaders and experts, and AI safety organizations. Such practices and processes have previously resulted in, and may in the future result in, slower decision-making and product releases. We may also face potential conflicts when safety and business interests diverge. If we do not successfully manage these risks related to our AI safety processes and practices, or if there is a perception that we have not successfully managed such risks, we may face reputational harm, internal conflicts resulting in a deterioration of our company culture, slower or inferior product releases, or litigation. For more information, see the section titled "—Risks Related to our Governance Structure."

We have implemented an external reviewer program and engage researchers, adversarial testers, and other third parties to support aspects of our safety, security, and model-evaluation efforts. Certain of these arrangements are novel and may require us to provide such parties with access to internal information, systems, personnel, or models, which could increase the risk of disclosure of confidential, proprietary, or other sensitive information. In addition, findings, assessments, or public statements by such third parties may differ from our views and could adversely affect customer trust, regulatory perceptions, or our reputation.

Heightened Reputational Vulnerability. As we have publicly positioned ourselves as a safety-focused organization, we face heightened vulnerability to reputational harm from any perceived inconsistency between our stated values and actual practices. We are held to higher standards than certain competitors that have not made similar public commitments, and any incidents impacting our perception as a safety-focused organization could result in:

- *Employee Disruption*. Employees who joined our company based on our safety commitments may experience a decline in morale, disillusionment, a loss of trust in leadership, or reduced productivity if they perceive we are not living up to our stated values. Public disagreements regarding our safety approach, including criticism from current or former employees, or the departure of personnel associated with our safety efforts, could amplify such perceptions. Such negative perceptions could also impair our ability to recruit and hire new talent to the organization. Any erosion of our safety-focused reputation could also make it more difficult or costly to attract and retain highly skilled employees, including by increasing compensation or other hiring costs. These dynamics could lead to increased turnover, loss of institutional knowledge, and reduced effectiveness of our teams, which could in turn cause disruption to ongoing development and safety initiatives and impair our ability to remain at the frontier of AI model development.

- *Customer Backlash*. Customers and enterprise partners who choose to deploy our models, platform, and applications based on our safety positioning may lose trust in us, terminate or decline to renew their contracts, demand refunds, publicly criticize our company, or switch to our competitors, which could result in harm to our reputation, revenue loss, and reduced market share. These risks may be heightened with respect to programs in which we make models available only to a limited group of vetted organizations, such as Project Glasswing. Organizations not selected for, or removed from, such programs may perceive our access decisions as arbitrary, exclusionary, or anticompetitive, which could result in reputational harm, loss of customer or partner relationships, regulatory complaints, or litigation, including claims under antitrust or unfair competition laws. Conversely, participants in such programs may publicly criticize us or terminate their participation if program terms, eligibility criteria, transition arrangements to successor models, or capability levels do not meet their expectations.
- *Regulatory Scrutiny*. Regulators may subject us to heightened oversight, investigations, enforcement actions, or new or more burdensome compliance requirements based on the capabilities of our models, platform, and applications or perceived failures to meet our own stated standards, which could increase our operational costs and limit our ability to deploy our models, platform, and applications.
- *Damaging Media Coverage*. Negative press coverage could amplify concerns about our safety practices, reach broader audiences, including potential customers and investors, create lasting reputational damage through viral social media discussion, and make future incidents subject to heightened scrutiny, which could further exacerbate the adverse effects of any perceived failures to meet our stated standards.
- *Litigation*. We may face lawsuits from stockholders alleging misrepresentation, from customers claiming breach of contractual or implied commitments, or from other parties alleging harm resulting from the gap between our stated values and actual practices, leading to legal costs, settlements, judgments, injunctions, or other liabilities and remedies.

Any safety-related controversy or incident, whether actual or perceived, and regardless of fault or frequency, could prove significantly damaging to our business. In addition, we have engaged with governments in Canada, the EU, the United Kingdom, the United States, and other jurisdictions in connection with Project Glasswing and related frontier-capability programs, and we have positioned such programs, in part, to help provide the foundation for broader industry coordination on the responsible release of frontier models with cybersecurity and other advanced capabilities. The commercial viability of these and similar future programs may depend on sustained governmental and industry coalition support. If such coalitions fail to materialize, are perceived as exclusionary or anticompetitive, are rolled back, or result in mandates we cannot readily satisfy (including with respect to access, localization, monitoring, or reporting), our ability to commercialize models with Mythos-class capabilities, and the reputational benefits we derive from safety-focused positioning, could be materially impaired. For more information, see the section titled "—If we are unable to maintain and enhance our brand and reputation, our business, financial condition, and results of operations may be adversely affected."

We voluntarily publicly disclose information regarding AI safety challenges, research findings, and limitations of our models and systems that exceeds standard industry practice and regulatory requirements. While our intent with these voluntary disclosures is to advance the safe development of AI and build public trust, these disclosures create several risks. The AI safety landscape is nascent and evolving rapidly, and our understanding of and perspective on appropriate safety practices, risk tradeoffs, and deployment contexts may change over time as technologies, use cases, and regulatory expectations develop. As a result, statements we make today may later prove incomplete, require modification, or be interpreted differently in light of subsequent developments. To the extent we adhere to prior public statements or frameworks, we may also limit our operational flexibility, product development, or deployment decisions, even where evolving circumstances would otherwise warrant a different approach. Our public statements about AI risks, safety challenges, areas of uncertainty, or potential societal impacts, including statements regarding job displacement or economic disruption, may be used against us in litigation, regulatory proceedings, or public controversies, particularly if our future actions or statements are viewed as inconsistent with our prior statements and commitments. Regulators have used and could continue to use our disclosures as the basis for heightened scrutiny or more stringent requirements applicable to us compared to less transparent competitors. Additionally, our disclosures have provided, and may in the future provide, competitors with insights into our proprietary training and other sensitive processes, research priorities, and strategic concerns, without reciprocal transparency, which may put

us at a competitive disadvantage. If we are unable to effectively manage the foregoing risks, our brand, reputation, and ability to compete could be adversely affected.

Resource Allocation and Scaling. Safety-focused development is resource-intensive. We must allocate limited resources, capital, and talent between safety-focused workloads and other initiatives, often without clear returns on our safety-focused investments. For example, our investments in interpretability research and techniques designed to ensure our models' behavior remains consistent with intended goals, values, and safety objectives may not yield actual or perceived commercial returns. Additionally, as we develop our models, platform, and applications, safety testing may become more expensive and resource-intensive. Limited-access programs such as Project Glasswing may also require us to design, operate, and continually maintain bespoke vetting, contracting, monitoring, and offboarding processes that differ materially from our standard commercial release processes, including coordination among participating organizations, transition planning to successor models, and enhanced internal controls commensurate with the heightened sensitivity of the underlying capabilities. These activities impose ongoing operational, legal, and security costs that may recur as future frontier models with similar capability profiles are released. If we fail to successfully manage resource allocation or develop more efficient methods with respect to our safety initiatives, our safety outcomes, business, financial condition, and results of operations could be adversely affected.

As our product portfolio and employee and customer base expand globally, applying safety principles consistently across our rapidly expanding organization, models, platform, applications, use cases, and jurisdictions and regulatory regimes has become increasingly challenging. For more information, see the section titled "—To continue to grow our business, we will need to continue to expand internationally, and our non-U.S. operations and sales to customers outside of the United States expose us to risks inherent in international expansion, sales, and operations."

If we are unable to successfully manage the foregoing risks related to our focus on and commitment to AI safety, our business, financial condition, and results of operations could be adversely affected.

If we are unable to maintain and enhance our brand and reputation, our business, financial condition, and results of operations may be adversely affected.

We believe that maintaining and enhancing our brand identity and reputation is critical to our relationships with, and to our ability to attract and retain, customers, partners, and employees. Our brand and reputation are influenced not only by our actions, but also by the actions of our partners, our customers, and other third parties with whom we do business, and by broader public perceptions of the AI industry, and we may be grouped with other industry participants and judged similarly, regardless of differences in our approach or conduct. The successful promotion of our brand depends on a number of factors, including our ability to continue to develop and deliver reliable, high-quality, and responsible models, platforms, and applications that meet the needs of our customers; our sales and marketing efforts, including our effectiveness at developing a strong brand name and positive presence within the AI industry through participation in industry events and key media coverage; the perceptions and experiences of both our enterprise and individual customers, including through testimonials, use cases, and word-of-mouth; our ability to maintain security and reliability of our models, platform, and applications; the actions of our management; and our ability to differentiate our models, platform, and applications from those of our competitors, including through product design choices, safeguards, business models, and policies, including our approach to monetization strategies that differ from those of certain competitors. In addition, our brand is subject to heightened scrutiny with respect to perceived societal, environmental, labor, health, and safety-related impacts of AI technologies, and a single perceived failure could result in outsized reputational harm. For example, as AI systems become more capable or prevalent, public perception that our models, platform, and applications contribute to job displacement or economic disruption could generate significant negative media coverage, customer or employee backlash, or organized opposition, regardless of the actual impact of our models, platform, and applications on employment.

Our ability to maintain and enhance our brand and reputation also depends on the effectiveness and scalability of our internal communications and reputation-management capabilities, including our ability to support global operations, and limitations in these areas could adversely affect our brand as we grow. Our crisis response and reputation-management capabilities may be limited or underdeveloped, particularly as we scale, which could impair our ability to respond effectively to adverse events and mitigate reputational harm.

The promotion of our brand requires us to make substantial expenditures, which we anticipate will increase as our market becomes more competitive. We have in the past faced, and may in the future face, challenges in building broader brand awareness and may fall behind competitors with more established or widely recognized brands. Our brand promotion activities may not be successful or generate the awareness or increased revenue we expect, and even if they do, any increase in revenue may not offset the significant expenses we incur in the efforts to build our brand.

If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, we could lose customers or fail to attract potential customers, or we could fail to hire and retain employees, all of which could adversely affect our business, financial condition, and results of operations.

We derive substantially all of our revenue from a limited number of products and applications, and our failure to maintain and expand our product portfolio could adversely affect our business, financial condition, and results of operations.

We currently derive substantially all of our revenue from a limited number of products and applications, primarily our Claude models and portfolio of applications that sit on top of the Claude Platform. This dependence on a narrow set of offerings subjects us to various risks that could adversely affect our business, financial condition, and results of operations.

Our concentration in a limited number of products and applications, as well as our focused development strategy within specific areas of the broader AI landscape, reduces our ability to mitigate business risks through diversification. While this focused approach may enable us to allocate resources efficiently and compete effectively in our prioritized areas, it also creates the risk that significant market opportunities or the largest addressable markets may emerge in areas outside our current strategic focus. Many of our competitors offer diverse product portfolios across multiple business lines or pursue broader development across AI modalities, enabling them to offset weaknesses in a particular area. In contrast, any decline in demand for our core offerings, whether due to competition, technological changes, pricing pressure, changes in customer demand, or other factors, would have a direct and disproportionate impact on our revenue and ability to achieve and sustain profitability. Our concentration also reflects a strategy that prioritizes model capability as a principal source of differentiation and relies substantially on organic adoption rather than a large direct sales organization. The risks of that strategy, including the risks that differentiation among advanced models narrows, that customers select providers based on factors other than capability, or that competitors capture the individual users from whom our enterprise adoption often originates, are described in the sections titled "—We face intense competition, and if we are unable to compete effectively, our business, financial condition, and results of operations could be adversely affected" and "—We have a limited history under our current go-to-market strategy, and our efforts to scale and evolve our customer acquisition, engagement, and retention model may not be successful."

The AI industry is rapidly evolving, and it is difficult to predict which modalities or applications will capture the most durable commercial value or how the competitive landscape will shift. If the market for AI models, platforms, and applications develops in ways that do not align with our chosen areas of focus, or if competitors are better positioned to address the areas where the market opportunity ultimately proves largest, our ability to sustain revenue growth and compete effectively could be adversely affected. If we experience a decline in demand for our core offerings, we may not be able to successfully expand our product and application portfolio, and even if we do, our new products and applications may not achieve market acceptance or generate sufficient revenue to offset any decline in our existing business. Further, technical issues, security incidents, regulatory restrictions, or reputational harm affecting our models, platform, and applications could have an immediate and disproportionate impact on our business due to our product concentration where alternative revenue streams may not be available to offset such impact.

The market for AI models, platforms, and applications is evolving quickly, and customer requirements and expectations are changing rapidly. Customers may increasingly demand specialized solutions or specialized integration and tooling that we do not currently offer and may not plan to offer, or may seek AI solutions embedded more deeply into enterprise workflows. Enterprises may prefer to develop their own AI capabilities internally or choose competitors that offer more comprehensive product suites. Moreover, because substantially all of our models and applications are built on top of our frontier models, any defect, vulnerability,

safety issue, or performance degradation in an underlying frontier model could simultaneously affect multiple products and applications and customer deployments, amplifying the impact of any such issue across our

business. If we fail to anticipate or respond effectively to these evolving customer needs, we may lose customers to competitors or fail to acquire new customers.

In addition, we currently compete, and may increasingly compete, with some of our own customers. As we expand our product portfolio or introduce new capabilities, our offerings may overlap with or directly compete with the models, platforms, and applications that our customers provide. This risk is particularly acute with software-as-a-service and other software companies, whose offerings may incorporate AI functionality similar to, or dependent on, the capabilities we provide. These customers may view our product expansion as a competitive threat to their business models and may reduce their purchases from us, limit their adoption of new offerings, terminate their relationships with us, seek alternative providers, restrict our access to the compute we obtain from them, initiate intellectual property or other litigation against us, or accelerate efforts to develop competing solutions internally in order to avoid relying on a direct competitor. This dynamic could result in customer attrition, reduced expansion within our existing customer base, pricing pressure, or reputational challenges, any of which could adversely affect our revenue growth and business prospects.

Expanding our product portfolio requires substantial time and investment. We must make significant investments in research and development, compute infrastructure, engineering talent, sales and marketing, and go-to-market capabilities to develop new models, platforms, and applications and enable continued adoption. We may seek to expand into new products and markets, including areas outside of our current core competencies or where we have limited experience, and we may not successfully develop, commercialize, or support such offerings. Development timelines for AI models, platforms, and applications are uncertain, and new capabilities, even when continuously improved and released into our models, platform, and applications, may take significant time to achieve commercial scale. We may invest significant resources in products or services that fail to gain market traction, experience technical difficulties, face unexpected competition, lead to unexpected harm or societal impacts that do not align with our values, or generate insufficient returns to justify the investment. Additionally, we face other constraints on our ability to expand our offerings, including the ability to hire, retain, and motivate qualified AI researchers, engineers, and technical personnel; the capital intensity of developing and operating AI models, platforms, and applications which require substantial compute and infrastructure investment; and our limited portfolio, which may make it difficult to provide the comprehensive, integrated solutions that customers may expect.

If we are unable to successfully expand our product portfolio, if we fail to compete effectively with our current offerings, or if customer preferences shift away from our models, platform, and applications, our business, financial condition, and results of operations could be adversely affected.

A substantial portion of our revenue and accounts receivable is driven by a limited number of customers and distribution channels, and the loss of, or a significant reduction in, spend from one or more of our top customers or disruption through those channels could adversely affect our prospects, business, and financial condition.

A substantial portion of our revenue is driven by a limited number of customers. While no single customer represented more than 10% of our revenue for the nine months ended September 30, 2026, our top five customers represented approximately 25% of our revenue for the nine months ended September 30, 2026. Many of our top customers are not subject to long-term contracts with us or have contracts with near-term expiration dates and are able to reduce or in some cases cease spending at any time and for any reason. Further, we have agreements with certain large customers which provide flexibility around financial commitments, termination rights, indemnification, and security obligations. Our top customers may vary spend levels period to period, and there can be no assurance that our large customers will continue to spend at levels similar to prior periods.

We anticipate that we will continue to derive a significant portion of our revenue from a limited number of customers for the foreseeable future, and in some cases, the portion of our revenue attributable to certain customers may increase in the future. The composition of our customer base, including our top customers, may fluctuate from period to period given that our customer composition has evolved and is expected to continue to evolve significantly as our business continues to evolve and scale and as the use cases for AI continue to develop.

In addition, a significant portion of our revenue and accounts receivable is associated with transactions conducted with a limited number of CSPs that act as distribution and billing channels for our models. During the years ended December 31, 2023, 2024, and 2025 and the nine months ended September 30, 2026, revenue generated from sales to customers through CSP marketplaces represented approximately 11%, 32%, 47%, and 44%, respectively, of total revenue. As of December 31, 2024 and 2025 and September 30, 2026, net accounts receivable from sales through CSP marketplaces to customers represented 42%, 60%, and 52%, respectively, of our net accounts receivable. These platforms bill end customers, collect payments on our behalf, and remit such amounts to us, net of applicable platform and other fees. Any change to, or termination of, one of our significant distribution relationships could adversely affect our business by disrupting customer access to our models, reducing usage, or increasing customer acquisition, onboarding, and migration costs. In these third-party arrangements, we generally maintain separate contractual arrangements with end customers governing access to, and pricing for, our models, independent of the applicable platform, and changes in, or termination of, a particular distribution relationship would not independently eliminate those contractual relationships. However, customers may be unwilling or unable to transition to alternative access points on commercially acceptable terms or timelines, or at all, following a disruption, which could result in revenue loss, increased costs, or adverse impacts to our growth, margins, and results of operations. In addition, any delay, dispute, or operational issue affecting a platform's collection or remittance of customer payments could adversely affect our cash flows and working capital.

We may not be able to maintain or increase revenue from our top customers for a variety of reasons, including but not limited to the following:

- customers may develop their own solutions that compete with our models, platform, and applications;
- some of our customers may redesign their systems to require fewer of our services with limited notice

to us and may choose not to renew or increase their purchases of our models, platform, and applications;

- changes to our models, platform, and applications may not align with the needs or expectations of our customers and such changes may reduce customer trust in us;
- our customers may have pre-existing or concurrent relationships with, or may be, current or potential competitors that may affect such customers' decisions to purchase our models, platform, and applications;
- our customers and partners that heavily rely on our offerings may want to reduce such levels of reliance, seek out competing offerings, or transition to other providers altogether; and
- our customers, particularly early-stage and high-growth companies, may depend on venture capital or other external financing to fund their operations, and may reduce or cease spending with us if such funding is delayed, reduced, or unavailable or if their access to capital becomes more costly.

Any adverse change in demand from our largest customers, in their ability or willingness to perform under their contracts with us, in applicable laws or regulations, or in our broader strategic relationships with such customers could adversely affect our business and prospects. As a result, a significant reduction in spending by, or the loss of, one or more of our largest customers, if not offset by new customer relationships or increased business from our other existing customers, could adversely affect our business, financial condition, and results of operations. For additional risks related to our reliance on enterprise customers and government customers, including longer sales cycles, complex procurement processes, heightened contractual, compliance, and security requirements, and budgetary and policy constraints, see the sections titled "—Sales to enterprise customers involve complexities and risks that could adversely affect our business, financial condition, and results of operations" and "—Our sales to government entities and highly regulated organizations are subject to challenges and risks."

We have incurred significant indebtedness in order to operate and grow our business, including to fund our substantial compute commitments, and our ability to service this indebtedness may be constrained by our cash flows and liquidity.

In order to operate and grow our business, including to fund our substantial compute commitments, we have incurred a substantial amount of debt, which requires significant interest and principal payments. As of September 30, 2026, our total indebtedness was $6.2 billion, reflecting the aggregate principal amount outstanding under the convertible promissory notes issued to Amazon (through Amazon Web Services, Inc.) pursuant to the Convertible Note Purchase Agreement, dated as of September 19, 2023, by and between us and Amazon (the "Amazon 2023 NPA") and the New Convertible Note Purchase Agreement, dated as of November 22, 2024, by and between us and Amazon (the "Amazon 2024 NPA") (all such notes issued thereunder, collectively, the "Amazon Notes"). We may also incur additional indebtedness to meet our future financing needs. We have guaranteed the obligations of certain of our subsidiaries that are party to AI infrastructure arrangements, as well as pursuant to agreements we entered into in connection with an equipment lease with a third-party partner, Broadcom Inc. ("Broadcom"), in March 2026 to procure specialized AI accelerators and associated components (pursuant to which Broadcom subsequently assigned a portion of such arrangement to a designated financial partner, and may further assign a portion of such arrangement to one or more additional financial partners) (together with any related lease entered into with an assignee, the "2026 Lease Arrangement"). In addition, we have the ability to issue, if needed, up to $42.0 billion in aggregate principal amount of convertible promissory notes to Broadcom or, subject to our consent (not to be unreasonably withheld), a designated financial partner pursuant to a note purchase agreement that we entered into with Broadcom in March 2026 (as amended to date, the "Infrastructure Partner 2026 NPA") to finance obligations under the 2026 Lease Arrangement. We may be required to use a substantial portion of our cash flows from operations to pay interest, principal, or other required payments on our indebtedness.

The delivery of shares of our Class N common stock upon conversion of our outstanding convertible promissory notes could result in dilution to our existing stockholders. Following this offering (after giving effect to the Convertible Notes Conversion), our outstanding convertible promissory notes will represent in the aggregate approximately % of our Class N common stock and % of our total outstanding common stock. Pursuant to the terms of the Amazon Notes, to the extent that the full amount of such notes cannot convert into shares of our Class N common stock in connection with this offering as a result of the ownership cap applicable to the Amazon Notes, which may be waived at Amazon's election, the remaining balance of such notes will automatically convert, subject to Amazon's ownership cap, into shares of our Class N common stock at the applicable conversion price at the end of each fiscal quarter following this offering or, if such remaining balance of such notes does not convert before the applicable maturity date because of the applicable ownership cap, such balance will be repaid in cash at such maturity date. For more information about our convertible promissory notes, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Convertible Notes."

Our ability to make scheduled payments in respect of, to pay interest on, or to refinance our indebtedness, including the A&R Credit Agreement and our outstanding convertible promissory notes, depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Such payments will reduce the funds available to us for working capital, capital expenditures, and other corporate purposes and may limit our ability to obtain additional financing for working capital, capital expenditures, expansion plans, and other investments. Our business may not be able to generate cash flows from operations in the future that are sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flows, we may be required to adopt one or more alternatives, such as selling assets or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our

ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations and adversely affect our financial condition. Further, the terms of the A&R Credit Agreement and the Infrastructure Partner 2026 NPA include a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, create liens, make asset sales or investments, engage in mergers or other fundamental changes, pay dividends or distributions, repurchase or redeem equity interests, and enter into transactions with affiliates. The terms of the A&R Credit Agreement may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. For more information, see the sections titled "—We may require

additional capital to meet our substantial ongoing obligations and support our business growth, and our ability to generate sufficient revenue and secure additional capital on acceptable terms is critical to our continued operations and competitive position" and "—If the market for our models, platform, and applications develops more slowly than we expect or declines, our growth may slow or stall, and our business, financial condition, and results of operations could be adversely affected."

We are also subject to variable interest rate risk because the interest rate under the A&R Credit Agreement varies based on a margin over an indexed rate or an adjusted base rate. If interest rates associated with our floating rate debt increase, our debt service obligations in connection with the A&R Credit Agreement would increase even though the amount borrowed remained the same, and our available cash would correspondingly decrease. Our substantial amount of debt, combined with variable interest rates, could limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate, including limiting our future investments or our ability to enter into acquisitions and strategic partnerships, and obtain financing for such transactions.

In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, they could:

- make us more vulnerable to adverse changes in general U.S. and non-U.S. economic, industry, and competitive conditions and adverse changes in government regulation;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a disadvantage compared to our competitors that have less or fixed rate indebtedness;
- limit our ability to borrow additional amounts to fund acquisitions, for working capital, and for other general corporate purposes; and
- make an acquisition of our company less attractive or more difficult.

Any of these factors could adversely affect our business, financial condition, and results of operations. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase.

A failure by us to comply with the covenants, including those tied, in part, to operational and performance-based metrics, or payment obligations under the A&R Credit Agreement or our outstanding convertible promissory notes, as applicable, whether as a result of financial constraints, operational challenges, inexperience managing complex infrastructure and large-scale capital commitments, or otherwise, could result in an event of default under these instruments. Upon an event of default under the A&R Credit Agreement, the lenders would have the right to accelerate all amounts outstanding and exercise other remedies available to them, including enforcing their rights against the collateral securing the A&R Credit Agreement. An event of default under our outstanding convertible promissory notes would similarly give the noteholders the right to declare all amounts outstanding under our outstanding convertible promissory notes immediately due and payable. If the indebtedness under the A&R Credit Agreement and/or outstanding convertible promissory notes were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance such indebtedness or sell sufficient assets to repay such indebtedness, which could adversely affect our business, cash flows, financial condition, and results of operations. Even if we were able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us.

We may not have the ability to raise the funds necessary to repay the principal and accrued interest of our outstanding convertible promissory notes or the A&R Credit Agreement in cash when required by the terms of the notes or the A&R Credit Agreement, as applicable, or at their maturity.

In connection with the completion of this offering, the Amazon Notes will convert into Class N common stock, subject, in each case, to an ownership cap as set forth in the Amazon Notes, which may be waived at Amazon's election. In the event that any of the notes comprising the Amazon Notes cannot be fully converted without exceeding the ownership cap applicable to such notes, the balance of any such notes will remain outstanding and will automatically convert, subject to Amazon's ownership cap, into shares of our Class N common stock at

the applicable conversion price at the end of each fiscal quarter following the completion of this offering. To the extent any of our convertible promissory notes remain outstanding, or if we issue any additional convertible promissory notes following the completion of this offering, we will be required to repay such notes in cash at their maturity, unless earlier converted or repaid pursuant to the terms of such note. In addition, we will be required to repay in full all amounts outstanding under the A&R Credit Agreement upon its maturity. However, we may not have enough available cash on hand or be able to obtain financing at the time we are required to make any repayments on outstanding convertible promissory notes or under the A&R Credit Agreement.

Our failure to repay any outstanding convertible promissory notes or amounts outstanding under the A&R Credit Agreement, as applicable, at a time when the repayment is required, or to pay cash upon any conversion of outstanding convertible promissory notes, as applicable, as required pursuant to the terms of each note or the applicable NPA, would constitute a default thereunder. A default under an outstanding convertible promissory note and/or the applicable NPA as well as the A&R Credit Agreement could also lead to a default under agreements governing our existing and future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and repay the amounts outstanding under the A&R Credit Agreement or outstanding convertible promissory notes at the applicable maturity, or when repayment is otherwise required pursuant to the terms of the note.

Our pricing structures for our models, platform, and applications change from time to time, which could adversely affect our business, financial condition, and results of operations.

We have in the past changed, and we expect that in the future we may change, our pricing models, including as a result of competition, macroeconomic conditions, compliance with increased regulatory hurdles, the maturation of the market for AI models, platforms, and applications, or changes in how our models, platform, and applications are broadly consumed. As a result, we may be required to reduce our prices, offer shorter contract durations, or offer alternative pricing models, such as outcome- or task-based pricing, any of which could adversely affect our business. In addition, our agentic offerings are structurally more compute-intensive than our non-agentic offerings. If we are unable to implement pricing models that adequately reflect the higher compute intensity of these agentic workloads, or if competitive dynamics constrain our ability to price these products at levels sufficient to cover their costs, our compute efficiency could deteriorate as agentic usage grows, which could adversely affect our ability to achieve or sustain profitability.

Additionally, as we continue to target selling our models, platform, and applications to our enterprise customers, these customers may demand different pricing structures, price concessions, or additional functionality at the same price levels. If we are unable to modify or develop effective pricing models and strategies that are attractive to existing and prospective customers, our business, financial condition, and results of operations may be adversely affected.

If we are unable to attract, retain, or motivate highly skilled personnel, we may not be able to grow or operate effectively.

Our performance and ability to grow our business depend on the talents and efforts of highly skilled individuals, and our future success depends on our continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of our organization. Our business is particularly dependent on a limited pool of researchers, engineers, and technical personnel with specialized experience in designing, training, deploying, and operating frontier models and the underlying infrastructure that supports them. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications at the pace that our operations require. Competition in our industry relating to hiring and retaining employees with appropriate qualifications and on competitive economic terms is exceptionally intense and has escalated significantly in recent periods, especially in the San Francisco Bay Area, where our headquarters is located and where we have a substantial presence and need for highly skilled personnel. A small number of well-capitalized AI labs, large technology companies, and new market entrants compete aggressively for a relatively fixed supply of individuals with the requisite expertise. Certain of our competitors have directly solicited, and continue to directly solicit, our employees. Our former employees are also generally able to join or found competing companies immediately following their departure, and, subject to their confidentiality and other legal obligations, use the general skills, know-how, and experience they developed while employed by us. In addition, we have in the past, and may in the future, be

subject to claims or disputes relating to the solicitation or hiring of employees, including allegations that such hires violated non-compete, non-solicitation, intellectual property, confidentiality, or other employment-related obligations.

As our company continues to grow and our industry evolves, the incentives to attract, retain, and motivate employees provided by our cash and equity awards or by future arrangements may not be as effective as in the past. Many of the companies with which we compete for highly qualified personnel have greater resources than we have and may be willing to offer more attractive compensation packages. We may need to invest significant amounts of cash and equity to attract and retain employees, resulting in substantial additional stock-based compensation expense and dilution to the ownership of our existing stockholders, and we may never realize returns on these investments that are commensurate with the level of our expenditures. If the perceived value of our compensatory package declines or is subject to significant value fluctuations, it may adversely affect our ability to attract and retain highly skilled employees. In addition, we have a number of current employees, including our co-founders, who hold equity in our company or whose equity awards are or will become substantially vested upon the completion of this offering. This may be particularly true for certain of our longer-tenured and early employees, whose equity holdings may represent a significant portion of their personal wealth. As a result, it may be difficult for us to continue to retain and motivate these employees, and the value of their holdings could affect their decisions about whether or not they continue to work for us.

Historically, our ability to successfully attract, retain, and motivate our personnel has in large part been due to our company culture and commitment to safety and responsible scaling and development. If we are unable to maintain our culture, if we make decisions as a company that our employees do not believe align with our

values, or if events take place, regardless of fault, that call into question whether we have operated in accordance with our values, our ability to attract, retain, and motivate our personnel may be adversely affected. Rapid growth has also created workforce-planning and execution challenges, including limitations in our ability to accurately forecast headcount needs, periods of accelerated hiring followed by corrective actions that may disrupt operations or reduce morale, and increased reliance on managers operating at greater scale than in their prior experience, which introduces additional operational, legal, reputational, and execution risk as the organization continues to expand. If we move into new geographies, we will need to attract and recruit skilled personnel in those geographic areas, but it may be challenging for us to compete with traditional local employers in these regions for talent. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements, our business may be adversely affected.

In addition, heightened public attention on AI has increased physical and informational security risks, and we have experienced threats to employee safety and attempts to obtain confidential information through physical or digital means, which, despite the security measures we have implemented at certain facilities, may be exacerbated by our global and flexible working arrangements and could adversely affect employee morale, productivity, and our ability to attract, retain, and motivate highly skilled personnel. Addressing these risks also requires us to attract and retain additional specialized security personnel, and difficulties in recruiting qualified security engineers could further exacerbate these challenges.

Further, changes to immigration policies that restrain the flow of professional and technical talent, including but not limited to U.S. immigration policies, may inhibit our ability to recruit and retain highly qualified employees. If we are unable to effectively manage the foregoing risks, our prospects, business, financial condition, and results of operations could be adversely affected.

We have a limited operating history in an evolving and nascent industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We were founded in 2021 and launched our first commercial product, Claude, publicly in the first quarter of 2023. Since then, our business has grown rapidly. We operate in an industry characterized by rapid and unpredictable technological change, evolving safety and regulatory expectations, significant capital and compute requirements, and uncertain commercial adoption patterns. Our limited operating history and our

evolving and nascent business and industry make it difficult to evaluate our future prospects and the risks and challenges we may encounter. These risks and challenges include our ability to:

- develop and release new models and products on a timely and cost-effective basis;
- accurately forecast our revenue, operating expenses, and compute requirements in an environment characterized by rapid technological change and usage patterns that may scale in nonlinear or exponential ways;
- secure access to sufficient compute to meet the needs of all our workloads and manage the risks related to securing compute;
- effectively manage our growth, including our cash flows and capital needs;
- accurately predict customer demands, expectations, or requirements;
- maintain and enhance our brand and reputation;
- attract, retain, utilize, and motivate our highly skilled personnel;
- build and maintain our strategic partnerships;
- anticipate and respond to macroeconomic changes and changes in the industry and markets in which we operate;
- anticipate and respond to evolving regulatory requirements and political dynamics;
- maintain our safety-focused approach while meeting market demands;
- successfully monetize our models, platform, and applications; and
- respond effectively to competitive threats.

If we fail to effectively address the risks and challenges we face, including those described elsewhere in this "Risk Factors" section, our business, financial condition, and results of operations could be adversely affected. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition, and results of operations could be adversely affected.

We are at an early stage of our revenue growth, we have experienced rapid growth in recent periods, and our historical growth rates are not indicative of future performance or our ability to sustain or forecast future revenue growth.

We have grown rapidly over the last several years, and therefore our recent revenue growth and financial performance should not be considered indicative of our future performance. In 2023, 2024, and 2025, our

revenue was $41 million, $386 million, and $4.6 billion, respectively, representing year-over-year growth of 841% in 2024 and 1,088% in 2025. In the nine months ended September 30, 2026, our revenue was $33.2 billion, representing a year-over-year growth rate of 1,206%. We do not expect our revenue will continue to grow at comparable rates, and we cannot assure you that it will continue to grow at all. Our recent growth may reflect early-stage adoption dynamics, the nascency of the AI market, and rapid initial customer expansion that may not be sustainable over time, and it may decline significantly and more rapidly than we anticipate, as our revenue base increases, as the market matures, and as a result of the other factors described below. We expect our revenue growth rate to decline over time. In addition, because the AI industry is very nascent, we have struggled to accurately forecast our revenue in the past and may struggle to do so in the future.

We may experience declines in our revenue growth rate as a result of a number of factors, including:

- the slowing or shifting demand for our models, platform, and applications or the market as a whole;
- our inability to secure sufficient compute and direct it efficiently across our organization;
- insufficient growth in the number of users and paying customers of our models, platform, and applications or the failure to increase sales of our models, platform, and applications to existing customers;
- failures, errors, or performance limitations in our models, including unexpected behavior, degraded outputs, outages, or inability to meet customer expectations or use-case requirements;
- increasing competition among existing competitors and new market entrants;
- the safety and risk mitigation measures we implement in developing and releasing our models, including any resulting delays in model development or release, or the adoption of laws, regulations, or standards that affect how and when frontier AI models may be developed or released;
- our failure to continue to capitalize on growth opportunities;
- our ability to collect amounts owed to us from customers, including as a result of customer credit risk, billing disputes, or delays in payment;
- our reliance on, and the terms of, relationships with key partners and distribution channels, and any changes to, or termination of, such arrangements;
- new or more restrictive laws, regulations, or regulatory actions affecting AI development, deployment, or use, including taxes, fees, or other measures specifically applicable to AI companies or AI-related labor displacement; and
- reputational harm, adverse publicity, or heightened scrutiny that reduces customer adoption or expansion.

We expect to continue to make investments in the development and expansion of our business, which may not result in increased revenue or growth. If our revenue or revenue growth rate declines, or our revenue growth rate declines with respect to certain markets or customer categories, our business, results of operations, and investors' perceptions of our business could be adversely affected, which could in turn negatively impact the market price of our Class A common stock.

If we fail to manage our growth effectively, our brand, business, financial condition, and results of operations could be adversely affected.

Since 2021, we have experienced rapid growth in our employee headcount, number of customers, geographic reach, and our operations, and we expect this growth to continue. For example, the number of our employees increased from approximately 940 as of December 31, 2024 to approximately 5,300 as of September 30, 2026, and our revenue increased from $197 million for the three months ended December 31, 2024 to $17.0 billion for the three months ended September 30, 2026. This growth has placed, and may continue to place, a significant strain on our management and our operational and financial resources.

Our ability to successfully manage this growth depends on our ability to scale and integrate our operations, workforce, technologies, models, platform, and applications, and any future acquisitions while preserving the beneficial aspects of our company culture. Continued growth may strain our ability to develop and enhance our operational, compliance, technical, financial, and management controls, improve our reporting systems and procedures, recruit, train, and retain highly skilled personnel, and maintain customer satisfaction. If we are unable to do so, our operations, compliance with applicable laws, development and deployment of our models, platform, and applications, and customer experience could be adversely affected.

As we expand, we must also manage an increasing number of relationships with strategic partners, customers, vendors, and other third parties that are critical to our business, including those that provide compute, data

center infrastructure, networking, software tools, and other services necessary to develop, train, deploy, and operate our models. If these relationships deteriorate, or if our third-party providers are unable to scale their services in line with our growth, we may experience delays, service disruptions, reduced sales to new customers, or the loss of existing customers, which could adversely affect our revenue growth and reputation. In addition, our ability to manage our growth depends in part on our ability to accurately plan for and efficiently manage the compute required to develop, train, deploy, and operate our models. Any material underinvestment or overinvestment in such resources could result in service limitations, increased costs, operational inefficiencies, or delays in model development, any of which could adversely affect our business.

If we fail to effectively manage the growth of our business and operations, we may be unable to maintain effective internal controls, reporting systems, and compliance processes, may face increased regulatory scrutiny, and may suffer harm to our brand and our ability to attract and retain customers. As a result, our business, financial condition, and results of operations could be adversely affected.

We have a history of net losses and may not generate sufficient revenue to achieve or sustain profitability in the future.

We have incurred net losses in each year since our founding, including net losses of $1.5 billion, $8.3 billion, and $42.0 billion for the years ended December 31, 2023, 2024, and 2025, respectively, and $104.0 billion for the nine months ended September 30, 2026, and we may not achieve or sustain profitability in the future. These net losses included changes in fair value of convertible notes, derivative liabilities, and SAFEs of $1.0 billion, $5.4 billion, and $34.3 billion for the years ended December 31, 2023, 2024, and 2025, respectively, and $94.3 billion for the nine months ended September 30, 2026, primarily driven by an increase in the fair value of our outstanding convertible promissory notes resulting from an increase in our enterprise valuation during each of the respective periods. While we have experienced significant revenue growth in recent periods, our business is highly capital intensive, and our ability to remain at the frontier of AI capabilities and secure sufficient compute depends in meaningful part on our ability to generate and sustain substantial revenue and improve our operating efficiencies. Further, our revenue growth may not be sustainable, and our rate of growth may decrease. We expect our costs will increase over time and our losses will continue as we expect to invest significant resources towards growing our business and operating as a public company.

We have expended and expect to continue to expend substantial financial and other resources related to the growth of our business, including:

- investments to enhance our access and ability to secure compute;
- continued investments in research and development to remain at the frontier of AI model development and introduce new features and enhancements to our models, platform, and applications;
- expansion of our sales and marketing activities;
- hiring additional employees;
- expansion of our operations across our multiple geographies;
- investments in our expanding general and administrative organization;
- costs associated with complying with existing and evolving laws, regulations, and industry standards applicable to AI, data protection, privacy, and security, among other things;
- investments in AI safety, risk management, monitoring, evaluation, and mitigation efforts;
- additional expenses associated with operating as a public company; and
- costs related to legal proceedings.

For example, as of and subsequent to September 30, 2026, we have entered into purchase commitments and lease agreements, including short-term commitments, as well as leases not yet commenced, with an aggregate committed spend of approximately $895.4 billion, which may substantially increase our operating expenses and cash requirements. These expenditures and investments may be more costly than we expect and may not

result in increased revenue or growth in our business. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition, and results of operations could be adversely affected.

In addition, we have granted RSUs to our employees and other service providers, which vest upon the satisfaction of both a service-based condition and a performance-based condition. The service-based condition for a majority of such RSUs is satisfied over a period of four years. The performance-based condition of such RSUs will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part. We account for award forfeitures as they occur. As of September 30, 2026, no stock-based compensation expense had been recognized for such RSUs because a qualifying event as described above was not probable. In the quarter in which this offering is completed, we will begin recording stock-based compensation expense based on the grant-date fair value of the RSUs using the accelerated attribution method. If this offering had been completed on September 30, 2026, we would have recorded $8.2 billion of cumulative stock-based compensation expense related to the RSUs on that date, and an additional $24.1 billion of unrecognized stock-based compensation expense related to the RSUs, would be recognized over a weighted-average period of approximately 2.0 years. In addition to stock-based compensation expense associated with the RSUs, as of September 30, 2026, we had unrecognized stock-based compensation expense of approximately $2.1 billion related to other outstanding equity awards, which we expect to recognize over a weighted-average period of approximately 1.4 years. Subsequent to September 30, 2026, our board of directors approved the grant of RSUs, which grants will become effective as of the day prior to the effectiveness of the registration

statement of which this prospectus forms a part. The grant-date fair value of each RSU subject to these awards will be equal to the price per share of the shares sold in this offering. These RSUs will vest upon the satisfaction of a service-based condition only, generally over four years. Assuming a grant-date fair value of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, we would expect to record stock-based compensation expense of approximately $ billion related to such RSUs, over a weighted-average period of approximately years, commencing in the quarter in which this offering is completed. Following the completion of this offering, the stock-based compensation expense related to RSUs and other outstanding equity awards will result in increases in our expenses in future periods, in particular, in the quarter in which this offering is completed.

If we fail to generate adequate revenue to offset increases in our operating expenses, improve our operating efficiencies, or otherwise manage our costs as we invest in our business, we may continue to incur significant losses in the future and may not be able to achieve or sustain profitability.

Our results of operations may fluctuate significantly on a period-to-period basis, including as a result of strategic investment decisions and substantial compute-related expenditures, which could cause the market price of our Class A common stock to decline.

Our results of operations have historically varied from period to period, and we expect that our results of operations will continue to vary significantly from quarter to quarter and from year to year in the future, such that the results of any one period should not be relied upon as an indication of future performance. In particular, our financial performance may be significantly influenced by strategic decisions we make regarding the allocation of resources and the amount and timing of operating expenses and capital expenditures that we may incur to maintain and expand our business and operations and to remain competitive. We may make significant and, at times, discrete investments in areas such as research and development, compute and related infrastructure, product development, safety and security initiatives, and go-to-market expansion, which may be uneven in size and timing. These investments may materially increase our expenses in a given period and cause our results of operations to fluctuate significantly or vary meaningfully from period to period, and may result in periods of reduced margins or increased losses even if our underlying business trends remain unchanged or continue to improve. As a result, our financial performance may not follow any consistent pattern, and prior or interim periods of improved results of operations should not be viewed as indicative of our future performance.

Our revenue in any period has also included, and we expect will continue to include, amounts from customers that we subsequently determine are using our models, platform, and applications in violation of our usage policy or commercial terms, and whose revenue would not be expected to recur following restriction or termination of their access. We believe this dynamic is common in our industry. Detection, investigation, and enforcement take time, and we cannot assure you that we will identify such usage, or restrict or terminate a customer's access, on a timely basis or at all. Customers may evade our controls, and customers whose access is

restricted or terminated may re-register under new accounts. As a result, revenue from such customers may continue or recur notwithstanding our enforcement efforts. Our continued detection and enforcement efforts, and in particular, the enhancement of such efforts in August and September 2026, and the timing of any resulting restrictions or terminations, are expected to reduce the percentage of revenue from customers using our models, platform, and applications in violation of our usage policy or commercial terms, and may reduce our overall revenue and growth rates in future periods and contribute to variability in our results from period to period.

Our results of operations are also affected by seasonal variations in the usage of our models, platform, and applications. Because our revenue is primarily consumption-based, we have experienced, and expect to continue to experience, lower usage around holiday and vacation periods in the summer and winter, when certain customer workflows slow down and overall customer activity declines. Our results of operations may also vary with the timing and cadence of our model and product releases, which are uneven from period to period and may cause usage, and therefore revenue, to increase or decline between periods. Our historical growth rates may have masked the impact of seasonal trends on our results. As our growth rate declines over time, we expect seasonal effects to become more apparent in, and to have a greater effect on, our period-to-period results. In addition, other seasonal trends may develop, and the seasonal trends that we currently experience may become more pronounced, as we continue to scale.

Our results of operations may also fluctuate due to a variety of additional factors, many of which are outside of our control and difficult to predict, including, but not limited to:

- the level of demand for our models, platform, and applications, and our ability to forecast such demand;
- our ability to forecast required compute and to obtain additional compute as needed, and any increase in costs thereof;
- our ability to expand usage within organizations;
- our ability to attract and retain customers and increase sales of our models, platform, and applications to existing customers;
- our ability to effectively manage our relationships with our third-party service providers and our reliance on such providers for critical infrastructure and services;
- the timing and success of new features, integrations, capabilities, and enhancements by us to our models, platform, and applications, or by our competitors to their products;
- the safety and risk mitigation measures we implement in developing and releasing our models, including any resulting delays in model development or release, or the adoption of laws, regulations, or standards that affect how and when frontier AI models may be developed or released;
- our ability to achieve widespread acceptance and use of our models, platform, and applications;

- changes in the competitive landscape and introduction of competitive companies, models, platforms, and applications;
- security breaches, technical difficulties, or interruptions to our models, platform, or applications;
- real or perceived improper or unauthorized use of, disclosure of, or access to confidential, proprietary, personal, or sensitive data;
- pricing pressure as a result of competition or otherwise;
- adverse litigation judgments, other dispute-related settlement payments, or other litigation-related costs;
- the number of employees hired;

- the timing of the grant or vesting of equity awards to employees, directors, or consultants;
- the vesting and settlement of equity awards, including any cash used to remit taxes on behalf of employees in connection with the settlement of RSUs and the recognition of stock-based compensation expense;
- our ability to maintain, protect, and enhance our brand;
- declines in the values of foreign currencies relative to the U.S. dollar;
- changes in, and continuing uncertainty in relation to, the legislative or regulatory environment with respect to our industry;
- enforcement by government regulators, including investigations, proceedings, fines, orders, designations, or consent decrees;
- increased legal and regulatory compliance costs in new and existing markets;
- costs and timing of expenses related to the potential acquisition of businesses, talent, technologies, or intellectual property, including potentially significant amortization costs and possible write-downs;
- catastrophic events, and resulting interruptions in the availability of our models, platform, and applications; and
- general economic conditions in either U.S. or non-U.S. markets, including geopolitical uncertainty and instability and their effects on software spending.

Any one or more of the factors above, or other factors in this "Risk Factors" section, may result in significant fluctuations in our results of operations or other key metrics, which may cause such results to fall below our financial guidance or other projections or the expectations of analysts or investors, and cause the market price of our Class A common stock to decline.

Certain of our operating metrics are subject to assumptions and limitations. As a result, these metrics may not provide an accurate indication of our actual performance or future results.

Certain of our operating metrics, such as Run-Rate Revenue, Net Revenue Retention, customer counts, and Claude's success rate, are based on numerous assumptions and limitations, are calculated using data from internal systems and tools, have not been independently verified by third parties, are subject to inherent limitations in measurement, and may not accurately reflect actual results or provide an accurate indication of future or expected results.

Run-Rate Revenue is not a substitute for revenue prepared in accordance with GAAP or a forecast of revenue. Because Run-Rate Revenue annualizes our consumption-based fees for a trailing 28-day period and our subscription-based fees for a single month, it assumes that activity during those measurement periods has continued at the same rate for a full year. Because it annualizes a short measurement period, Run-Rate Revenue measured during a period of seasonally higher or lower usage, such as the reduced usage we have typically experienced around holiday and vacation periods in the summer and winter, may differ significantly from Run-Rate Revenue measured at other times, and in each case may not correspond to the revenue we ultimately recognize over any quarter or fiscal year. Our actual historical revenue and future revenue may differ materially from this measure. Both our consumption-based and subscription-based revenue may fluctuate from period to period, and in particular, our consumption-based revenue may fluctuate significantly or decline if customers reduce, limit, or do not expand their usage or spend, or shift usage to lower-priced models, including in response to competitive offerings, pricing changes, changes in customer budgets or strategic priorities regarding AI investment, seasonality, or general economic conditions. In addition, sustaining and growing this revenue depends on our ability to continue to offer models at the frontier of AI capability, which we may not be able to do. Our ability or decision to remain at the frontier may also be affected by the safety and risk mitigation measures we implement in developing and releasing our models. Our recent Run-Rate Revenue growth has also been driven in part by rapid initial customer adoption and expansion often characteristic of an early-adoption period and the nascency of the AI market that may not be sustainable, and we expect our Run-Rate Revenue

growth rate to decline over time, and it may decline significantly and more rapidly than we anticipate, as our revenue base increases, as the market matures, and as a result of other factors. In addition, our Run-Rate Revenue has included, and we expect will continue to include, amounts from customers that we subsequently determine are using our models, platform, and applications in violation of our usage policy or commercial terms. When we identify such usage, we seek to restrict or terminate the customer's access; however, because our detection, investigation, and enforcement take time, our Run-Rate Revenue as of any measurement date includes amounts from customers that have not yet been restricted or terminated and whose revenue would not be expected to recur following restriction or termination of their access. Our continued enforcement efforts may reduce our revenue, Run-Rate Revenue, and growth rates in future periods. See "—Our results of operations may fluctuate significantly on a period-to-period basis, including as a result of strategic investment decisions and substantial compute-related expenditures, which could cause the market price of our Class A common stock to decline." Accordingly, our Run-Rate Revenue as of any measurement date is not indicative of historical revenue and may not be indicative of our revenue for any future period.

The determination of the number of customers with $100,000 or more of revenue on a TTM basis is based on our internal records and involves judgment, including in determining which accounts should be aggregated and treated as belonging to the same organization. We apply our most current customer records in calculating this metric, and our determination of which accounts belong to a single organization may change over time, including as a result of acquisitions and account consolidations. We do not separately define or internally track a category of "enterprise" customers, and our customers are not segmented or measured internally by reference to whether a given customer is an "enterprise." Because spending $100,000 or more on our products is generally characteristic of organizational rather than individual usage, we use the number of and revenue from customers with $100,000 or more of revenue on a TTM basis as our measure of enterprise adoption and engagement with Claude throughout this prospectus, including in references to "enterprise customers" and "enterprise adoption." As a result, this measure may not precisely correspond to the population of organizations that would otherwise be characterized as enterprises, and may over- or understate that population.

Certain success rates and similar AI performance metrics with respect to Claude referenced in this prospectus are measured using internal benchmarks developed and maintained by us. These benchmarks reflect our proprietary testing methodology and are based on tasks, datasets, and evaluation criteria selected by us. Performance results derived from these internal benchmarks may not be replicable by customers, researchers, or other third parties who evaluate our models using different tasks, datasets, evaluation criteria, or computing environments. Accordingly, such metrics may differ materially from performance outcomes experienced by any particular customer or user in their specific deployment environment or use case, and should not be relied upon as indicative of the results any customer or user will achieve. Because AI performance benchmarking methodologies vary significantly across developers, such performance metrics as we measure them may also not be comparable to similarly titled or analogous metrics reported by other AI developers, and direct comparison of such metrics across companies may be misleading.

Investors should consider these metrics in light of the assumptions and processes used in calculating such metrics and the limitations as a result thereof. In addition, our internal systems and tools have a number of limitations, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. Further, certain of our operating metrics are based in part on data reported to us by our third-party partners. If the internal systems and tools we use to track these metrics or the data reported to us by our third-party partners undercount or overcount performance, or contain algorithmic or other technical errors, the data we report may not be accurate. While our operating metrics are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in these measurements. We may also refine or change our methodology for tracking certain operating metrics from time to time, to the extent practicable, including to improve overall accuracy and alignment with management's view of business and operating performance and as a result of acquisitions. Any of these updates may result in changes in certain business and operating trends and may impact comparability of these metrics across periods. Investors should not place undue reliance on these metrics as an indicator of our future or expected results. Moreover, these metrics may differ from similarly titled metrics presented by other companies and may not be comparable to such other metrics. See the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" for more information regarding our operating metrics.

Our business is subject to an evolving and uncertain regulatory and political environment, which could increase our costs, restrict our operations, or adversely affect demand for our models, platform, and applications.

The development, deployment, and use of AI technologies are subject to rapidly evolving and increasingly complex laws, regulations, and governmental scrutiny across multiple jurisdictions. Governments and regulatory authorities in the United States and in other countries in which we operate or distribute our models, platform, and applications have proposed, enacted, or are considering legislation, regulations, and guidance relating to AI model development and deployment, data usage and privacy, transparency, safety, consumer protection, content generation, intellectual property, cybersecurity, export controls, and competition. For example, the EU AI Regulation 2024/1689 ("EU AI Act"), which came into force in August 2024 and will become fully applicable following a transitional period, imposes a range of obligations on AI systems and general-purpose AI models placed on the market or put into service in the EU, including transparency, risk management, and governance requirements, and provides for significant penalties for non-compliance. In the United States, the regulatory framework for AI remains fragmented and uncertain, with evolving federal policy initiatives, continued debate regarding the scope and durability of executive actions, and a growing number of state-level laws and proposals addressing the development and use of AI. For example, several U.S. states,

including New York and California, have passed AI safety laws. More generally, proposed legislation in the United States contemplates more expansive governmental oversight of AI, including potential nationalization, mandatory shutdown or discontinuation requirements for frontier AI systems, or other strategic measures to prevent or manage the development of artificial superintelligence. Further, in June 2026, the U.S. federal government issued an executive order establishing a voluntary framework for developers of frontier AI models to engage with the government prior to the deployment of such AI technologies, directing federal agencies to strengthen cyber defenses, and prioritizing enforcement against criminal misuse of AI; although that framework is voluntary and does not establish a mandatory governmental licensing, preclearance, or permitting requirement for the development or deployment of AI models, it reflects increasing federal attention to the national security implications of frontier AI and the order may be followed by further executive or legislative action. If executive or legislative action of this nature were enacted to regulate AI technologies, it could constrain how we operate our business.

We have also advocated, and expect to continue to advocate, for regulation and oversight of frontier AI, including industry-wide standards primarily relevant to the use of AI to accelerate AI development, so that AI capabilities do not advance faster than the safety, alignment, and security practices needed to support them, and we have proposed working with the U.S. government and other frontier AI developers to establish safety standards. Regulatory or other measures of the kind we advocate, if adopted, would apply to us and could increase our compliance burdens, limit our product development or deployment flexibility, affect how and when we develop or release new models, or otherwise slow our growth. The effect that any such measures would have on the rate at which AI capabilities advance, and on our business, is uncertain and would depend on the specific requirements adopted and on the extent to which safety, alignment, and security practices advance together with model capabilities. There is no assurance that policymakers will adopt the approaches we support, and our advocacy has in the past drawn, and may continue to draw, criticism, heightened scrutiny, or other challenges.

Regulatory approaches to AI also vary significantly by geography and may be influenced by local political, economic, social, or environmental considerations. In some jurisdictions, public concern regarding the potential displacement of labor by AI systems, the perceived societal impacts of automation, or the environmental footprint associated with AI development and deployment, has led, or could lead, to restrictive legislation or other governmental actions. In particular, to the extent the rate of job displacement rapidly increases due to the adoption of AI or for related reasons, whether actual or perceived, governments or other regulatory authorities may intervene to slow the rate of adoption of AI, restrict its use, or take other actions that increase the cost of developing, deploying, or commercializing AI systems. Even in the absence of any legal or regulatory requirements, we may from time to time voluntarily elect to take actions intended to ameliorate the impact of such displacement. Any such actions would represent additional costs and expenditures for which we may not receive a corresponding commercial benefit, and there can be no assurance that any such actions would be effective in reducing displacement-related harms or in mitigating the associated reputational, regulatory, or political risks.

Increasingly restrictive AI regulation in the United States and other Western jurisdictions could enable competitors operating in less regulated environments to innovate, scale, and deploy AI technologies more rapidly, potentially allowing such competitors to become more advanced and pose greater competitive or strategic threats over time. In particular, increasing strategic competition between the United States and China in AI development may lead to divergent regulatory approaches, with the potential for the United States to impose restrictions on AI companies' interactions with Chinese entities or markets, and for China to impose reciprocal measures that limit access to or demand for U.S.-origin AI models, platforms, and applications.

As a result of these and other regulatory developments, our business could be subject to a wide range of regulatory limitations, obligations, or restrictions, including, among other things:

- limitations, conditions, or prohibitions on certain AI use cases, applications, or deployment contexts;
- requirements to modify, restrict, delay, or withdraw specific models, features, or functionalities in particular markets or for specific customers; for example, in early 2026, the U.S. Department of War suggested it could invoke the Defense Production Act to compel us to remove the limitations we have placed on the use of our models for autonomous weapons and mass surveillance;
- heightened transparency, documentation, auditing, governance, or human-oversight obligations;
- restrictions on the collection, use, transfer, localization, or retention of data used to train or operate AI systems, based on intellectual property, privacy, or other frameworks;
- mandated safety, risk-management, or evaluation frameworks, certifications, or approvals, including requirements for independent, third-party review or approval prior to model development, training, or release; for example, in September 2026, a state attorney general asked a court, in pending litigation alleging harm to minors, to enjoin an AI company from developing new AI models without independent, third-party guardrails and approval;
- restrictions on data center development or expansion, including permitting, zoning, or limits on energy or water usage;
- heightened energy efficiency, sustainability, or environmental compliance requirements;
- limitations on cross-border deployment, access, or commercialization of AI models, including through export controls, national security determinations, or other governmental measures that could restrict our ability to sell our models, platform, and applications in certain markets or to certain customers; for example, in June 2026, the U.S. Department of Commerce imposed worldwide export restrictions on our Fable 5 and Mythos 5 models, which were subsequently lifted after we updated our safeguards, and other models may be subject to these or similar export restrictions in the future; for more information, see the section titled "—Governmental trade controls, including export and import controls, sanctions,

customs requirements, and related regimes, could subject us to liability or loss of contracting privileges or limit our ability to compete in certain markets";

- AI-specific taxes, fees, reporting obligations, or other financial burdens; or
- outright bans or moratoriums on activities material to our business or the businesses of our customers and partners.

Because AI regulation is developing rapidly and in a fragmented manner, including as a result of political considerations, public sentiment, and geopolitical dynamics, we will not be able to fully anticipate how existing laws will be interpreted or enforced, how new legal frameworks will evolve, or whether regulatory regimes across jurisdictions will converge or diverge over time. Compliance with new or changing requirements may require substantial investment in research and development, compliance systems, operational processes, or localized offerings, and we may need to adjust or limit our activities in certain jurisdictions to address conflicting or inconsistent legal obligations. In addition, regulatory actions affecting our customers or partners, including restrictions on their ability to develop, deploy, or commercialize AI-enabled models, platforms, or applications, could indirectly reduce demand for our models, platform, and applications. Any failure, or perceived failure, to comply with applicable laws and regulations, or any significant increase in the cost or

complexity of compliance, could result in litigation, enforcement actions, penalties, reputational harm, delayed or reduced adoption of our offerings, or other adverse effects on our business, financial condition, and results of operations.

Additionally, as AI systems become more sophisticated, emerging debates regarding whether AI systems possess or could develop forms of sentience or moral status may lead to regulatory requirements, public pressure, or advocacy efforts that could constrain how we develop, train, deploy, or modify our models, increase our costs, or affect our reputation, regardless of the ultimate resolution of these philosophical and scientific questions. In addition, given our focus on developing frontier AI, and the way we approach model sentience and moral status, we may face heightened scrutiny or pressure in connection with these debates and could elect to adopt policies, safeguards, or limitations regarding model development, deployment, or modification that go beyond existing legal requirements, which could constrain our operations, increase costs, or limit the commercial potential of our models, platform, and applications. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

Our sales to government entities and highly regulated organizations are subject to challenges and risks.

Our customers include U.S. and non-U.S. government agencies. Revenue from government agency contracts represented, in aggregate, less than 2% of our revenue in each of the periods presented in this prospectus; however, the risks described below, including the governmental actions described in this risk factor, are not limited to revenue generated directly from government agencies and could affect our relationships with commercial customers and partners. Sales to government agencies involve additional risks, including, but not limited to:

- changes in government fiscal or procurement policies, or decreases in government funding available for procurement of goods and services generally, or for our federal government contracts specifically;
- changes in government programs or applicable requirements;
- our ability to agree on commercial terms with government entities, including with respect to the permitted use of our models, platform, and applications;
- restrictions in the grant of personnel security clearances to our employees;
- our ability to maintain facility clearances required to perform on classified contracts for U.S. government and non-U.S. government agencies, as applicable;
- changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding;
- changes in the government's attitude towards us as a company or our technology;
- appeals, disputes, or litigation relating to government procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts to us or our partners by the government;
- the adoption of new laws or regulations or changes to existing laws or regulations;
- budgetary constraints, reductions in government spending, operating under continuing resolutions, disruptions from government shutdowns, or similar measures and constraints imposed by any lapses in appropriations for the federal government or certain of its departments and agencies;
- influence by, or competition from, third parties with respect to pending, new, or existing contracts with government customers;
- changes in legal obligations or political or social attitudes with respect to security or privacy issues;

- potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns; and
- increased or unexpected costs or unanticipated delays caused by other factors outside of our control.

Any such event or activity, among others, could cause governments and government agencies to delay, pause, or cancel contracts or seek to modify their contracts, or refrain from entering into contracts with us or purchasing our models, platform, and applications in the future, undermine our ability to pursue future contracts, damage our relationships with partners and customers who also sell models, platforms, or applications to governments, or reduce the size or timing of payment with respect to our services to or purchases from existing or new government customers. Any of the foregoing could have an adverse effect on our prospects, business, financial condition, and results of operations.

For example, in February 2026, in response to our publicly stated position that our technology should not be used for mass domestic surveillance or fully autonomous weapons, the President of the United States stated that he had directed that all federal executive agencies cease using our technology. At the same time, the Secretary of War directed the Department of War to designate us as a "supply-chain risk to national security" and stated that "effective immediately, no contractor, supplier, or partner that does business with the United States military may conduct any commercial activity" with us. On March 4, 2026, the Department of War sent us two letters—one pursuant to 10 U.S.C. § 3252 and the other pursuant to Section 4713 of the Federal Acquisition Supply Chain Security Act ("FASCSA")—asserting that our models, platform, and applications present a supply-chain risk. These actions referenced above are defined herein as "Challenged Actions." We vigorously challenged these Challenged Actions in *Anthropic PBC v. Department of War, et al.* (N.D. Cal.) and *Anthropic PBC v. Department of War, et al.* (D.C. Cir.). After first obtaining an order from the United States District Court for the Northern District of California that preliminarily enjoined the Department of War's directive and Section 3252 supply-chain risk designation of us and preliminarily enjoined the other defendant agencies from implementing the Presidential directive until final resolution of the lawsuit, we subsequently, on August 27, 2026, obtained an order from the United States District Court for the Northern District of California that largely granted summary judgment in our favor. The court ruled that the Challenged Actions were retaliatory acts meant to punish us for speech protected under the First Amendment to the United States Constitution and violated our rights under the Due Process Clause of the Fifth Amendment to the United States Constitution. The court also held that the Secretary of War's actions, particularly with respect to 10 U.S.C. § 3252, violated the Administrative Procedure Act because they were in excess of statutory authority, contrary to law, and arbitrary and capricious. The court entered final judgment largely in our favor. The defendants filed a notice of appeal of the preliminary injunction. The D.C. Circuit Court of Appeals, however, denied our motion to stay the Secretary of War's Section 4713 designation of us as a supply-chain risk pending review on the merits. On September 25, 2026, in a 2-1 split decision, the D.C. Circuit Court of Appeals denied our petition for review, ruling that the Department of War's Section 4713 supply-chain risk designation was proper, and that our rights under the First Amendment and Due Process Clause of the Fifth Amendment were not violated. We filed a petition for rehearing en banc asking the full D.C. Circuit to review the panel's decision. We cannot predict the ultimate outcome of these lawsuits. While we continue to work with government agencies, we cannot be certain that the resolution of these lawsuits will not adversely affect our ability to sell to government agencies and other customers that sell products and services to the U.S. government, and in turn adversely affect our business, financial condition, and results of operations.

Further, in June 2026, the U.S. Department of Commerce imposed worldwide export restrictions on our Fable 5 and Mythos 5 models, which we disabled for all customers until those restrictions were lifted, as described in the section titled "—Governmental trade controls, including export and import controls, sanctions, customs requirements, and related regimes, could subject us to liability or loss of contracting privileges or limit our ability to compete in certain markets." Similar restrictions could be imposed again in the future.

Each of the foregoing may result in significant reputational harm, including adverse media coverage, public scrutiny, and negative perceptions among existing and prospective customers, partners, employees, and investors, regardless of the ultimate outcome of the litigation. Such perceptions may lead customers, including commercial enterprises and international customers, to delay or forgo purchasing our models, platform, and applications, or to impose additional diligence, contractual restrictions, or termination rights in connection with engagements with us. Further, these developments may create uncertainty in the broader market regarding our long-term ability to operate in certain sectors, which could result in increased volatility in

demand for our models, platform, and applications, reduced willingness of counterparties to enter into long-term or strategic arrangements with us, and fluctuations in investor sentiment, any of which could adversely affect our business, financial condition, and results of operations.

The bidding process for government contracts can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate revenue. Government agencies often undertake a significant evaluation process that results in a lengthy sales cycle. Some contracts with government agencies are structured in phases or include options, where each phase is subject to satisfaction of certain conditions and where the exercise of options is discretionary. As a result, the actual scope of work performed pursuant to any such contracts, in addition to related contract revenue, could be less than total contract value. In addition, product purchases by such organizations are frequently subject to budget constraints, multiple approvals, and unanticipated administrative, processing, and other delays. All of these factors can add further risk to business conducted with these customers and could lead to lower revenue results than originally anticipated.

We also must comply with both local and international laws and regulations relating to the formation, administration, and performance of contracts. Contracts with government agencies are subject to extensive, evolving, and sometimes complex regulations which provide public sector customers rights, many of which are not typically found in commercial contracts. For example, government contracts generally include the ability of government agencies to terminate for convenience, which, if exercised, would result in a lower contract value and lower-than-anticipated revenue generated by such arrangement. Any changes to the government regulations applicable to government contracts could affect our ability to enter into, or the profitability of, contracts with government entities.

Our subsidiary, Anthropic Public Institutions, LLC, is required to maintain a facility security clearance to perform on classified contracts for the U.S. federal government and must comply with National Industrial Security Program requirements. Failure to comply with these requirements may result in Anthropic Public Institutions, LLC's facility clearance being revoked. To the extent Anthropic Public Institutions, LLC, is not able to maintain its facility security clearance, we may not be able to bid on or win new classified contracts, and existing contracts requiring a facility security clearance could be terminated, either of which could have an adverse impact on our business, financial condition, and results of operations.

Contracts with government agencies are also subject to audits and reviews of contractors' administrative processes and other contract-related compliance obligations. Breaches of government contracts, failure to comply with applicable regulations, failure to obtain and maintain required facility and/or security clearances, or unfavorable findings from government audits or reviews could result in contract terminations, reputational harm, or other adverse consequences, including ineligibility to sell to government agencies in the future, government refusal to continue buying our subscriptions, or fines or civil or criminal liability, which could adversely affect our results of operations.

Our reliance on a limited number of CSPs and suppliers, some of which have strategic and investment relationships with us and are our customers, creates complex dynamics that could give rise to conflicts of interest and adversely affect our access to compute.

We rely on a limited number of CSPs—Amazon.com, Inc. (together with its affiliates, "Amazon"), Google, and Microsoft Corporation ("Microsoft")—and suppliers, such as Broadcom, for compute and critical components of our compute infrastructure. These relationships are governed by contractual arrangements that, while providing us with significant committed compute, also create dependencies and potential vulnerabilities. These CSPs may experience service outages, security incidents, or capacity constraints that affect our operations. The terms of our arrangements, including pricing, compute commitments, and service levels, are subject to negotiation upon renewal, and we may be unable to secure renewals on terms as favorable as our current arrangements. Migrating workloads to alternative providers would be costly, time-consuming, and operationally complex, and may not be feasible within timeframes that would avoid material disruption to our model development roadmap or our ability to serve customers. The engineering investment required to maintain the performance of our unified compute platform across new hardware environments means that any such migration could degrade our compute efficiency, increasing the compute and infrastructure costs required to support a given level of business activity during and following any such migration period.

Our relationships with these CSPs are multifaceted and complex. Amazon, Google, and Microsoft, through their respective affiliates, have made significant equity investments in our company. At the same time, they may have made, and may in the future make, equity investments in, provide financing to, or otherwise support companies whose models, platforms, or applications compete with ours. These CSPs are also our customers, purchasing our intelligence service for internal use or for their own products and services. Their purchasing decisions may be influenced by their own competing offerings, which could affect their demand for our intelligence service. Additionally, Amazon, Google, and Microsoft are among the largest technology companies in the world, each with substantial AI research and development programs, AI-powered models, platforms, and applications that compete with ours, and strategic interests that may not be fully aligned with our own. Amazon, Google, and Microsoft each offer AI services and develop and deploy competing AI models through their respective cloud platforms. We make certain of our models available through these cloud platforms, and our distribution relationships with Amazon, Google, and Microsoft generate revenue for us, but they also create dependencies, give them visibility into our pricing and commercial terms across the platforms they operate, and may influence their incentives regarding pricing, compute allocation, service quality, sales prioritization, and compensation structures. To the extent these CSPs promote, integrate, prioritize, or provide customer access to our models, platform, and applications on terms that are less favorable than those applicable to their own competing offerings or to the offerings of other companies, including with respect to pricing, commercial terms, product placement, integration, or access to compute or sales incentives, our competitive position, customer adoption, and business results could be adversely affected.

Our relationships with our strategic partners—whether with these CSPs, which simultaneously serve as our investors, customers, distribution partners, and competitors, or with Broadcom, which simultaneously serves as a supplier and lessor—create potential conflicts of interest that are difficult to fully anticipate or mitigate. These CSPs may prioritize their own compute needs or those of their other customers, including competitors in which they have invested, may gain insight into our operations and compute requirements through their roles as providers that could inform their competitive strategies, or may make business decisions regarding their platforms that disadvantage our models, platform, and applications relative to their own offerings or the offerings of other companies they support. Similarly, Broadcom may prioritize the supply of AI accelerators and infrastructure capacity to other customers, alter the terms of our equipment lease or the operation of our dedicated facilities, or make decisions regarding the availability or pricing of hardware that adversely affect our access to the compute infrastructure it provides. Any deterioration in these relationships, or any decision by Amazon, Google, Microsoft, or Broadcom to reduce their support for our models, platform, and applications or limit our access to compute, could adversely affect our business. In addition, such relationships, including any exclusive or preferential arrangements, investment ties, bundling of services, or cooperative initiatives, have attracted and may in the future attract antitrust or competition law scrutiny from regulators and private plaintiffs in the United States or non-U.S. jurisdictions, and any resulting investigations, enforcement actions, or required modifications to our business arrangements could be costly, distracting, and harmful to our

business.

If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

We are pursuing initiatives to develop our own data center infrastructure, which involves significant capital commitments, operational complexities, and execution risks that could adversely affect our business, financial condition, and results of operations.

To help reduce our dependence on CSPs, address constraints on available compute, and secure access to compute at the scale necessary for frontier model development, we are pursuing initiatives to develop our own dedicated on-premise data center infrastructure. These efforts include long-term leases and partnerships with third-party partners to procure the underlying real estate, power, and data center facilities while we lease capacity in those facilities and contract with specialized third-party operators for ongoing facility management. We also procure certain compute and infrastructure equipment directly and operate it in dedicated data center facilities leased and operated on our behalf, to our specification. For example, under the 2026 Lease Arrangement, the rent payments over the five-year equipment lease are equal to an aggregate of approximately $125.2 billion excluding interest, with rent payable in quarterly installments and payment obligations typically commencing upon AI infrastructure equipment becoming "ready for service" at the applicable data center facility. The 2026 Lease Arrangement is non-cancelable by the parties to such agreement during the applicable

lease period except in the case of a default. In addition, we deposited cash into a restricted account in April 2026 for the benefit of Broadcom to secure compute capacity, which amount may be released or applied toward obligations under the lease depending on the satisfaction of specified conditions. Under certain circumstances, we may be required to place additional cash into this restricted account for future amounts due under the 2026 Lease Arrangement. Upon the occurrence of certain uncured events of default, such as certain payment or performance failures pursuant to the terms of the 2026 Lease Arrangement, a substantial portion of our obligations under the 2026 Lease Arrangement would be accelerated and, while we have access to multiple sources of capital and are not dependent on the potential financing capacity provided in the Infrastructure Partner 2026 NPA that we entered into in connection with the 2026 Lease Arrangement, we may not be permitted to elect to issue the convertible promissory notes under the Infrastructure Partner 2026 NPA to finance such obligations. Furthermore, we may in the future continue to directly procure such data center infrastructure and we may also undertake other efforts to build out our own compute and infrastructure and invest more deeply in the compute supply chain, which could result in significantly higher upfront costs and adversely affect our financial condition and results of operations. For more information about such lease arrangements, see the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations" and "—If our actual compute requirements differ materially from our projections, we may fail to secure sufficient compute to meet our needs or we may be committed to excess compute that remains underutilized." We have limited experience in managing such data center infrastructure projects at scale. Successfully executing on these data center infrastructure initiatives requires us to recruit personnel with relevant experience and manage complex multi-year deployment timelines and relationships with developers, contractors, and service providers.

As we continue to build out our own compute and infrastructure and further vertically integrate across the compute supply chain, these multi-party structures will become more prevalent and will expose us to a structural timing and liquidity risk in our payment obligations that differs from our historical compute arrangements. Historically, we have generally obtained compute from a limited number of CSPs under arrangements in which our compute and infrastructure expenses are paid as compute becomes available to us. In the future, we expect we will increasingly enter into separate arrangements with a greater number of different counterparties, each responsible for discrete services or inputs across the compute supply chain. Under many of these arrangements, we may be obligated to pay a counterparty once it performs its discrete obligation, even if delays or failures by others prevent us from assembling those discrete services or inputs into usable compute we can deploy to generate revenue. In addition, counterparties may deliver their services or inputs later than scheduled, or may fail to deliver them at all, and any such delay or non-delivery by a single counterparty could postpone or prevent our deployment of the associated compute. As a result, we could incur significant cash outflows without obtaining usable compute on a timely basis, which could adversely affect our liquidity, financial condition, and results of operations.

Certain of our data center infrastructure arrangements involve complex multi-party structures in which chips are procured from or through our CSPs, leased to us by third-party financing entities, installed in data center facilities procured by or through other third-party partners, and operated by yet another set of third-party service providers. The complexity of these arrangements increases execution risk, as delays or failures by any participant in the chain could affect the availability or performance of the resulting compute.

In addition, to meet the substantial energy demands of large-scale AI workloads, we have entered into, and may in the future enter into, arrangements involving dedicated power generation assets and/or the development, operation, or control of power stations or other energy infrastructure. Such arrangements expose us to new operational, regulatory, and environmental liabilities, and require expertise and capabilities that differ from our core competencies. Successfully executing on these power infrastructure projects requires us to recruit personnel with relevant experience and manage complex multi-year deployment timelines and relationships with developers, contractors, service providers, and regulators, including aligning project completion schedules with the data centers such projects are expected to serve in order to avoid timing delays that constrain our ability to utilize this compute and to generate revenue and recoup costs from such investments.

Deployment of our data center and power infrastructure projects involves execution risks, including delays due to permitting issues, change in law, force majeure, lack of network connectivity between facilities, supply chain disruptions, labor shortages, or contractor performance; cost overruns due to equipment pricing changes, design modifications, or unanticipated requirements; and technical risks that facilities may not perform as

specified or achieve expected reliability or efficiency levels. Certain of our arrangements are also subject to conditions precedent that must be satisfied before construction can commence, and completion guarantees that may terminate upon a lender foreclosure before construction is complete, leaving us without contractual recourse to compel completion. Certain of these arrangements also depend on the continued performance of credit support provided by a third party that is also a competitor, the loss or impairment of which could jeopardize the underlying arrangements. Such credit support provided to third-party data center developers or hardware providers, from which we derive no direct contractual rights or obligations, may also affect the availability and cost of data center capacity and hardware generally. Additionally, new tariffs or import fees enacted after the effective date of certain arrangements may be passed through to us as additional costs. Any delay in or limitation on the amount of compute delivered to us could adversely affect our business.

The capital-intensive and long-term nature of leasing and equipping data center capacity creates financial risk, as large upfront investments and long-term payment commitments must be made months before facilities become fully operational. If our compute requirements or technology needs change, we may find ourselves with leased or dedicated infrastructure that is poorly suited to our actual needs, and technological changes in AI hardware or training methodologies could render such infrastructure less efficient than newer alternatives. Unlike CSP arrangements where compute can be adjusted relatively dynamically, long-term leases, reserved compute, and dedicated infrastructure investments are much less flexible and create long-term financial obligations regardless of whether the capacity continues to meet our needs. For example, certain of our dedicated power and data center infrastructure arrangements have initial terms of 20 years with annual escalators and include take-or-pay compute payment obligations and uncapped fuel cost pass-throughs that apply for the duration of the term regardless of actual utilization.

Our increasing efforts to build out our compute and infrastructure require substantial capital expenditures and are changing the cash flow profile of our business. Whereas the compute purchased through our CSP arrangements is generally paid as the compute becomes available to us, we expect an increasing portion of our compute and infrastructure investment to take the form of capital expenditures and other commitments, including lease obligations, that require significant upfront payments well in advance of the related compute becoming operational. Our existing commitments are substantial, and we expect our capital expenditures to increase significantly as we continue to expand our compute and infrastructure build-out. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for more information. As a result, we expect these investments to result in significant net cash used in operating and investing activities for the foreseeable future, and our net cash used in these activities may increase regardless of whether our financial performance improves. The magnitude and timing of these investments are inherently uncertain and may change materially over short periods, including as a result of decisions to accelerate or expand our build-out, and such changes could rapidly and significantly alter our expected results of operations and cash flows for a given period. If our cash flows from operations and available capital are insufficient to fund these investments, we may be required to raise additional capital on unfavorable terms or to reduce, defer, or forgo planned investments, any of which could adversely affect our business, financial condition, and results of operations.

If we are unable to successfully execute on our data center infrastructure initiatives, experience significant delays or cost overruns, or find that the infrastructure we lease, deploy, or build does not meet our evolving needs, we may not realize the expected benefits of these investments, which could adversely affect our business, financial condition, and results of operations.

We may not successfully build, expand, and deploy our sales and marketing organization in a timely manner, or we may not successfully hire, retain, train, and motivate our sales personnel.

We have grown, and will continue to grow, our direct sales force. Whether we are able to increase our sales to existing customers, identify and engage new customers, and enter new U.S. and non-U.S. markets, each with a focus on broadening use of our models, platform, and applications across departments and entire organizations, will depend, among other things, on our ability to successfully test new market segments and customer types, validate product-market fit through early customer engagement, timely and effectively scale our sales motions, and adapt quickly when market conditions change. We have limited experience building, managing, and scaling a direct sales force. We have dedicated and plan to continue to dedicate significant resources to sales and marketing programs and to expand our sales and marketing capabilities to target

potential customers and achieve broader market adoption of our models, platform, and applications, but there is no guarantee that we will be successful in attracting and maintaining additional customers. Moreover, identifying, recruiting, training, and managing sales personnel requires significant time, expense, and attention, including from our senior management and other key personnel, as there is significant competition for sales personnel with the skills and technical knowledge that we require, including the ability to understand and communicate complex and evolving AI use cases, regulatory considerations, customer risk sensitivities, and rapidly changing product capabilities. These challenges are particularly acute for international expansion, which requires qualified personnel with international experience, language skills, cultural competencies in the geographic markets which we target, and an aligned mission-oriented culture. If we are unable to successfully manage the foregoing risks, our prospects, business, financial condition, and results of operations could be adversely affected.

We periodically make adjustments to our sales and marketing organization in response to market opportunities, product introductions or enhancements, acquisitions, and other internal and external considerations. Any future sales and marketing organization changes may result in a temporary reduction of productivity, which could negatively affect our rate of growth. In addition, any significant change to the way we structure and implement the compensation of our sales and marketing organization may be disruptive or may not be effective and may adversely affect our revenue growth. If we are unable to attract, hire, develop, retain, and motivate qualified sales and marketing personnel, if our new sales personnel are unable to achieve sufficient sales productivity levels in a reasonable period of time or at all, if our marketing programs are not effective, or if we are unable to effectively build, expand, and manage our sales organization and operations, our sales and revenue may grow more slowly than expected or decline, and our prospects, business, financial condition, and results of operations could be adversely affected.

We have a limited history under our current go-to-market strategy, and our efforts to scale and evolve our customer acquisition, engagement, and retention model may not be successful.

We have a limited history selling consumption-based access and subscriptions to our models, platform, and applications under our current business model, and we are continuing to scale our operations and go-to-market strategy. Our future success depends in part on our ability to continue attracting, onboarding, expanding, and retaining customers under this model, including determining whether, when, and how to target, develop, and deepen relationships with individual customers over time. Scaling our operations, including hiring, training, and retaining additional sales, sales engineering, and customer-facing personnel, and evolving our go-to-market strategy may take more time and require more effort than anticipated, and the results of these efforts are difficult to predict. Our business and operating models have not been fully proven, and our limited history with our current approach makes it difficult to evaluate our prospects, plan for future growth, and forecast our results of operations.

In addition, our strategy and customer mix expose us to competitive and execution risks as the AI market continues to evolve. We have organized our research priorities, our product roadmap, and our go-to-market and Applied AI teams around enterprise use cases, and much of the diffusion of Claude to date has been organic—driven by individual users, including software developers and prosumers, who adopt Claude and often serve as internal champions for its broader adoption within their organizations—rather than by a large direct sales organization. This approach has allowed us to scale with a smaller team relative to other large enterprise technology companies, but it assumes that our applications and distribution will be sufficient to deliver the capabilities of our models to customers and that individual adoption will continue to translate into organizational adoption and expansion. Companies with stronger consumer-facing businesses, larger consumer user bases, more established brands, broader distribution, or deeper customer relationships may choose to increase their focus on enterprise customers or enterprise use cases and could leverage their scale, resources, and market presence to compete more effectively with us. In particular, if such competitors capture the individual users from whom our enterprise adoption often originates, whether through their consumer applications, by integrating AI functionality into products those users already use, or otherwise, our pipeline of enterprise opportunities could be reduced in ways that a direct sales organization of our current scale may not be able to offset. Building a substantially larger sales organization, or shifting investment toward consumer and application-layer products to compete for those users, would require significant time and resources beyond our current plans and would involve the tradeoffs described in the section titled "—We face intense competition, and if we are unable to compete effectively, our business, financial condition, and results of operations could be

adversely affected." Because we have a limited operating history with our current business model and go-to-market strategy, we have less experience predicting customer adoption, expansion, and retention patterns, and customers may be slower than expected to adopt our models, platform, and applications or expand usage. Any failure to successfully scale our operations or effectively execute on and refine our go-to-market strategy could adversely affect our business, financial condition, and results of operations.

Sales to enterprise customers involve complexities and risks that could adversely affect our business, financial condition, and results of operations.

We derive a large portion of our revenue from sales to enterprise customers. Our ability to attract, retain, and expand relationships with enterprise customers depends in significant part on our ability to meet their generally heightened operational, technical, security, reliability, and compliance requirements. Enterprises typically expect high levels of system uptime, performance consistency, data security, auditability, internal controls, and scalability, as well as robust support and service levels. These requirements may be heightened for our agentic offerings, where enterprise customers may require detailed logs of each action taken by an autonomous agent within their environment, including the agent's reasoning, tool invocations, and interactions with external systems. Any inability on our part to provide such logs at the level of granularity customers require could limit adoption of our agentic offerings by enterprises or result in customer attrition. If we are unable to deliver models, platforms, and applications that satisfy these enterprise-grade requirements, or if we experience outages, performance degradation, security incidents, or other operational failures, our ability to retain and expand with enterprise customers could be adversely affected. In particular, as we deploy our Virtual Collaborators, like Claude Code and Claude Cowork, within enterprise environments, these systems will require broad permissions and deep integrations with customers' internal tools, data, and workflows in order to operate effectively. The scope of access required for extended autonomous operation within enterprise environments increases the potential consequences of any security incident, unauthorized action, or system error, and customers may be reluctant to grant the level of access necessary for these systems to operate as designed if they are unable to satisfy themselves regarding the security, reliability, and controllability of such systems.

Our sales efforts targeted at enterprise customers also involve risks and challenges that may not be present, or that are present to a lesser extent, with sales to individuals or smaller organizations. These customers typically have longer decision-making cycles, require greater security, functionality, and scalability, expect a broader range of services, demand that providers take on a larger share of risks, require higher levels of customer service and support, and expect greater payment flexibility from vendors. We are often required to spend significant time and resources to familiarize potential customers with the value proposition of our models, platform, and applications, and this process can take substantially longer with enterprise customers.

Enterprises may also require extensive customization, integration support, and vendor evaluations and demand more features than we currently offer or than we can deliver within their expected timeframes, including enterprise-grade functionality such as audit logs, compliance features, security controls, and monitoring tools, which may require us to make additional investments in product development or services capabilities, before committing to a purchase. As a result of these factors, sales opportunities with enterprises require us to devote greater sales and administrative support and professional services resources to each such enterprise customer, which increases our costs, lengthens our sales cycle, and diverts our sales and customer service resources to a smaller number of enterprise customers. We may spend substantial time, effort, and money in our sales efforts without successfully producing any sales. In addition, many enterprise customers procure and deploy our models, platform, and applications through third-party CSP marketplaces, which can introduce additional complexity into the sales and deployment process, including reliance on the CSPs' procurement, security, and billing workflows and coordination with multiple counterparties. As a result, our ability to attract, retain, and expand relationships with enterprise customers may also depend in part on factors outside of our direct control, including the policies, priorities, and operational requirements of such CSPs.

A number of factors influence the length and variability of our sales cycle. The need to educate potential customers about the uses and benefits of our models, platform, and applications, the discretionary nature of purchasing and budget cycles, competitive evaluation and purchasing approval processes, procurement requirements, legal review of contract terms, and internal budget authorization procedures all contribute to sales cycle variability. The length of our sales cycle, from identification of the opportunity to deal closure, may vary significantly from customer to customer. Sales to enterprises typically take longer to complete than sales to individuals or smaller organizations.

A meaningful portion of our revenue is attributable to a relatively small number of such enterprise customer relationships, which increases the variability of our financial results. Our revenue in any given quarter could be substantially affected if these customers decide to significantly reduce their spend.

Enterprises may have deep existing relationships with our competitors for models, platforms, and applications we do not offer, or relationships with others in the ecosystem, which may delay our sales process or cause us to not succeed with such enterprises.

Enterprise customers are particularly sensitive to our ability to maintain the uptime of our models, platform, and applications, and any degradation in uptime could adversely affect our ability to retain and expand with our enterprise customers. Sustaining the uptime, performance, and scale that enterprise customers expect can place additional demands on our overall compute, and any failure of our capacity management systems to direct sufficient compute to support such demands could adversely affect our ability to serve all workloads. For more information about the foregoing, see the section titled "—If we fail to manage our technical operations infrastructure, or experience service outages, interruptions, or delays in the deployment of our models, platform, and applications, our results of operations may be adversely affected."

Our sales strategy for these enterprise customers also depends on our ability to build and maintain an effective sales organization. If we fail to effectively manage these risks associated with sales to enterprises, our business, financial condition, and results of operations could be adversely affected. For additional discussion of our personnel-related risks, see the section titled "—We may not successfully build, expand, and deploy our sales and marketing organization in a timely manner, or we may not successfully hire, retain, train, and motivate our sales personnel."

If our marketing strategies, such as our free trials and free tiers, fail to generate the benefits we expect, or if their costs exceed those benefits, our ability to grow our revenue could be adversely affected.

A portion of our users access our models, platform, and applications through free tiers or promotional offerings, and we seek to convert these users into paying customers over time. We may not always be successful in doing so, as free users may be satisfied with the limited functionality available in free tiers, may not have budgets to support paid subscriptions, or may choose to use our free offerings indefinitely without converting to paid plans. The availability of free tiers may cannibalize potential paid subscriptions, as some users who would have otherwise paid for our services may instead rely exclusively on free access. Additionally, providing free access to our models, platform, and applications involves costs, including compute and infrastructure, customer support, and other operational costs. In addition, we offer free access in significant part to build awareness of, familiarity with, and engagement with our products, and as a means of reaching individuals engaged in knowledge work outside of a business or organizational context. However, these benefits are inherently difficult to measure, free usage may not generate the awareness or advocacy we expect, and individual adoption of our products may not translate into organizational adoption or expansion. See the section titled "—We have a limited history under our current go-to-market strategy, and our efforts to scale and evolve our customer acquisition, engagement, and retention model may not be successful." If the costs of supporting free users exceed the value we derive from their eventual conversion or other benefits such as network effects and word-of-mouth referrals, our business, financial condition, and results of operations could be adversely affected.

If we fail to maintain high-quality customer support, our ability to retain and expand customers could suffer, which may adversely affect our prospects, business, financial condition, and results of operations.

Our customers rely on our customer support services to resolve issues and realize the full benefits that our models, platform, and applications provide. In order to deliver high-quality customer support and engagement, we must successfully assist our customers in deploying and continuing to use our models, platform, and applications, resolve performance issues, discover and deploy our models, platform, and applications in new use cases, provide hands-on technical implementation, customization, and solution engineering support, provide training and guidance to help customers effectively adopt and scale their use of our models, platform, and applications, address interoperability challenges, and respond to security threats and cyberattacks and performance and reliability problems that may arise from time to time. The importance of our support function will increase as we expand our business and pursue new customers. Many enterprises have complex internal

systems and require high levels of focused support to fully realize the benefits of our models, platform, and applications. If we do not help our customers quickly resolve issues and provide effective ongoing support and enablement, or a market perception develops that we do not maintain high-quality customer support and experience, our ability to maintain and expand our subscriptions to existing and new customers could suffer, particularly with respect to our enterprise customers.

In addition, our growth model depends significantly on driving deeper adoption and expanded use cases within our existing customer base. If we are unable to effectively provide support and integration efforts that enable customers to identify, deploy, and scale additional high-value use cases, demonstrate measurable return on investment, or integrate our models, platform, and applications into their core workflows, customers may limit usage, fail to renew at expected levels, or reduce their spend, which could materially slow our revenue growth.

Further, there can be no assurance that we will be able to hire sufficient support personnel as and when needed, particularly if our sales exceed our internal forecasts. We expect to continue to increase our customer base, and that growth may put additional pressure on our customer support teams, which may require additional personnel to respond to customer demand. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for services. To the extent that we are unsuccessful in hiring, training, and retaining adequate support personnel, our ability to provide high-quality and timely support to our customers will be negatively impacted, and our customers' satisfaction and their use and subscription of our models, platform, and applications could be adversely affected.

In addition, as we continue to grow our operations and reach a larger and increasingly global customer base, we need to be able to provide efficient services that meet our customers' needs globally at scale, and our customer support teams may face additional challenges, including those associated with delivering support, training, and documentation in languages other than English and providing services across expanded time zones. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

Our product and investment decisions may not prioritize short-term financial results and may not align with investor expectations or preferences, which could adversely affect the market price of our Class A common stock.

Our product and investment decisions are informed in large part by our commitment to AI safety, expanding our models, platform, and applications securely and responsibly, and providing high-quality customer support, all of which, in addition to our status as a PBC, may not necessarily maximize short-term financial results. While we generally believe that our product and investment strategy will improve our long-term financial results, we regularly make product and investment decisions that may or may be perceived to negatively impact our short-term revenue or ability to achieve and sustain profitability. For example, we have in the past delayed the release of new models or features, limited their availability, imposed usage restrictions, or constrained certain functionality until we determined that sufficient safety testing, evaluations, or mitigations were completed, such as with Mythos through Project Glasswing, which may have had a negative impact on our short-term revenue, and we may do so again in the future.

Our focus on AI safety and responsible deployment may also require us to incur significant additional costs, including increased research and development expenses, additional personnel and infrastructure, and foregone or delayed revenue opportunities relative to competitors that may prioritize speed to market, broader access, or more permissive use of their products. These decisions may reduce customer adoption, limit usage by certain customers or use cases, or make our offerings less attractive, particularly when compared to competitors that do not adopt similar constraints.

In addition, as we focus on responsibly growing our customer base and engagement across our models, platform, and applications, we may make product, pricing, or access decisions that lead to lower short-term profits or engagement compared to our competitors. Customers, partners, or investors may not agree with or fully understand these decisions and may perceive them as limiting our competitiveness or commercial potential, which could adversely affect our reputation, customer relationships, market adoption, or valuation. We cannot assure you that our long-term strategy will ultimately result in superior financial performance or that the anticipated long-term benefits of these decisions will be realized on the timeline we expect, or at all. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

Our investments in new products, technologies, and business initiatives may not produce the expected benefits and could adversely affect our business.

We regularly make decisions to invest in new products, technologies, business lines, and strategic initiatives, including in areas outside our current core offerings, and the outcomes of these investments are inherently uncertain. These initiatives often require significant upfront investments of capital, research and development resources, and management attention, and their outcomes may not achieve widespread market adoption, may not generate revenue at anticipated levels, may take longer than expected to mature, or may fail entirely. In addition, reallocating resources from our core offerings to pursue new initiatives could slow growth in existing

products, reduce operating efficiency, or weaken our competitive position if those initiatives do not succeed. If our investments in new products or business lines do not produce the long-term benefits we anticipate, our business, financial condition, results of operations, and prospects could be adversely affected.

Certain of these initiatives, including our life sciences research program, which involves operating laboratory facilities, and our research in robotics and physical AI, require us to engage in activities outside our historical experience as a software and research organization, such as handling biological and chemical materials, operating laboratory and robotic equipment, and complying with biosafety, occupational health and safety, environmental, hazardous materials, and, potentially, preclinical and clinical research regulations. These activities expose us to categories of liability, including for workplace injury and environmental contamination, that differ from those associated with our core business, and any drug candidates or other discoveries resulting from these efforts would face the lengthy, costly, and uncertain development and regulatory pathways characteristic of the life sciences industry, and may never generate revenue.

If we fail to manage our technical operations infrastructure, or experience service outages, interruptions, or delays in the deployment of our models, platform, and applications, our results of operations may be adversely affected.

Our systems and operations are subject to disruptions resulting from changes to our technology infrastructure. We have experienced, and may continue to experience, service interruptions or degraded performance due to software deployments, configuration changes, system updates, and new model introductions. These disruptions may adversely affect our ability to service customers and could result in lost revenue, customer attrition, or reputational harm. Further, our mitigation efforts and processes may be insufficient to prevent or minimize the impact of system changes on service availability, and we may lack adequate testing, rollback procedures, or monitoring capabilities to detect and remediate issues arising from system changes in a timely manner. For example, in March 2026, we experienced a service outage and periods of degraded performance resulting from a combination of factors, including a significant and rapid increase in usage demand, compute constraints in certain components of our infrastructure, and other factors. Although we have taken and continue to take steps to address these issues, including migrating to more scalable infrastructure and enhancing our operational processes, similar incidents may occur in the future.

In addition, continued growth in our customer base could place additional demands on our models, platform, and applications and could cause or exacerbate slowdowns or interrupt the availability of our models, platform, and applications. If there is a substantial increase in the volume of usage of our models, platform, and applications, we will be required to further expand and upgrade our technology and infrastructure. Any substantial increase in usage will also require increased compute. Because our compute is procured well in advance based on projected demand across all workloads, a significant acceleration in customer demand could cause aggregate capacity to fall short of the levels required to support all of our workloads concurrently at the scale we intend. If our committed compute proves insufficient, or the composition of our committed compute portfolio differs materially from our demand forecasts, we may experience service disruptions, degraded response times, or limitations on customer and user access to our models, platform, and applications, while also experiencing constraints on the compute available to support ongoing model development. There can be no assurance that we will be able to accurately project the rate or timing of increases, if any, in the use of our models, platform, and applications or expand and upgrade our systems and infrastructure to accommodate such increases on a timely basis. If our users are not able to access our models, platform, and applications or encounter slowdowns, we may lose customers or partners. In order to remain competitive, we must continue to enhance and improve the responsiveness, functionality, and features of our models, platform, and applications and the underlying compute infrastructure supporting them. Our disaster recovery plan may not be sufficient to

address all aspects or any unanticipated consequence or incidents, and our insurance may not be sufficient to compensate us for the losses that could occur.

Moreover, Amazon, Google, and Microsoft provide substantial portions of the compute infrastructure that we use to host our models, platform, and applications and many of the internal tools we use to operate our business. Any significant disruption of, limitation of our access to, or other interference with this infrastructure would negatively impact our operations, degrade the availability and performance of our models, platform, and applications, and could cause us to lose customers who are unable to access or experience difficulties accessing our models, platform, and applications. Even absent a full disruption, the level of service provided by Amazon, Google, and Microsoft could affect the availability or speed of our models, platform, and applications, which may also impact the usage of, and our customers' satisfaction with, our models, platform, and applications and could seriously harm our business and reputation.

Any transition of the services and infrastructure currently provided by Amazon, Google, and Microsoft to another CSP would require significant time and expense and could further disrupt or degrade delivery of our models, platform, and applications. Such a transition could require us to re-architect portions of our infrastructure, retrain or migrate models and large datasets, incur data transfer and duplication costs, and adapt our systems to new tools and configurations, which could result in operational delays and reduced performance during the transition period. If Amazon, Google, or Microsoft increases pricing terms, terminates or seeks to terminate our contractual relationship, whether for competitive reasons or otherwise, establishes more favorable relationships with our competitors, or changes or interprets its terms of service or policies in a manner that is unfavorable with respect to us, our business, financial condition, and results of operations could be adversely affected.

In addition, an increasing portion of our compute is hosted in dedicated data center facilities that are leased and operated on our behalf by third parties rather than by our CSPs, and we expect this portion to grow. Certain of these operators have a limited operating history, and these facilities may have less geographic redundancy, failover capacity, or operational tooling than those of large-scale cloud environments, such that an equipment failure, cooling or network disruption, or operator error at a single facility could affect a meaningful portion of our available capacity. Moreover, the continuous availability of our models, platform, and applications depends on the reliable supply of electrical power and water to the facilities that host our infrastructure, whether operated by our CSPs or on our behalf. Utility outages, shortages, price increases, or required curtailment of

power during periods of peak demand, whether in connection with or outside of natural disasters or other catastrophic events, could interrupt or degrade the provision of our services in the ordinary course of our business. See the sections titled "—Constraints on the critical inputs supporting compute could limit our ability to secure adequate compute." and "—Our business, financial condition, and results of operations may be adversely affected by war, terrorism, natural disasters, public health crises, political crises, or other unexpected events."

If we are unable to make acquisitions and investments, or successfully integrate them into our business, our business, financial condition, and results of operations could be adversely affected.

As part of our business strategy, we will continue to consider a wide array of potential strategic transactions, including acquisitions of businesses, new technologies, services, and other assets and strategic investments that complement our business. We have previously acquired and continue to evaluate targets that operate in relatively nascent markets, and there is no assurance that such acquired businesses will be successfully integrated into our business or generate substantial revenue. In addition, we may overpay for acquisition targets or make investments at valuations that do not ultimately prove justified by the targets' performance, strategic value, or market conditions, which could adversely affect our financial condition.

We may be unable to identify or complete prospective and attractive strategic transactions for many reasons, including competition from other potential acquirers, the effects of consolidation in our industry, and potentially high valuations of acquisition candidates. Even if we identify strategic transactions or enter into agreements with respect to such transactions, applicable antitrust laws and other regulations may limit our ability to acquire targets or force us to divest all or a portion of our business or an acquired business. If we are unable to identify suitable targets or complete acquisitions, our growth prospects may suffer, and we may not be able to realize sufficient scale and technological advantages to compete effectively.

Acquisitions involve many risks, any of which could adversely affect our business, financial condition, and results of operations, including:

- intense competition for suitable acquisition targets, which could increase prices and adversely affect our ability to consummate deals on favorable or acceptable terms;
- failure or material delay in closing a transaction;
- transaction-related lawsuits or claims;
- difficulties in integrating the technologies, operations, existing contracts, and personnel of an acquired company;
- difficulties in retaining key employees, business partners, or customers of an acquired company;
- challenges with integrating the brand identity of an acquired company with our own;
- diversion of financial and management resources from existing operations or alternative acquisition opportunities;
- failure to realize the anticipated benefits or synergies of a transaction at all or within the expected timeframe;
- the incurrence of debt or dilution related to equity issuances in connection with a transaction;
- failure to identify or address the problems, liabilities, or other shortcomings or challenges of an acquired company or technology, including issues related to copyrights and other intellectual property, regulatory compliance practices, litigation, revenue recognition, or other accounting practices, or employee or user issues;
- risks that the acquired company could have a negative impact on our company culture;
- risks that regulatory bodies may enact new laws or promulgate new regulations that are adverse to an acquired company or business;
- risks that regulatory bodies do not approve our acquisitions or business combinations or delay such approvals;
- theft of our trade secrets or confidential information that we share with potential acquisition candidates;
- risk that an acquired company or investment in new services cannibalizes a portion of our existing business; and
- adverse market reaction to an acquisition.

If we fail to address the foregoing risks or other problems encountered in connection with past or future acquisitions of businesses, new technologies, services, and other assets, strategic investments, and other strategic transactions, or if we otherwise fail to realize the expected benefits of such acquisitions or investments, our business, financial condition, and results of operations could be adversely affected.

Unfavorable media coverage regarding our business, our models, platform, and applications, the impacts of AI, and the AI industry more broadly could adversely affect our business, financial condition, and results of operations.

As our business has grown and as interest in us and the AI industry overall has increased, we have attracted, and may continue to attract, significant media coverage, public commentary, and scrutiny from time to time. This coverage and commentary have included, and we expect will continue to include, recurring narratives

concerning the potential adverse societal impacts of AI, including that AI may displace or eliminate jobs, may be misused or otherwise cause harm, and may pose catastrophic or existential risks to humanity. We have been, and may continue to be, a particular focus of such narratives, and unfavorable coverage of the AI industry

generally may be attributed to us, in each case regardless of whether the underlying concerns are well-founded or specifically applicable to our models, platform, or applications. Unfavorable publicity regarding us, our partners, or the AI industry more broadly could adversely affect our reputation and brand, as described in the section titled "—If we are unable to maintain and enhance our brand and reputation, our business, financial condition, and results of operations may be adversely affected." Negative media coverage, including public figures making negative or threatening statements about our company, whether accurate or not, could also adversely affect our brand and reputation and may reduce market acceptance of our models, platform, and applications or impair our ability to attract and retain customers. As public awareness of our brand increases, any issues that draw media attention may have an amplified adverse effect on our reputation. If unfavorable media coverage or adverse public perceptions persist or intensify, the demand for our models, platform, and applications could decline and our brand, business, financial condition, and results of operations could be adversely affected.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which may adversely affect our business, financial condition, and results of operations.

As a public company, we will incur greater legal, accounting, and other expenses than we incurred as a private company. For example, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended ("Exchange Act"), the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC, and the listing standards of the Nasdaq Global Select Market. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. Compliance with these requirements will increase our legal, accounting, and financial compliance costs, and increase demand on our systems, making some activities more time-consuming and costly. In addition, changing laws, regulations, and standards relating to reporting obligations and corporate governance disclosure are creating uncertainty for public companies, which could result in continued uncertainty regarding compliance matters and higher costs. We expect these rules and regulations to make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

As a public company, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. In that regard, we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. In addition, as a public company, we may be subject to stockholder activism, which can lead to substantial costs, distract management, and impact the manner in which we operate our business in ways we cannot currently anticipate.

As a result of disclosure of information in this prospectus and in our public filings with the SEC as required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, and results of operations may be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, may divert the resources of our management and our board of directors, and adversely affect our business, financial condition, and results of operations.

Further, many members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws and regulations pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our management and may divert their attention away from the day-to-day management of our business, which may adversely affect our business, financial condition, and results of operations.

Our business, financial condition, and results of operations may be adversely affected by war, terrorism, natural disasters, public health crises, political crises, or other unexpected events.

War, terrorist attacks, and other acts of political violence, or any significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood, or significant power outage, may disrupt our operations, mobile networks, the internet, data centers, or the operations of our partners or third-party service providers, and the impact of climate change may increase these risks. In particular, our corporate headquarters is located in the

San Francisco Bay Area, a region known for seismic activity and increasingly for the threat of fires. In addition, any public health crises, pandemics, political crises, terrorist attacks, war and other political or social instability, other geopolitical developments, or other catastrophic events, whether in the United States or in non-U.S. geographies, may adversely affect our operations or macroeconomic conditions. For example, an act of terrorism, armed conflict, or escalation of geopolitical tensions could result in physical damage to or destruction of data centers and other critical infrastructure, whether owned or operated by us or our third-party providers, as well as disruptions to power, cooling, or network connectivity necessary to operate such facilities. The impact of any of the foregoing or other disruption to us, our partners, or other third parties may result in system interruptions and degradation, reputational harm, delays in our product development, lengthy interruptions in our services, data breaches, malware, and other security or hacking incidents, all of which may adversely affect our business, financial condition, and results of operations. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. Further, the insurance we maintain may be insufficient to cover our losses resulting from such business interruptions, and any incidents may result in loss of, or increased costs of, such insurance.

If we are unable to ensure that our models, platform, and applications interoperate with a variety of software applications that are developed by others, including our integration partners, we may become less competitive and our business, financial condition, and results of operations may be adversely affected.

Our models, platform, and applications must integrate with a variety of hardware and software platforms, and we need to continuously modify and enhance our models, platform, and applications to adapt to changes in hardware, software, and browser technologies. In particular, we have developed our models, platform, and applications to be able to easily integrate with third-party applications, including the applications of software providers that compete with us as well as our partners, through the interaction of APIs. In general, we rely on the providers of such software systems to allow us access to their APIs to enable these integrations. We are typically subject to standard terms and conditions of such providers, which govern the distribution, operation, and fees of such software systems, and which are subject to change by such providers from time to time. Our business will be harmed if any provider of such software systems:

- discontinues or limits our access to its software or APIs;
- modifies its terms of service or other policies, including fees charged to, or other restrictions on, us or other software developers;
- changes how information is accessed by us or our customers;
- establishes more favorable relationships with one or more of our competitors; or
- develops or otherwise favors its own competitive offerings over our models, platform, and applications.

Further, we depend in part on operating systems, including mobile operating systems such as iOS and Android, and their respective application stores, such as Apple's App Store and Google's Play Store, to drive downloads of our Claude app. If such operating systems or application stores limit the availability of our app, make changes that degrade the functionality of our app, increase the cost of using our app, impose terms of use unsatisfactory to us, or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' application store is more prominent than the placement of our app, our user growth could be adversely affected. Any changes in such operating systems and application stores that degrade the functionality of our app or give preferential treatment to our competitors' apps could adversely affect our platform's usage across devices. Some marketplaces have explored changing their policies regarding what content is acceptable within an application. If we are unable to adapt to such changes, this could adversely

affect our platform's access to and usage within those ecosystems. As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our apps. Additionally, in order to deliver a high-quality app, we need to ensure that our models, platform, and applications are designed to work effectively with a range of mobile technologies, systems, networks, and standards. We may not be successful in developing or maintaining relationships with key participants in the mobile industry that enhance users' experience. If users encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, our prospects, business, financial condition, and results of operations could be adversely affected.

Third-party models, platforms, and applications are constantly evolving, and we may not be able to modify our models, platform, and applications to assure their compatibility with those of other third parties. In addition, some of our competitors may be able to disrupt the operations or compatibility of our models, platform, and applications with their models, platforms, or applications, or exert strong business influence on our ability to, and the terms on which we, operate our models, platform, and applications. Should any of our competitors modify their products or standards in a manner that degrades the functionality of our models, platform, and applications or gives preferential treatment to competitive models, platforms, or applications, whether to enhance their competitive position or for any other reason, the interoperability of our models, platform, and applications with these products could decrease and our business, financial condition, and results of operations could be adversely affected. Further, if we are not permitted or able to integrate with these and other third-party applications in the future, our business, financial condition, and results of operations could be adversely affected.

Many of the risks we face are interconnected and may compound or trigger cascading adverse effects across our business, which could amplify their overall impact.

Our business and operations are subject to numerous risks and uncertainties, as described in this "Risk Factors" section, many of which are interrelated, such that the occurrence of one risk event may exacerbate or trigger additional risk events, and the combined effect may be materially greater than the impact of any individual risk event in isolation. For example, unfavorable developments in intellectual property laws or

adverse outcomes in copyright or other litigation could require us to modify, retrain, or limit the capabilities of our models, increasing costs and reducing the performance or competitiveness of our models, platform, and applications, which could in turn harm customer demand, revenue, and our reputation and brand. In addition, constraints on the availability or cost of compute could similarly limit our ability to develop and deploy advanced models, delay product launches, reduce service reliability, and adversely affect our revenue growth, while also affecting customer trust and perception of our offerings. If our revenue growth is limited and we do not have sufficient additional sources of capital, we may be unable to acquire necessary compute or invest in our talent to remain at the technological frontier or to support our customers, or we may face breaches of covenants or defaults under the A&R Credit Agreement and certain of our commercial agreements. If we were to breach covenants or default under the A&R Credit Agreement or certain of our commercial agreements, such an event could trigger cross-defaults, accelerate repayment obligations, restrict our access to capital, and further constrain our operations and growth, potentially magnifying other financial, operational, and reputational risks. Because these and other risks may interact in complex and unpredictable ways, particularly in a fast-moving industry characterized by technological change, evolving regulation, and emerging business models, we may not be able to foresee or effectively manage all potential consequences. If one risk triggers or intensifies others, or if multiple adverse events occur concurrently or in close succession, our prospects, reputation, business, financial condition, and results of operations could be adversely affected.

Risks Related to Privacy, Cybersecurity, and Intellectual Property

The application of certain copyright law doctrines and contractual interpretations of open-source licenses to modern AI model training are uncertain.

The application of certain copyright law doctrines and contractual interpretations of open-source licenses to modern AI model training have not been authoritatively resolved by U.S. and non-U.S. courts as of this date. We have a good faith belief that we own or possess all sufficient legal rights and/or defenses to the training data used in or with our AI models, platform, and applications, which is based in part on our belief that our use or acquisition of the training data used in or with our AI models, platform, and applications constitutes "fair use"

of such training data under copyright law doctrine. In addition, copyright laws in some jurisdictions outside the United States generally do not recognize fair use, and our reliance on analogous exceptions is subject to evolving conditions and to adverse or unsettled judicial interpretation in those jurisdictions. If a court of law disagrees with our belief that our use or acquisition of such training data constitutes fair use or otherwise concludes that it violates copyright law, for example, by adopting the reasoning in Bartz (as defined below), including without limitation in currently active litigation against us or another company in our industry, our business may be adversely affected. In particular, adverse rulings in litigation involving other AI developers, regardless of the specific facts, data practices, or legal theories at issue in those cases, could establish legal precedents or interpretations of copyright law that apply broadly across the industry and limit our ability to train, develop, or deploy AI models, even if our own data procurement and usage practices differ. Such outcomes could restrict access to certain categories of training data, narrow the scope of available legal defenses, or impose new licensing, compliance, or operational requirements across the AI industry. For example, if we cannot rely on the fair use doctrine to access copyrighted work for training our models, we may be required to pay significant fees to obtain a license to such training data or our ability to further develop our models, platform, and applications and distribute models trained on such data at issue could be adversely affected. In addition, an adverse ruling against us or another company in our industry could result in injunctive relief that restricts our ability to use or distribute models trained on the data at issue or could require us to retrain affected models from scratch at substantial cost. If we are unable to manage the foregoing risks, our business, financial condition, and results of operations could be adversely affected.

We are subject to complex and evolving laws, regulations, and other legal obligations related to privacy and data protection, and any actual or perceived failure to comply with such obligations could adversely affect our business, financial condition, and results of operations.

We are subject to a range of laws and regulations in the EU, the United States, and other jurisdictions, and other legal obligations relating to privacy, data protection, and the collection, use, transfer, storage, and other processing of data. These laws, regulations, and other legal obligations vary across jurisdictions, and include comprehensive frameworks such as the General Data Protection Regulation 2016/679 ("GDPR"), laws that impose sector-specific obligations, and those that impose specific requirements or restrictions on the handling of particular types of data, such as personal data that is considered sensitive. These obligations are not harmonized, continue to evolve in scope, present technical and operational complexities and challenges, and may conflict or impose overlapping or inconsistent obligations. Further, these laws and regulations, as well as other laws and regulations not originally enacted to address privacy or data protection, continue to evolve as they are applied to new technologies, including AI, and may be interpreted or enforced in ways that are inconsistent, unclear, novel, or subject to significant regulatory discretion. Additionally, plaintiffs, class action counsel, state attorneys general, and other claimants continue to pursue claims against AI companies relating to data handling, privacy, and cybersecurity; similar disputes could arise against us and they could take the form of privacy, cybersecurity, breach of contract, tort, or other claims. New or evolving laws, regulations, regulatory interpretations, claims, and novel or inconsistent application of existing laws and regulations to us, or our evolving contractual or other legal obligations, including those that arise as we seek to enter into new markets or product offerings, may require us to modify our models, platform, and applications, policies, and practices, delay or limit the development or deployment of certain features, increase compliance and litigation costs, and result in fines or penalties.

Our compliance obligations and expenditures, and our exposure thereunder, may vary depending on both how customers access and use our models, platform, and applications, including through our first-party offerings or third-party distribution channels, and on the nature of data processed in connection with those offerings. For example, our costs and regulatory exposure may vary based on the demands we receive from individuals, regulators, and other parties seeking to exercise rights under privacy or data protection laws. We may be subject to additional obligations, restrictions, or exposure in connection with the processing of data that is considered sensitive under applicable laws. In connection with the development, deployment, and improvement of our services, including model training, improvement, and inference, we have faced, and may face in the future,

operational errors or claims or assertions that our use or processing of data, such as personal, sensitive, or confidential data, is inconsistent with our obligations.

Failure to secure data against risks to its confidentiality, integrity, or availability may result in legal obligations, such as notification obligations to individuals, regulators, or customers, which could result in additional legal and reputational risk.

Any actual or perceived failure or inability by us, our personnel, or third parties acting on our behalf to comply with applicable privacy or data protection requirements, our contractual commitments, or our public statements regarding our data practices could result in investigations, litigation, fines, penalties, or other liability; require us to change our models, platform, and applications, policies, or practices; reduce customer demand or harm our reputation; require us to make public disclosures that could expose us to reputational and legal risks; and otherwise adversely affect our business, financial condition, and results of operations.

We process personal and sensitive data for AI safety, and any actual or perceived failure to comply with the legal and regulatory obligations applicable to such processing could adversely affect our business, financial condition, and results of operations.

Our commitment to AI safety requires us in some cases to access, collect, and process personal and sensitive data. While our approach and mechanisms relating to handling personal and sensitive data are designed to improve AI safety, they also subject us to compliance with evolving industry practices, laws and regulations, and increased risks related to the processing of sensitive data, such as increased risks of harm or litigation if we experience a security incident or unauthorized access to or processing of data. Further, laws and regulations not originally enacted to address AI safety are being applied to AI safety and may be increasingly interpreted or enforced in ways that are inconsistent, unclear, novel, or subject to significant regulatory discretion. Any actual or perceived failure to comply with AI safety requirements or our processing of personal or sensitive data for AI safety, or any actual or perceived security incident involving such data, could result in investigations, litigation, fines, penalties, or other liability; require us to change our policies or practices; reduce customer demand or harm our reputation; require us to make public disclosures that could expose us to reputational and legal risks; and otherwise adversely affect our business, financial condition, and results of operations.

Any security breaches or other incidents, including those that affect our networks, systems, or data, or the networks, systems, or data of our service providers, suppliers, or customers, could adversely affect our business, financial condition, and results of operations.

We store, handle, and otherwise process confidential, proprietary, and personal information, and our customers use our models, platform, and applications to process similarly sensitive information. We experience security risks, unintended exposure of or access to data, cyberattacks, and other attempts to gain unauthorized access to our information, sites, networks, systems, models, platform, and applications. These have resulted in, and may in the future result in, breaches of our security measures or those of our third-party service providers; unauthorized access to our sites, networks, systems, and accounts; unauthorized access to, and misappropriation of, personal, confidential, or proprietary information belonging to us, our customers, or others; viruses, worms, spyware, or other malware being served from our models, platform, and applications, networks, or systems; deletion or modification of content; the display of unauthorized content on our models, platform, and applications; interruption, disruption, or malfunction of operations; and other risks.

We have in the past faced and in the future may face risks of phishing schemes and other cyberattacks, including by nation-states and state-sponsored actors, that continue to evolve in sophistication and volume, and may inherently be difficult to detect. Our proprietary model weights, corporate and financial data, and other core intellectual property represent particularly high-value targets for state-sponsored espionage and theft, and security researchers have identified frontier AI companies as priority targets for non-U.S. intelligence services. The efforts of such state-sponsored actors to target us will likely increase over time, especially as we develop models with next-generation capabilities, and they may specifically target models which have not, or have not yet, been released to the general public. For example, state-sponsored actors may conduct cyberattacks specifically targeting Mythos in light of its advanced cyber vulnerability discovery capabilities.

Our security capabilities continue to evolve, and certain aspects of our security program may not be sufficient to fully address the most sophisticated malicious actors, including well-resourced nation-state or state-sponsored groups, especially as those groups develop or obtain more powerful technology, which may include AI technology with offensive capabilities similar to those displayed by Mythos. While we are actively investing in and enhancing our security infrastructure and controls, we have operated in the past, and may in the future

operate, for periods of time with known limitations or gaps in our defenses as we continue to mature our security posture, and no information security program can be expected to prevent all possible incidents. There can be no assurance that we will be able to prevent or adequately detect and defend against all cyberattacks or other cybersecurity incidents affecting our systems, including incidents caused by nation-state and state-

sponsored actors. An unauthorized exfiltration of our model weights could enable adversaries to bypass significant research investment, eliminate key competitive advantages, and potentially raise national security concerns if such technology is acquired by malicious actors. Further, if our model weights were obtained by unauthorized actors, such actors may be able to deploy such models outside of our usage policy, safety mechanisms, or monitoring frameworks, which could enable harmful or misuse scenarios that our safeguards are designed to prevent and could subject us to regulatory, reputational, or public scrutiny for having developed such capabilities.

We have faced and expect to face insider threat risks and vulnerabilities related to hiring processes, identity verification, remote work environments, and compromised devices that could enable unauthorized access to sensitive systems or information. We have been and expect that we will continue to be targeted by individuals seeking employment under false identities, or with ulterior or malicious motives for seeking employment with us and the third parties on which we rely. We also face the risk that employees, contractors, or other personnel with authorized access to our systems, model weights, or other sensitive information may be compromised after joining us, including due to efforts by state-sponsored actors, competitors, or others to recruit, bribe, coerce, or otherwise induce such personnel, or to compromise their credentials or devices, in order to misappropriate sensitive information, enable unauthorized access, or introduce vulnerabilities into our systems, models, or products. Because personnel with authorized access to our model weights and other core intellectual property are particularly attractive targets, and because our remote and distributed work environment and our reliance on third-party vendors for certain key processes may limit our visibility into such conduct, we may be unable to prevent or timely detect these insider threats. In addition, in certain jurisdictions in which we operate or in which our vendors or the operators of facilities hosting our infrastructure are located, such personnel, vendors, or operators may be legally compelled to cooperate with government authorities, including intelligence and security agencies, in ways contrary to our interests, such as by providing access to our systems, data, or model weights. The laws of those jurisdictions may prohibit the affected parties from notifying us of such demands and may afford us limited or no ability to challenge them, and because such cooperation may be lawful where it occurs and involves personnel acting within their authorized access, our insider-threat and other security controls may not detect it.

We have also seen, and expect to continue to see, industry-wide software supply chain vulnerabilities and attacks, which could affect our or third parties' systems, or the security of our models, platform, and applications. Geopolitical tensions or armed conflicts around the world may increase these risks. As a result, we may be unable to prevent or timely detect all attempts to access or exfiltrate sensitive information, including by actors with substantial technical, financial, or geopolitical resources.

As we continue to develop and deploy new features, including those incorporating AI, our systems are exposed to additional or evolving security risks, including those arising from emerging or imperfectly understood AI-specific threat vectors. Such AI-specific threats include prompt injection attacks that manipulate model behavior through malicious inputs, attempts to replicate or reverse engineer our proprietary models through systematic API queries, adversarial inputs designed to cause model failures or misclassifications, malicious corruption of training data that could compromise model integrity, and vulnerabilities in continuous integration and deployment pipelines that could allow insiders or other actors to inject malicious code that is subsequently propagated or amplified through AI-assisted development workflows. Such attacks may be difficult to detect, may not be addressed by traditional cybersecurity defenses, and may require specialized expertise, techniques, and infrastructure to mitigate. Further, features that rely on AI may be particularly susceptible to unanticipated vulnerabilities as both our understanding and the broader market's understanding of AI-related security risks and mitigation techniques continue to develop. Our efforts to mitigate the foregoing risks may result in false positives and our mistakenly limiting or blocking certain users from accessing our technology, which could result in potential litigation or regulatory action.

In addition, our agentic offerings interact with external tools, APIs, databases, code repositories, and other third-party systems, creating cybersecurity attack surfaces that are distinct from those applicable to traditional AI models. An adversary could manipulate the content of an external data source, API response, document, or

web page processed by an agent to cause the agent to take harmful or unauthorized actions based on that manipulated input. An attacker could also attempt to compromise an active agent session and redirect the agent to perform malicious actions using the customer's authenticated credentials and permissions. Because our agentic offerings are designed to take autonomous actions with real-world consequences, including executing code, modifying files, sending communications, and completing transactions, a successful exploitation of these agentic attack surfaces could result in data exfiltration, unauthorized transactions, code injection, or other adverse effects, potentially across multiple customer deployments simultaneously. Traditional cybersecurity defenses, including firewalls, input validation, and access controls, may not be fully effective against these novel threat vectors, and the security community's understanding of agentic-specific attack surfaces is still developing.

We have in the past discovered, and may in the future discover, errors, vulnerabilities, or other defects, such as hallucinations, in our models, platform, and applications only after deployment, including in connection with the development of new features, integrations, or capabilities. Such issues have resulted and may in the future result in service disruptions, degraded performance, unintended or harmful outputs, or the unauthorized disclosure of personal or proprietary information, including through security incidents that impact the networks, systems, and data of our customers. In addition, incidents impacting our customers may be caused by customer misconfiguration or misuse, or by inadequate access controls or other security practices by our customers. Such incidents, even if caused by customer misconfigurations or misuse, or by a customer's lack of adequate security controls, may impact our reputation or the reputation of our models, platform, and applications, and may subject us to liability exposure, disruption of commercial relationships, or other damage.

Cyberattacks, including cyberattacks directed at our networks, our customers' networks, or the networks of third parties with which we have relationships, have been, and may in the future continue to be, amplified through the use of AI, including our models, platform, and applications. Such capabilities may be used to automate or scale attacks, impersonate employees or members of senior management, or otherwise gain unauthorized access to our systems or those of our customers, partners, or vendors.

Failures in our internal systems or controls, security breaches, failures to comply with our privacy or data protection commitments, or other incidents, whether resulting from malicious activity, human error, or system limitations, could adversely affect our reputation, brand, and business and impair our ability to attract and retain customers. Our offices and the data centers that host our infrastructure, many of which are operated by third parties, are also exposed to physical threats as well as failures by the operators of those facilities. A physical intrusion could damage equipment, interrupt our services, or provide a path to our systems and data, including our model weights, that bypasses our network defenses.

Although we have dedicated significant resources designed to identify and address these security risks, we cannot guarantee that our security measures will be effective or that our recovery protocols, backup, and other systems will be sufficient. Even where we detect an incident, our response may prove inadequate, including if we misjudge its severity, respond too slowly, or fail to fully remediate the underlying cause. In addition, incidents that appear minor when they occur may later prove significant when considered together with other incidents or with information learned afterward, and a series of related incidents, none of which is material on its own, could prove material in the aggregate. We continue to devote significant resources to protect against security breaches and other incidents, and we may need to devote significant resources in the future to mitigate and address problems caused by breaches and other incidents, which may divert resources from the growth and expansion of our business.

Any actual or perceived security breach or other incident experienced by us or third parties with whom we do business, particularly our CSPs, could damage our reputation and brand, cause our business to suffer, require us to expend significant capital and other resources, cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants, expose us to litigation or regulatory action, cause us to violate applicable privacy, data protection, security, and other laws and regulations, subject us to adverse publicity and a loss of confidence in our security measures, and cause us to incur significant fines, penalties, and other liability exposure, which could adversely affect our business, financial condition, and results of operations. We have taken steps to limit our liability for certain incidents, for example through warranty disclaimers and limitations of liability in our terms of service, but those contractual protections may not be upheld, or may not apply to certain claims, or may otherwise be insufficient to limit our liability exposure under applicable law.

In the EU, we face increasingly stringent regulatory reporting obligations for cybersecurity and AI-related incidents. Under the GDPR, we must notify the competent regulators about incidents that involve personal data and are likely to result in a risk to the rights and freedoms of individuals. Similarly, the EU Network and Information Security Directive 2022/2555 ("NIS2") requires us to notify the competent authorities of any significant cybersecurity incident through a staged process. In addition, the EU AI Act requires providers of general-purpose AI models with systemic risk to keep track of, document, and report serious incidents without undue delay to the AI Office and competent authorities. Going forward, providers and deployers of high-risk AI systems, as defined under the EU AI Act, will also have to report serious incidents or malfunctions without undue delay in certain circumstances.

In the United States, companies are increasingly subject to analogous incident reporting obligations, including under federal and state data breach notification laws, such as the New York Stop Hacks and Improve Electronic Data Security (SHIELD) Act. In addition, certain U.S. states have adopted incident reporting laws specific to frontier model providers, such as the New York Responsible AI Safety and Education Act (RAISE Act) and the California Transparency in Frontier Artificial Intelligence Act. These frameworks create heightened compliance and liability exposure in case of delayed, incomplete, or inaccurate incident disclosures.

While we currently maintain insurance that may cover certain costs, liabilities, and other losses in connection with security breaches and other incidents, the insurance market for such losses is continuously evolving, and we may be unable to obtain coverage for certain cybersecurity-related or data-related liabilities on commercially reasonable terms, or at all, leaving us exposed to potentially significant uninsured losses. Furthermore, there can be no guarantee that the insurance coverage we do maintain will be adequate to compensate us for the potential losses, or that any insurance claims we submit will be covered, paid in a timely manner, or paid at all by our insurance carrier or carriers.

We employ automated data collection across the web and use other methods to collect data for training our AI models, and such activities may subject us to liability or limit our ability to use the collected data, which may adversely affect our business, financial condition, and results of operations.

We collect and use various data sources to train our AI models, including publicly available information from the internet, datasets licensed or commissioned from third parties, and synthetic data generated by our own models. We use such data across the stages of model development, including pre-training and post-training. To collect publicly available information, we utilize web scraping or web crawling techniques, book scanning, and other methods. While we take steps designed to ensure that our activities comply with applicable law, applicable robots.txt notices, and relevant technical measures such as paywalls or logins, our efforts may not always be successful. Further, we may not be able to verify whether information collected using such techniques is protected under privacy, copyright, or other intellectual property laws in certain cases, and our use of any such protected information may subject us to additional liability for intellectual property infringement or privacy violations. More broadly, inadequate documentation of training data sources, provenance, or chain of custody could create legal exposure, complicate our ability to respond to regulatory inquiries or litigation discovery requests, or raise concerns during due diligence by investors, partners, or potential acquirers that could adversely affect our strategic transactions or business relationships.

Our data collection activities have in the past resulted, are presently the subject of, and may in the future result in, litigation or other actions filed or instituted against us, alleging that our scraping, web crawling, and other techniques to collect data violate the law. For example, Reddit, Inc. has filed suit against us, captioned *Reddit, Inc. v. Anthropic PBC*, alleging we improperly accessed posts stored on Reddit, Inc.'s platform in violation of its legal rights. On July 3, 2025, we filed a notice of removal of the case to federal court. The case was remanded to state court on March 30, 2026. The lawsuit is currently pending, and we continue to defend ourselves against

the allegations.

The costs of defending against such litigation, regardless of merit, are considerable, and such litigation may divert management and key personnel's attention and resources, which may seriously harm our business, financial condition, and results of operations. Claims of allegedly illegal scraping and web crawling techniques may be extremely broad, and it may not be possible for us to conduct our business in such a way as to avoid all such claims.

We may be required to settle such litigation on terms that are unfavorable to us. For example, a settlement may require us to discontinue such allegedly illegal practices, preclude us from using certain scraping and web crawling techniques, and/or require us to develop alternative technology or practices. The development of alternative technology or practices would require significant effort and expense or may not be successful.

Similarly, if any litigation to which we may be a party fails to settle and we go to trial, we may be subject to an unfavorable judgment which may not be reversible upon appeal. The terms of a judgment may require us to cease some or all of our operations or require the payment of substantial amounts. Any of these events could cause our business, financial condition, and results of operations to be adversely affected.

We collect, integrate, and analyze data via agreements from multiple sources, including data provided by our customers and users and data sourced from third parties under contractual arrangements, and such activities may subject us to liability or limit our ability to use the collected data, which may adversely affect our business, financial condition, and results of operations.

If we or the customers, users, or third parties from which we source data lack sufficient rights to collect, use, process, share, or analyze certain third-party data—including for training or improving analytical or AI models—we could be subject to legal claims, regulatory scrutiny, or contractual liability. Such claims could require us to limit functionality, segregate data, or retrain models, and could adversely affect our business, financial condition, and results of operations.

The costs of defending against such litigation, regardless of merit, are considerable, and such litigation may divert management and key personnel's attention and resources, which may adversely affect our business, financial condition, and results of operations. Claims of misappropriation, misuse, infringement, privacy violations, or other violations of intellectual property or contractual rights, as well as other claims related to using particular data, may be extremely broad, and as such, it is likely we will face certain claims in the ordinary course of business.

We have been, are currently defending against, and may in the future be subject to, intellectual property rights claims by third parties, which are extremely costly to defend, may require us to pay significant damages, and may limit our ability to use certain technologies, which may adversely affect our business, financial condition, and results of operations.

There is considerable intellectual property development activity in our industry. Our competitors, as well as a number of other entities, including non-practicing entities and individuals, may own or claim to own intellectual property rights relating to our industry or our technology. As we face increasing competition and our public profile increases, the possibility of intellectual property rights claims against us may also increase.

To train our models, we use material from many sources, some of which may include third-party copyrighted content or trademarks. Regardless of whether the material is copyrighted or the trademarks are registered, parties who own the rights to that content or those trademarks, or distribute that content, may attempt to sue us based on intellectual property infringement or other theories. We also face claims that outputs generated by our models infringe, or facilitate infringement of, third-party works. Lawsuits asserting such claims have been filed, are pending, and may be filed in the future in the United States and internationally. For example, in September 2025, we reached an agreement to settle a copyright infringement class action, captioned *Bartz, et al. v. Anthropic PBC* ("Bartz"), for $1.5 billion, which was approved by the district court in July 2026. As additional examples, various publishers have filed suit against us alleging copyright infringement of song lyrics and unlawful removal of copyright management information in the cases captioned *Concord Music Group, Inc., et al. v. Anthropic PBC*, *Concord Music Group, Inc., et al. v. Anthropic PBC et al.*, *BMG Rights Management (US) LLC v. Anthropic PBC*, *Round Hill Music LP, et al. v. Anthropic PBC*, *Sony Music Publishing (US) LLC v. Anthropic PBC et al.,* and others. Similarly, a third party alleges we accessed and reproduced posts stored on the third party's platform in violation of its legal rights and has filed suit against us, captioned *Reddit, Inc. v. Anthropic PBC*. The possibility of statutory damages under some intellectual property legal frameworks creates additional risk for us. We are vigorously defending ourselves in these pending lawsuits and believe we have meritorious defenses, though these lawsuits address novel issues and areas of law that make the results uncertain.

We also face patent infringement claims, which may seek substantial damages or injunctive relief limiting our

ability to use certain technologies, and we expect such claims may increasingly be asserted as our public profile grows. Moreover, certain of our competitors hold substantially larger patent portfolios than we do, which they could assert against us and which may limit our ability to obtain effective cross-licenses or to counter such assertions with our own patent rights.

The costs of defending against such litigation, regardless of merit, are considerable, and such litigation may divert management and key personnel's attention and resources, which may adversely affect our business, financial condition, and results of operations. Claims of misappropriation, misuse, infringement, or other violations of intellectual property rights, as well as other claims related to using particular content, may be extremely broad, and as such, it is likely we will face certain claims in the ordinary course of business.

We may be required to settle such litigation on terms that are unfavorable to us. For example, a settlement may require us to obtain a license to continue practices alleged to violate a third party's rights, which may not be available on reasonable terms and may significantly increase our operating expenses. Such a license may not be available to us at all. As a result, we may be required to develop alternative technology or practices or discontinue such allegedly infringing practices. The development of alternative technology or practices would require significant effort and expense or may not be successful.

Similarly, if any litigation to which we may be a party fails to settle and we go to trial, we may be subject to an unfavorable judgment which may not be reversible upon appeal. The terms of a judgment may require us to cease some or all of our operations or require the payment of substantial amounts. Any of these events could cause our business, financial condition, and results of operations to be adversely affected.

We also offer to indemnify our contract counterparties for certain third-party infringement claims against them, and such indemnification obligations may be excluded from contractual limitation of liability provisions that limit our exposure. In certain cases, our indemnification obligations may be broad or unlimited in scope, which could expose us to significant contingent liabilities, particularly given the unsettled nature of intellectual property law as applied to AI-generated outputs and the potential for claims to arise from a wide range of customer use cases that we cannot predict or control. For example, certain of our agreements require us to defend and indemnify the counterparty, without a cap on our liability, against third-party claims alleging that our models, or outputs generated by our models, infringe third-party intellectual property rights. In addition, as described in the section titled "—We may be exposed to liability, litigation, and regulatory action arising from harms associated with our AI models, and our contractual protections and insurance may be insufficient, any of which could adversely affect our business, financial condition, and results of operations," certain of our agreements with external evaluators and testing vendors require us to defend and indemnify the evaluator, without a cap on our liability, against certain third-party claims, including claims of intellectual property infringement. Third-party infringement claims may require us to initiate or defend protracted and costly litigation on behalf of our customers and distribution partners, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers and distribution partners, may be required to modify our allegedly infringing models, platform, and applications to make them non-infringing, or may be required to obtain licenses under the infringed intellectual property rights. If we cannot obtain all necessary licenses on commercially reasonable terms or are unable to modify our models, platform, and applications or technology so that they are no longer infringing, our customers may be forced to stop using our models, platform, and applications, and our distribution partners may be forced to stop selling our models, platform, and applications. Even if we do not litigate these matters to a judgment, we may be required to settle such litigation on terms that are unfavorable to us.

If we fail to adequately protect our intellectual property rights, our competitive position may be impaired, and we may lose valuable assets, generate reduced revenue, and incur costly litigation to protect our rights, which may adversely affect our business, financial condition, and results of operations.

Our success is dependent, in part, upon protecting our intellectual property rights and proprietary information. We rely and expect to continue to rely on a combination of trademark, copyright, patent, and trade secret protection laws, along with contractual restrictions, to protect our intellectual property rights and proprietary information. However, we cannot guarantee that the steps we take to protect our intellectual property rights and proprietary information will be sufficient, or that we will have adequate remedies for any such failure. In

particular, current or former employees, contractors, or other insiders with access to our proprietary model weights, training data, algorithms, research insights, or other proprietary information could misappropriate such information, whether for personal gain, to benefit competitors, to harm our company, or for other purposes, and our confidentiality agreements and internal security controls may not be sufficient to prevent or detect such malfeasance.

Further, third parties have in the past, and may in the future, knowingly or unknowingly infringe or circumvent our intellectual property rights, and we may not be able to prevent infringement without incurring substantial expense. Litigation brought to protect and enforce our intellectual property rights has been, and would be, costly, time-consuming, and distracting to management and key personnel, and could result in the impairment or loss of portions of our intellectual property rights. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights and may result in injunctive relief or monetary damages against us. If the protection of our intellectual property rights is inadequate to prevent use or misappropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our models, platform, and applications and methods of operations. In addition, due to the significant amount of discovery required in connection with intellectual property litigation, our confidential information may be compromised by disclosure during litigation. Any of these events would have an adverse effect on our business, financial condition, and results of operations.

Our future success and competitive position depend in part upon our ability to obtain or maintain certain intellectual property rights used in our models, platform, and applications. While we have issued patents and have patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications. In addition, we cannot ensure that any of the patent applications will be granted or that

the claims allowed on any issued patents will be sufficiently broad to protect our technology or models, platform, and applications and provide us with competitive advantages. Further, any issued patents may be challenged, invalidated, or circumvented by third parties.

Many patent applications in the United States may not be public for a period of time after they are filed, and since publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, we cannot be certain that we will be the first creator of inventions covered by any patent application we make or that we will be the first to file patent applications on such inventions. Because some patent applications may not be public for a period of time, there is also a risk that we could adopt a technology without knowledge of a pending patent application, which technology would infringe a third-party patent once that patent is issued.

We also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, our policy requires employees, consultants, and independent contractors to enter into confidentiality agreements. We cannot guarantee that these agreements will provide sufficient protection for our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information, or that the employee, consultant, or independent contractor will not breach their confidentiality agreements with us. If we are unable to maintain the proprietary nature of our technologies, our business could be adversely affected.

We also rely on our trademarks, trade names, and brand names to distinguish our models, platform, and applications from the products of our competitors and have registered or applied to register many of these trademarks in the United States and certain countries outside the United States. However, occasionally third parties have registered and acquired, and may in the future register or acquire, common law rights in identical or similar marks for products or solutions that also address similar markets to our own and have tried to enforce such rights. As we rely in part on brand names and trademark protection to enforce our intellectual property rights, efforts by third parties to limit use of our brand names or trademarks and barriers to the registration of brand names and trademarks in various countries may restrict our ability to promote and maintain a cohesive brand throughout our key markets. There can also be no assurance that pending or future U.S. or non-U.S. trademark applications will be approved in a timely manner or at all, or that such registrations will effectively protect our brand names and trademarks. Additionally, third parties have opposed, and may in the future oppose, our trademark applications or otherwise challenge our use of the trademarks. In the event

that our trademarks are successfully challenged, we could be forced to rebrand our models, platform, and applications, which would result in loss of brand recognition and would require us to devote resources to advertising and marketing new brands. Although we take measures to protect our property, if we are unable to prevent the theft of our intellectual property or its exploitation, the value of our investments may be undermined and our business, financial condition, and results of operations may be adversely affected.

We incorporate open-source software in our models, platform, and applications, which may subject us to litigation or other requirements, each of which may adversely affect our business, financial condition, and results of operations.

A portion of the technologies we use in our models, platform, and applications incorporates open-source software, and we may incorporate open-source software in our models, platform, and applications in the future. From time to time, companies that use third-party open-source software have faced claims challenging the use of such open-source software and their compliance with the terms of the applicable open-source license. We may be subject to suits by parties claiming ownership of what we believe to be open-source software or claiming non-compliance with the applicable open-source licensing terms. Some open-source licenses require end-users who distribute or make available across a network software that includes open-source software to make available all or part of such software (which may include valuable proprietary code), at no cost, or license such software under the terms of the particular open-source license. While we employ practices designed to help ensure our compliance with the licenses of third-party open-source software and protect our valuable proprietary source code, we may inadvertently use third-party open-source software in a manner that exposes us to claims of non-compliance with the applicable terms of such license, including claims for infringement of intellectual property rights or for breach of contract. These risks may be heightened by our use of our own AI tools, including Claude Code, in our software development processes, as AI-generated code could incorporate or reproduce open-source software such that the associated license obligations, including copyleft requirements to disclose or license proprietary source code, apply to us without our knowledge. Similar concerns regarding AI-generated code could also lead enterprise customers to limit their use of our products. Further, there is an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of judicial guidance regarding the proper legal interpretation of such license types. If a third party makes a claim against us alleging that we have not complied with the conditions of the applicable open-source license, we could incur significant legal expenses defending against such allegations, expend substantial time and resources to re-engineer some or all of our software, and could be subject to significant damages, enjoined from the sale of our models, platform, and applications that contained the open-source software, and required to comply with the conditions of the open-source license, which may include the public release of certain portions of our proprietary source code, each of which may have an adverse impact on our business, financial condition, and results of operations.

In addition to risks related to license requirements, use of open-source software can lead to greater risks than use of third-party commercial software because open-source licensors generally do not provide warranties or other contractual protections regarding misappropriation, misuse, infringement, ownership, misattribution, or other violations, the quality of the code, or the origin of the open-source software. Many of the risks associated with the use of open-source software cannot be eliminated and may adversely affect our business, financial condition, and results of operations. For instance, open-source software is developed by programmers beyond our control and may have security vulnerabilities, defects, or errors of which we may not be aware. Even if we become aware of any such vulnerabilities, defects, or errors, it may take a significant amount of time for either us or the relevant programmers to address such vulnerabilities, defects, or errors. Such a delay may negatively impact our models, platform, and applications, including by adversely affecting the market's perception of our

models, platform, and applications, impairing the functionality of our models, platform, and applications, or delaying the launch of new features or functionality on our models, platform, and applications, any of which may adversely affect our business, financial condition, and results of operations.

We currently, and may in the future, license technology from third parties for use in our models, platform, and applications, and our inability to maintain those licenses could adversely affect our business, financial condition, and results of operations, and our use of such third-party technology could subject us to litigation.

We currently incorporate, and may in the future incorporate, technology that we license from third parties into our models, platform, and applications. If we are unable to obtain or continue to use or license these

technologies on reasonable terms, or if these technologies become unreliable, unavailable, or fail to operate properly, we may not be able to secure adequate alternatives in a timely manner or at all, and our ability to offer our models, platform, and applications and remain competitive in our market would be harmed. Further, licensing technologies from third parties exposes us to increased risk of being the subject of intellectual property infringement claims and vulnerabilities due to, among other things, our lower level of visibility into the development process with respect to such technology and the care taken to safeguard against risks. We cannot be certain that our licensors do not or will not infringe on the intellectual property rights of third parties or that our licensors have or will have sufficient rights in the licensed technology or related intellectual property rights in all jurisdictions in which we may sell or offer our models, platform, and applications. Some of our agreements with our licensors may be terminated by them or otherwise provide for a limited term. If we are unable to continue to license technology because of intellectual property infringement claims brought by third parties against our licensors or against us, or if we are unable to continue our license agreements or enter into new licenses on commercially reasonable terms, our ability to develop and sell our models, platform, and applications containing or dependent on that technology would be limited, and our business, financial condition, and results of operations could be adversely affected.

Additionally, if we are unable to license technology from third parties, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner, or at all, and may require us to use alternative technology of lower quality or performance standards. This could limit or delay our ability to offer new or competitive offerings and increase our costs. Third-party software we rely on may be updated infrequently, unsupported, or include errors or vulnerabilities that may not be resolved in a timely manner, any of which may result in errors in our own models, platform, and applications or expose our models, platform, and applications to vulnerabilities. Any impairment of the technologies or of our relationship with these third parties could adversely affect our business, financial condition, and results of operations.

Our development of solutions that replace or reduce reliance on third-party vendors may expose us to litigation and other disputes.

We develop and deploy proprietary and partner-based solutions that replace, deprecate, or reduce our reliance on third-party vendors, including vendors that historically provided software, services, or infrastructure supporting our business. These vendors may perceive our actions as adversely affecting their business interests and may assert claims against us, including claims for breach of contract, intellectual property infringement (including patents, copyrights, or trade secrets), misuse of confidential or proprietary information, tortious interference, or unfair competition.

Such claims may be asserted regardless of their merit and could result in costly litigation, settlements, injunctions, or restrictions on our ability to deploy or expand our models, platform, and applications. Defending against these claims could divert management and key personnel's attention and resources, require significant legal expenditures, and adversely affect our business, financial condition, and results of operations.

We may be subject to claims that we or our employees have misappropriated the intellectual property of other companies, particularly as we hire employees from other AI and technology companies.

Our success depends in part on our ability to attract and retain highly skilled employees, including engineers, data scientists, and researchers with experience in AI and machine learning. As competition for AI talent continues to intensify, we have hired and may in the future hire employees who previously worked for or have otherwise been involved with competitors or companies operating in related technology areas, and certain of our employees have left and others may leave to work for such competitors.

These employees may have had access to proprietary or confidential information, including trade secrets, of their former employers. Although we require employees to comply with confidentiality and intellectual property obligations, we may nonetheless be subject to claims that we or our employees have misappropriated or improperly used trade secrets or other intellectual property of competitors or other companies. Such claims may be asserted even if we believe they are without merit and even in the absence of any intentional misconduct.

Defending against these claims could be costly, time-consuming, and disruptive, and could divert management attention and resources away from our business. In addition, such disputes could result in damages, settlements, injunctive relief, restrictions on our ability to use certain technologies, limitations on the roles of certain employees, or reputational harm. Any of the foregoing could adversely affect our business, financial condition, and results of operations.

Risks Related to Legal and Regulatory Matters

We are subject to claims, lawsuits, investigations, executive and administrative orders and directives, other regulatory actions, and various actions and proceedings, and face potential liability, expenses for legal claims, and harm to our business.

We are subject to claims, lawsuits, arbitration proceedings, government inquiries and investigations, executive and administrative orders and directives, and other legal, regulatory, and administrative actions and proceedings, including those involving intellectual property disputes, compliance with regulatory requirements, government approvals and authorizations, labor and employment, anti-discrimination, commercial disputes, competition, privacy, consumer protection, customer complaints, advertising, and other matters relating to our technology, models, platform, and applications, and we may become subject to additional types of claims, lawsuits, arbitration proceedings, government inquiries and investigations, executive and administrative orders and directives, and other legal, regulatory, and administrative actions and proceedings as our business grows and as we deploy new technologies, models, platforms, and applications. In particular, as our models, platform, and applications increasingly include agentic AI systems capable of taking autonomous actions with real-world consequences, we may face novel legal theories of liability, including intellectual property infringement, product liability, agency, and negligence claims, that have not been tested in the context of autonomous AI systems and for which the scope of our potential exposure is uncertain. In addition, as we expand our healthcare and life sciences offerings, regulators may conclude that certain of our products, or our customers' use of them, are subject to healthcare regulation or to other laws governing healthcare and health information, which could require us to obtain authorizations, modify or restrict our offerings, or incur significant compliance costs. Errors or other undesirable outputs from our models in these contexts could contribute to patient harm, compromised research, or regulatory failures by our customers, and could expose us to claims from customers, patients, and other third parties, as well as to regulatory inquiries and enforcement actions.

We are also subject to antitrust and competition law risk arising from our public advocacy regarding AI safety and the responsible pace of AI development and from our participation in industry groups, safety collaborations, and standard-setting initiatives. Communications, advocacy, or collaboration among companies that develop frontier AI models, or conduct alleged to reflect coordination among such companies, may be characterized as concerted action subject to the antitrust and competition laws, including Section 1 of the Sherman Act and analogous state and non-U.S. laws, even where undertaken for safety purposes, conducted publicly, or intended as advocacy for governmental action or industry standards. In September 2026, a putative class action was filed against us and other developers of frontier AI models in the U.S. District Court for the Northern District of California, alleging that we and the other defendants agreed to restrain competition by slowing the pace at which we develop and improve our respective AI models, in purported violation of Section 1 of the Sherman Act. The complaint seeks treble damages, injunctive relief, and other relief on behalf of a purported class of purchasers of the defendants' paid consumer subscriptions. We disagree with the claims and intend to defend the matter vigorously, but the outcome of this and any similar proceeding is inherently uncertain.

Antitrust litigation can be complex, protracted, disruptive, and expensive, and an adverse outcome could result in treble damages and injunctive relief. We could also become subject to additional private litigation or to investigations or enforcement actions by the U.S. Department of Justice, the FTC, state attorneys general, or non-U.S. competition authorities. We have proposed public efforts to work with the U.S. government and other developers of frontier AI models to establish safety standards, including with respect to the pace of capability development, and have suggested that such collaboration may warrant a narrow exemption or safe harbor from antitrust laws. These proposals have drawn public opposition from political leaders, some of whom have characterized such efforts as anticompetitive regardless of the purpose of such exemption or safe harbor. There is no assurance that any such exemption or safe harbor will be adopted. Our advocacy for such an exemption, and any safety commitments we pursue with other developers of frontier AI in its absence, could subject us to

additional regulatory, litigation, and other risks. These risks may cause us to limit or modify our public advocacy, our participation in industry safety and standard-setting initiatives, and our communications with other developers of frontier AI, which could adversely affect our ability to pursue collaborative approaches to AI safety that we believe are important to our mission.

The results of any such claims, lawsuits, arbitration proceedings, government inquiries and investigations, executive and administrative orders and directives, or other legal, regulatory, and administrative actions and proceedings cannot be predicted with any degree of certainty. Any claims, lawsuits, investigations, orders, directives, regulatory actions, or proceedings against us, whether meritorious or not, could adversely affect our revenue, cause potential customers to pause sales discussions, cause existing customers to delay, pause, or cancel contracts or seek to modify their contracts, undermine our ability to pursue future contracts, damage our relationships with partners and customers, adversely affect our institutional standing, undermine investor confidence, limit our ability to sell our models, platform, and applications in certain industries, result in costly litigation or regulatory or other defense, adversely affect our reputation, require significant management attention, consume significant time, and divert significant resources.

Determining reserves for our pending litigation or other disputes is a complex and fact-intensive process that requires significant subjective judgment and speculation. It is possible that a resolution of one or more such proceedings could result in substantial damages, settlement costs, fines, and penalties that could adversely affect our business, financial condition, and results of operations. Because of the potential risks, expenses, and uncertainties of litigation or other dispute resolution processes, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements, as we did, for example, in

Bartz. Moreover, as in Bartz, insurance may not fully cover such claims, provide sufficient payments to cover all the costs to resolve one or more such claims, or continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs. These proceedings could also result in harm to our reputation and brand, sanctions, consent decrees, injunctions, or other orders requiring a change in our business practices. Further, under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of our business and commercial partners and current and former directors and officers. Any of these consequences could adversely affect our business, financial condition, and results of operations.

We are subject to anti-corruption and anti-bribery laws, anti-money laundering laws, and similar laws.

We are required to comply with the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, and other anti-corruption and anti-bribery laws, anti-money laundering laws, and similar laws in the United States and non-U.S. countries where we have operations and conduct business. Anti-corruption and anti-bribery laws, which have been enforced aggressively and are interpreted broadly, prohibit companies and their employees, agents, intermediaries, and other third parties from, among other things, promising, authorizing, making, or offering improper payments or other benefits to government officials and other persons in the public and private sector.

We leverage third parties, including intermediaries and agents, to conduct our business and to sell our models, platform, and applications, and in connection with lobbying and other activities. We and these third parties have in the past and may in the future have direct or indirect interactions with officials and employees of government agencies, including state-owned or state-affiliated entities, and we potentially could be held liable for the corrupt or other illegal activities of third-party business partners and intermediaries, our employees, representatives, contractors, partners, agents, and other third parties, even if we do not explicitly authorize such parties' activities.

We cannot ensure that our policies and procedures to address compliance with these anti-corruption and anti-money laundering laws will be effective, or that all of our employees, representatives, contractors, partners, agents, intermediaries, or other third parties have not taken, or will not take, actions that violate these laws, for which we may be ultimately held liable.

As we increase our non-U.S. sales and business, our risk of violating these laws may increase. Non-compliance with applicable anti-corruption and anti-bribery laws, anti-money laundering laws, and similar laws could subject us to criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or

debarment from U.S. government contracts, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage, and other consequences. Any investigations, actions, or sanctions could adversely affect our reputation, business, financial condition, and results of operations. Responding to any investigation or action could result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

Governmental trade controls, including export and import controls, sanctions, customs requirements, and related regimes, could subject us to liability or loss of contracting privileges or limit our ability to compete in certain markets.

Our models, platform, and applications are subject to U.S. export controls, and our current or future models, platform, and applications may be controlled under the Export Administration Regulations administered by the U.S. Department of Commerce or, in more limited circumstances, under the International Traffic in Arms Regulations (the "ITAR") administered by the U.S. Department of State. Because the capabilities of our AI models are currently evolving rapidly through ongoing training and frequent model development, and because the export control treatment of AI technologies under relevant laws is developing, the classification of, and controls related to, our models, platform, applications, and technologies under these regimes are inherently uncertain and are likely to change over time. Certain of our models, platform, and applications, and the underlying technology and source code associated with our models, platform, and applications, may require authorization for export, re-export, or transfer in-country, and for individuals of certain nationalities to access such technology or source code, including within the United States.

In particular, our core models, platform, and applications leverage encryption for data protection, and some of our future models, platform, and applications may be able to produce export-controlled software, which may subject exports, re-exports, and transfer of such models, platform, and applications to export authorization requirements.

Our commercially available models, platform, and applications generally can be exported without an export license. However, some exports may require us to obtain authorization from the cognizant government agency. In certain contexts, the provision of our models, platform, and applications may constitute export of defense articles or defense services subject to the ITAR, which can be exported only if we obtain required export licenses or other government authorizations. Compliance with applicable export controls may delay the introduction or sale of our models, platform, and applications outside the United States, restrict our customers' ability to deploy our models, platform, and applications globally, inhibit our ability to engage in certain research and development activities, limit the performance of our models, platform, and applications, or prohibit exports to certain jurisdictions altogether. Such restrictions have already affected our offerings directly. For example, in June 2026, the U.S. Department of Commerce imposed worldwide export restrictions on our Fable 5 and Mythos 5 models. To ensure compliance, we disabled Fable 5 and Mythos 5 for all of our customers; access to our other models was not affected. We redeployed the Fable 5 and Mythos 5 models after we updated our safeguards in coordination with the U.S. government and our industry partners and once the U.S. Department of Commerce lifted its restrictions. Similar export controls could recur, could remain in place longer, or could extend to additional models or capabilities. In addition, future updates to our safeguards or other remedial measures may not be sufficient to obtain relief from such restrictions or relief may not be granted on a similar timeline or at all. The restrictions imposed in June 2026 and potential restrictions in the future may also limit

our ability to recruit talent, to fully utilize our existing workforce, to continue to improve our models, and to make our products available internationally. Any such restrictions could adversely affect our financial results; impair the research, compute, and development investment our models represent; and cause us to lose customers, partners, and market share, including to competitors not subject to similar restrictions.

Further, our activities are subject to economic, financial, and trade sanctions administered by the United States and other countries. Economic, financial, and trade sanctions restrict or prohibit providing certain services and engaging in certain transactions or other activities or dealings with individuals, entities, organizations, governments, territories, and countries targeted by or the subject of these sanctions. These restrictions, as well as other applicable international trade rules, are subject to change with little to no notice. In addition, U.S. law increasingly authorizes the U.S. government to restrict or review the use of hardware, software, and services originating from, or linked to, countries it designates as adversaries, including such technology incorporated into the supply chains for the data centers and compute infrastructure on which we depend. Such restrictions

could narrow our choice of suppliers, delay our infrastructure projects, or increase our costs, and any non-compliance could result in penalties, loss of contracting privileges, or reputational harm.

We take various steps to comply with applicable export controls and sanctions, including: maintaining a global trade policy and a supported regions policy, implementing IP-based geo-blocking controls that restrict access from certain jurisdictions to our models, platform, and applications, conducting restricted party screening of certain customers and vendors, and including sanctions and export compliance provisions in our customer terms of service and vendor agreements. However, we cannot guarantee the compliance measures and internal controls we have adopted will prevent violations of applicable export controls and sanctions. Our compliance measures and internal controls have not always been and may not always be fully effective, and we have in the past voluntarily disclosed, and may in the future voluntarily disclose, instances of non-compliance to the relevant authorities. We cannot guarantee that our measures will prevent future violations or keep pace with the changing substance, application, and interpretation of export controls and sanctions. In addition, third parties have in the past and may in the future take action to circumvent our compliance measures and controls in order to gain access to our products and services.

If we misclassify a product or service, export, re-export, transfer, or provide access to a product, or provide services in violation of applicable export controls or sanctions, or otherwise fail to comply with applicable export controls or sanctions, we could be subject to criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from U.S. government contracts, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage, and other consequences. Any investigations, actions, or sanctions could adversely affect our reputation, business, financial condition, and results of operations. Responding to any investigation or action could result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

Decreased use of our models, platform, and applications by customers outside the United States or a limitation on our ability to export, provide access to, or sell our models, platform, and applications to customers and other parties outside the United States may cause our revenue from such unsupported jurisdictions to decline and otherwise adversely affect our business and financial condition.

If we or our business partners or counterparties, including licensors and licensees, prime contractors, subcontractors, sublicensors, vendors, customers, or contractors, violate export controls or sanctions, including by failing to obtain appropriate import, export, or re-export licenses or permits, or if we fail to secure such contractual commitments from such parties, we may also be adversely affected through reputational harm as well as other negative consequences, including government investigations or penalties.

Negative consequences stemming from violations or apparent violations of export controls or sanctions may include the loss of the right to sell our models, platform, and applications or services to the U.S. government, or to other U.S. or non-U.S. public bodies, or a reduction in our ability to compete for such sales opportunities involving government agencies or other public bodies. Further, ensuring that we are complying with applicable export controls and sanctions regulations may be time-consuming and could result in the delay or loss of sales opportunities in connection with particular transactions.

Also, in addition to the United States, various countries regulate the import and export of certain encryption and other technology and have enacted laws that could limit our ability to distribute our models, platform, and applications or could limit our customers' abilities to implement our models, platform, and applications in those countries. For example, following Russia's invasion of Ukraine, the United States and other countries imposed financial and trade sanctions and export controls against Russia, Belarus, and certain regions of Ukraine, and the United States and other countries could impose wider sanctions and export restrictions and take other actions should the conflict further escalate. Any new export restrictions, new legislation, changes in sanctions, or shifting approaches in the enforcement or scope of existing regulations, or in the individuals, entities, governments, territories, countries, or technologies targeted by or subject to such regulations could result in decreased use of our models, platform, and applications by existing customers outside of the United States, reduced adoption of our models, platform, and applications by new customers with non-U.S. operations, limited expansion into new markets, and decreased revenue.

To continue to grow our business, we will need to continue to expand internationally, and our non-U.S. operations and sales to customers outside of the United States expose us to risks inherent in international expansion, sales, and operations.

We are a U.S.-headquartered company with extensive U.S. operations, as well as subsidiaries and operations in several other countries and regions, including the United Kingdom, the EU, Canada, and Asia-Pacific, and we expect that our future growth will depend in part on expanding our operations, customer base, and market presence in additional jurisdictions. Operating in non-U.S. markets requires significant resources and management attention and subjects us to regulatory, economic, and political risks that are different from those in the United States. As we continue to expand internationally, we have faced and will continue to face risks in doing business internationally that could adversely affect our business, including:

- the need to localize and adapt our models, platform, and applications for specific countries, including translation into foreign languages and associated expenses;
- privacy laws, export controls, sanctions, and other national security regulations that impose different and potentially conflicting obligations with respect to how personal data is processed or require that customer data be stored in a designated territory;
- laws in certain jurisdictions that may compel our personnel, vendors, or facility operators to provide governmental authorities with access to our systems, data, or other information, in some cases without notice to us and with limited means of recourse;
- national security-driven data security regulations. For example, the Department of Justice issued a final rule, effective in April 2025, that places limitations, and in some cases prohibitions, on certain transfers of covered data to partners, service providers, vendors, employees, and investors located in China or with other specified links to China (and other designated countries). We may be required to re-examine current contracts or engage in new contract negotiations with third parties that aid in processing data on our behalf or otherwise have access to covered data. These rules also may broadly require us to extract promises from other third-party service providers that they will not transfer data we share with them onward to parties linked to countries of concern;
- import regulations, including U.S. and non-U.S. governments' restrictive trade policies, customs duties and other parallel regulations, tariffs, and countermeasures;
- AI, data-related, cybersecurity, and digital service laws and regulations (such as the EU AI Act, NIS2, the EU Digital Services Act, the United Kingdom's Online Safety Act 2023, and the EU Data Act) that are rapidly evolving, require continuous monitoring to maintain compliance, and often provide for substantial penalties in the event of a violation;
- difficulties in staffing and managing non-U.S. operations, including the complexity of engaging in various employer-of-record arrangements that are geographically dispersed, and the risk that these arrangements, or any failure to establish local employing entities on a timely basis, may not comply with local employment, labor, or tax laws, exposing us to fines, penalties, reclassification, or back-payment claims;
- difficulties of maintaining our culture across various jurisdictions;
- regulatory and other delays and difficulties in setting up non-U.S. operations, including delays in forming, registering, and obtaining governmental approvals for local subsidiaries, delays in establishing local banking, payroll, and benefits arrangements, and difficulties relating to safety of personnel and information, any of which could delay local hiring efforts;
- the potential need for reviews by the U.S. government or non-U.S. governments of certain transactions with non-U.S. entities;
- different pricing environments, longer sales cycles, longer accounts receivable payment cycles, and collections issues;

- new and different sources of competition;
- weaker protection for, and practical difficulties in enforcing, intellectual property and other legal rights outside of the United States compared to protections available domestically;
- laws and business practices favoring local competitors;
- compliance challenges related to the complexity of multiple, conflicting, and changing governmental laws and regulations, including copyright, employment, tax, privacy, and data protection laws and regulations, export controls, and sanctions;
- parties outside the United States seeking to circumvent sanctions and export controls;
- increased financial accounting and reporting burdens and complexities;
- increased costs in establishing infrastructure across various jurisdictions;
- declines in the values of foreign currencies relative to the U.S. dollar;
- restrictions on the transfer of funds;

- potentially adverse tax consequences;
- the cost of and potential outcomes of any claims or litigation;
- future accounting pronouncements and changes in accounting policies;
- changes in tax laws or tax regulations; and
- regional and local economic and political conditions.

Entry into certain transactions with non-U.S. entities or persons may be subject to government regulations and review, including review by U.S. or non-U.S. government entities related to contemplated or past foreign direct investment ("FDI"). In recent years, many countries around the world have adopted FDI regulatory regimes that seek to scrutinize investments into, and acquisitions of, domestic companies by non-domestic parties, granting governments broad discretion to review contemplated and past investment and acquisition transactions. These FDI regimes may restrict our ability to attract investments, invest in or fund partners outside of the United States that build or operate data centers or supply infrastructure for us, or acquire promising new technologies, companies, and talent in countries around the world, potentially limiting our ability to carry out our business strategy.

More broadly, increasing geopolitical tensions, shifting national security priorities, and evolving technology-focused trade, export control, investment, and data-governance regimes may result in restrictions, heightened scrutiny, or other limitations on our ability to operate, sell products, partner with customers, or deploy our models in certain jurisdictions or with certain counterparties. Governments may adopt or expand policies aimed at protecting domestic technology ecosystems, restricting the cross-border flow of data, or limiting access to AI systems, which could reduce our addressable market, increase compliance costs, or require operational changes. In particular, the U.S. government has increasingly scrutinized AI companies' exposure to Chinese state actors, and future executive orders, legislation, or regulatory actions could restrict our ability to serve customers or users connected to China, impose new compliance obligations, lead us to implement anti-abuse mechanisms or other technical access restrictions, or limit the deployment of our models in ways that reduce our addressable market. Any escalation of U.S.-China tensions, retaliatory measures by either government, or failure or perceived failure by us to prevent non-U.S. state-actor access to or misuse of our technology could subject us to regulatory action, reputational harm, and adverse effects on our business, financial condition, and results of operations.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these risks. These factors and others could adversely affect our ability to increase non-U.S. revenue and, consequently, could materially impact our business. The expansion of our existing non-U.S. operations and entry into additional non-U.S. markets will require significant management

attention and financial resources. Our failure to successfully manage our non-U.S. operations and the associated risks effectively could limit the future growth of our business.

Increasing scrutiny and changing expectations from regulators, our investors, customers, and employees with respect to ESG may result in additional compliance risk and costs and may impact our reputation and business.

Companies across many industries are facing increasing scrutiny related to their environmental, social, and governance ("ESG") practices and reporting, both in the United States and internationally. For example, new U.S. and non-U.S. laws and regulations relating to ESG matters, including environmental sustainability and climate change, are under consideration, being adopted, or being rolled back or revised, which may impact our necessary disclosures and increase compliance costs. Further, there is particular focus on concerns relating to AI and its impact on society and the environment, including the power-intensive nature of the industry, public concern regarding high consumption of water, and reliance on critical minerals and rare elements in the manufacture of chips. Some investors may use these non-financial performance factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our policies and actions relating to ESG are inadequate.

Our sustainability initiatives, goals, or commitments could be difficult to achieve or costly to implement. Moreover, compliance with recently adopted and potential upcoming ESG requirements, including California legislation that requires various climate-related disclosures, the EU's Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive, and the United Kingdom's Streamlined Energy and Carbon Reporting framework, will require the dedication of significant time and resources. At the same time, anti-ESG sentiment has gained momentum across the United States, particularly at the federal level, and the federal and certain state governments have enacted or proposed "anti-ESG" policies or legislation or have issued related legal opinions. Such policies, legislation, initiatives, and scrutiny could expose any sustainability, employment, governance, or other corporate practices we adopt to the risk of litigation, antitrust investigations or challenges by federal or state authorities, and result in injunctions, penalties, and reputational harm.

Additionally, if our competitors' corporate social responsibility performance is perceived to be better than ours, potential or current investors may elect to invest with our competitors instead. Our business may face increased scrutiny related to these activities and our related disclosures, including from the investment community and the local communities in which we operate, and our failure to achieve progress or manage the dynamic, and at times conflicting, public sentiment and legal landscape in these areas on a timely basis, or at all, could adversely affect our reputation, business, and financial condition. Further, we may experience backlash from customers, government entities, advocacy groups, employees, or other stakeholders who disagree with our actual or perceived positions, or with our lack of position on social, environmental, governance, political, public policy, economic, geopolitical, or other sensitive issues. Any perceived lack of transparency about these matters could adversely affect our brand and reputation, our employees' engagement and retention, and the willingness of our customers and partners to do business with us. Both advocates and opponents of ESG-related matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise

adversely affect our business, financial condition, and results of operations.

If we or our payment processing partners fail to manage the risks related to our payment processing activities, we could be subject to fines, regulatory scrutiny, disruptions to our business, or reputational harm.

A portion of our customers authorize us to bill their credit card accounts through our third-party payment processing partners for our paid subscriptions. We have experienced, and expect to continue to experience, fraudulent activity, including the creation of accounts using false identities and the use of stolen or otherwise unauthorized payment credentials, which has resulted, and may in the future result, in losses, including payment processing fees, chargeback fees, and fines and penalties imposed by our payment processors or card networks, for which we may not be reimbursed. We maintain fraud-detection and identity-verification measures, but these measures have not identified, and may not identify, all such activity. Further, our customers provide us with credit card billing information online, and we do not verify the physical identity of cardholders or conduct additional verification beyond what we collect online, which increases our risk of exposure to fraudulent activity.

We also incur chargebacks when customers or card issuers claim that a transaction was unauthorized or otherwise improper. If the volume of chargebacks were to become excessive, we could be subject to higher processing fees, additional fines, fraud mitigation requirements, or the termination or suspension of our ability to accept certain payment methods, including credit cards, through one or more payment processors.

In addition, payment processors, card networks, and financial institutions periodically revise their rules, standards, and practices, including data protection and documentation standards, required to utilize their services. Our compliance with these evolving requirements, and the continued compliance of our third-party payment processing partners, may require additional operational resources and expense. Failure by us or our payment processing partners to comply with applicable standards could result in fines, increased scrutiny, disruptions to our business and our ability to process payments for our intelligence service, or reputational harm.

Risks Related to Tax and Accounting Matters

Changes in tax laws or regulations could be enacted, or existing tax laws or regulations could be applied to us or our customers in a manner that could increase the costs of our models, platform, and applications and adversely affect our business.

We operate in multiple jurisdictions and are subject to tax laws and regulations of U.S. federal, state, and local and non-U.S. governments. Income, sales, use, or other tax laws, statutes, rules, regulations, or ordinances could be enacted or amended at any time (possibly with retroactive effect) and could be applied solely or disproportionately to models, platforms, and applications provided over the internet. These enactments or amendments could reduce our sales activity due to the inherent cost increase the taxes would represent and ultimately harm our results of operations and cash flows. Further, the application of U.S. federal, state, local, and non-U.S. tax laws to services provided electronically is unclear and continuously evolving. Existing tax laws, statutes, rules, regulations, or ordinances could be interpreted or applied adversely to us, possibly with retroactive effect, which could require us or our customers to pay additional tax amounts, as well as fines or penalties, and interest for past amounts. If we are unsuccessful in collecting such taxes due from our customers, we would be held liable for such costs, thereby adversely affecting our results of operations and harming our business.

As we expand the scale of our non-U.S. business activities, any changes in the U.S. or non-U.S. taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition, and results of operations. We may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. In addition, our hiring of personnel and engagement of third-party employer-of-record providers in non-U.S. jurisdictions, as well as our data center and other infrastructure activities outside the United States, have created, and may in the future create, permanent establishments or other taxable presence in those jurisdictions, which could subject us to additional income, withholding, and indirect taxes, as well as interest, penalties, and additional compliance obligations. In advance of forming and obtaining approvals for local operating entities, we have entered into, and expect to enter into, additional letters of intent, leases, and other agreements relating to our international compute and infrastructure activities through interim contracting arrangements with existing entities, and we may be unable to transfer these arrangements to local entities on a timely basis or at all. Any prolonged reliance on these interim arrangements, or any failure to migrate them to local entities, could increase our exposure to permanent establishment or other taxable-presence determinations and could result in non-recoverable value-added or similar indirect taxes, which could be material in certain jurisdictions. Although we have not been required to pay income taxes, other than in immaterial amounts in certain jurisdictions to date, the amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws, or revised interpretations of existing tax laws and precedents, which could adversely affect our liquidity and results of operations. For example, a number of countries and organizations, such as the Organisation for Economic Co-operation and Development (“OECD”), have proposed changes to existing tax laws or new laws that could impact our tax obligations, including a framework that imposes a 15% global minimum tax, which has been implemented into the domestic laws of some jurisdictions in the EU, among other jurisdictions, and is being considered for implementation by other countries. On January 5, 2026, the OECD announced a “side-by-side” elective safe harbor that exempts electing U.S.-parented multinational entities from certain provisions of the global minimum tax for fiscal years

beginning on or after January 1, 2026. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest, and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which would harm us and our results of operations.

Our business, financial condition, and results of operations may be adversely affected if we are required to collect sales or other related taxes for subscriptions to our models, platform, and applications in jurisdictions where we have not historically done so.

We collect sales tax in a number of jurisdictions. Sales, use, value-added, digital services, and similar tax laws and rates vary by jurisdiction. One or more states or countries may seek to impose incremental or new sales, use, or other tax collection obligations on us. A successful assertion by a state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, or other taxes could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential customers from subscribing to our models, platform, and applications due to the incremental cost of any such sales or other related taxes, or otherwise harm our business, financial condition, and results of operations. Further, certain jurisdictions in which we operate have enacted a digital services tax, which is generally a tax on gross revenue generated from users or customers located in those jurisdictions, and other jurisdictions are considering enacting similar laws. Any successful action by taxing authorities to compel us to collect and remit sales, use, value-added, digital services, and similar taxes, either retroactively, prospectively, or both, may adversely affect our business, financial condition, and results of operations.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred substantial net operating losses ("NOLs") during our history. In general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), a corporation that undergoes an "ownership change" is subject to annual limitations on its ability to utilize its pre-change U.S. federal NOL carryforwards and certain other tax attributes, including tax credit carryforwards, to offset its future taxable income or tax liabilities. For these purposes, an ownership change generally occurs if the percentage of a corporation's stock (by value) owned by one or more "5-percent shareholders" increases by more than 50 percentage points over a rolling three-year period. We have experienced ownership changes in the past, and we may experience ownership changes in the future, including as a result of this offering or subsequent shifts in our stock ownership, some of which may be outside our control. NOLs and other tax attributes of companies we have acquired are, and of companies we may acquire may be, subject to similar limitations. Similar provisions of state tax law and the tax laws of non-U.S. jurisdictions may also limit our ability to utilize state and non-U.S. NOL carryforwards and other tax attributes. In addition, certain states, including California, have suspended or otherwise limited the use of NOL carryforwards and other tax attributes, which could accelerate or permanently increase our state income tax liabilities. Separately, under current law, U.S. federal NOLs arising in taxable years beginning after December 31, 2017 may be used to offset only 80% of taxable income in any year, whether or not an ownership change occurs. As a result of the foregoing, even if we attain profitability, we may be unable to use all or a material portion of our NOLs and other tax attributes, which could adversely affect our future cash flows and results of operations.

Our corporate structure and intercompany arrangements are subject to the tax laws of multiple jurisdictions, and we could be required to pay additional taxes, which could adversely affect our business, financial condition, and results of operations.

As we continue to expand our non-U.S. operations, we are, and may increasingly be, required to report taxable income in various jurisdictions around the world based on our business activities in those jurisdictions. Our corporate structure and associated transfer pricing policies reflect the functions, risks, and assets of the entities involved in our intercompany transactions. However, our tax position is subject to various risks, including increases in tax rates, new or revised tax laws (which may apply retroactively), and new interpretations of existing tax laws and policies by taxing authorities or courts, any of which could increase our overall tax obligations.

Our intercompany transactions are subject to complex transfer pricing rules administered by tax authorities in the jurisdictions in which we operate, many of which apply divergent, and sometimes conflicting, legal

standards. Tax authorities may take inconsistent positions regarding the application of the arm's-length principle, the characterization or valuation of our intellectual property, or the pricing of intercompany services and other transactions. If a tax authority successfully challenges our transfer pricing or the allocation of income and expenses among jurisdictions, we could be required to reallocate income or pay additional taxes, interest, and penalties. If the jurisdiction from which income is reallocated does not agree with the adjustment, we could also be subject to double taxation. In addition, certain of our cross-border contracting arrangements, including infrastructure-related agreements entered into by U.S. entities pending the formation of local subsidiaries, may give rise to non-recoverable value-added or similar indirect taxes or other tax costs, which could be material depending on the jurisdiction.

Although we believe our tax positions are reasonable, our tax reserves are adequate, and our transfer pricing practices reflect arm's-length terms, tax authorities may disagree with our assumptions, judgments, and estimates. If a tax authority were to prevail in asserting that our intercompany arrangements do not satisfy applicable transfer pricing requirements, we could be required to pay additional taxes, interest, and penalties that exceed our reserves. Such an outcome could increase our effective tax rate, reduce our cash flows, and adversely affect our ability to achieve and sustain profitability.

If our judgments or estimates relating to our critical accounting policies prove to be incorrect, our results of operations may be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make judgments in applying our accounting policies and to make estimates and assumptions that affect the amounts reported on our consolidated financial statements and accompanying notes. We base our estimates in part on historical experience, market observable inputs, if available, and various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates." Significant accounting policies, estimates, and assumptions used in preparing our consolidated financial statements include, but are not limited to, revenue recognition, stock-based compensation, common stock valuations, fair value of convertible notes, derivative liabilities, and SAFEs, leases, income taxes, and loss contingencies. In addition, we engage in complex and novel transactions and may be required to consolidate certain assets or entities on our financial statements, which may involve significant judgment and could result in volatility in our reported results of operations. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which may cause our results of operations to fall below the expectations of securities analysts and investors and cause a decline in the market price of our Class A common stock.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations may be impaired, which may adversely affect our business, financial condition, and results of operations.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the listing standards of the Nasdaq Global Select Market. The Sarbanes-Oxley Act and related Exchange Act rules require, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to assure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to management, including our principal executive and financial officers, to allow timely decisions regarding disclosure. We are also continuing to improve our internal control over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting.

Our current controls and any new controls that we develop may become inadequate because of changes in the conditions in our business. Further, weaknesses in our disclosure controls, procedures, or internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, may adversely affect our results of operations

or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. We also rely on distribution partners and other third-party service providers to process and store data underlying our financial reporting. Our ability to maintain effective internal controls therefore depends in part on the design and operating effectiveness of controls maintained by these third parties, and our ability to audit or remediate deficiencies in such third-party control environments is limited.

Any failure to implement and maintain effective internal control over financial reporting may also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting may also cause investors to lose confidence in our reported financial and other information, which would likely adversely affect the market price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq Global Select Market. We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K.

We are exposed to fluctuations in interest rates and currency exchange rates, which could negatively affect our business, financial condition, and results of operations.

We hold a significant amount of cash, cash equivalents, and investments, a substantial portion of which is invested in instruments with variable or market-based interest rates. As a result, our investment income is sensitive to changes in prevailing interest rates. A decline in interest rates could reduce the income we earn on these investments, which could adversely affect our financial condition and results of operations. In addition, volatility in interest rates may impact the fair value of our investment portfolio and could affect our overall financial performance.

Our sales are currently denominated in U.S. dollars, euros, and British pounds, and will likely be denominated in other currencies in the future. Because we report our results of operations and revenue in U.S. dollars, we are exposed to foreign currency translation risk and may in the future face additional foreign currency risks. For example, a strengthening of the U.S. dollar compared to these foreign currencies could increase the real cost of our models, platform, and applications to non-U.S. customers, which could reduce demand for our models, platform, and applications and adversely affect our results of operations. In addition, as our non-U.S. operations expand, an increasing portion of our operating expenses may be denominated in foreign currencies and subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to effectively manage these risks, including through any hedging activities, our financial condition and results of operations could be adversely affected.

Risks Related to our Governance Structure

Our capital stock structure features certain provisions that are novel or otherwise not common among other corporations with multiple-class structures, and may effectively eliminate the ability of holders of our Class A common stock to influence important decisions, including a change in control.

We have a novel capital and corporate governance structure that has no direct public company precedent. We are incorporated as a PBC under Delaware law. As a PBC, we are required to balance the pecuniary interests of our stockholders, the best interests of those materially affected by our conduct, and the Company Purpose identified in our amended and restated certificate of incorporation. In addition, the LTBT possesses certain rights that are designed to help ensure that we are managed in a manner that responsibly balances our goals as a PBC. Through a special class of common stock, Class T common stock, the LTBT generally has the authority to elect and remove the Class T directors, who together will constitute a majority of the authorized members of our board of directors. See the section titled "Our Governance Structure and Its Goals—Long-Term Benefit Trust—Election and Removal of Directors" for more information. The LTBT is intended to operate as an independent body of five financially disinterested Trustees, and our Class T common stock has no economic rights. As a result, the LTBT may have interests that differ from yours, and it may exercise its power in a way with which

you disagree or in a way that may be adverse to your interests. Immediately prior to the completion of this offering, we will also issue a single share of Class F common stock, a special class of our common stock, to the Founder LLC. Our Class F common stock will be entitled to an aggregate number of votes that equals 50.1% of the total voting power of our outstanding shares of capital stock as of the applicable record date with respect to matters submitted to stockholders generally, including the election of our directors other than the Class T directors. Immediately prior to the completion of this offering, we will also authorize a special class of our common stock, Class E common stock, which we will issue to our employees, excluding our co-founders. Our Class E common stock will be entitled to vote only on certain limited matters and will not have any economic rights. Under this governance structure, we expect that the LTBT and the Founder LLC will collectively have the ability to elect all members of our board of directors, and the Founder LLC will have the ability to determine the outcome of all matters submitted to a vote of our stockholders generally for the foreseeable future. Accordingly, holders of our Class A common stock generally will not be able to affect the outcome of any matter submitted to a vote of our stockholders or the election of our directors, regardless of how they vote, unless a majority of the Continuing Founders (as defined below) cannot agree on how our Class F common stock will be voted (in which case our Class F common stock will generally be voted proportionately with the votes of our Class A common stock cast on the matter).

Our governance structure is likely to have the effect of limiting the likelihood of an unsolicited merger proposal, unsolicited tender offer, or proxy contest for the removal of directors. As a result, our governance structure may make it more difficult to replace our directors and management and may have the effect of depriving our stockholders of an opportunity to sell their shares at a premium over prevailing market prices.

We cannot predict whether our structure will result in lower demand for our Class A common stock, increased volatility, adverse publicity, or other adverse consequences. In particular, the absence of judicial precedent interpreting this structure increases the risk and unpredictability of governance-related litigation, and courts may interpret the obligations inherent in our structure in ways that we might not anticipate.

Our capital structure will concentrate voting power with the LTBT and the Founder LLC for the foreseeable future and will result in the LTBT and the Founder LLC having voting power that is not derived from or proportionate to economic interests in our company.

Our Class T common stock will generally entitle the LTBT to elect and remove the Class T directors, who together will constitute a majority of the authorized members of our board of directors. Our Class T common stock will remain outstanding indefinitely, subject to the right of our board of directors and the Trustees or specified majorities of our Class A common stock, Class E common stock, and Class F common stock to amend or terminate the terms of the LTBT or the rights of our Class T common stock or to redeem our Class T common stock (such time as no share of Class T common stock is outstanding, the "Class T Sunset Time"). The Class T common stock may also be transferred without restriction upon the receipt of the same approvals required to amend, terminate, or redeem it. We intentionally structured the Class T common stock in this manner to preserve long-term flexibility if circumstances change. If the Class T common stock were transferred to a person or entity that is not affiliated with the LTBT or is not otherwise required to consider the Company Purpose, for so long as we remain a PBC, all of our directors, regardless of how they are elected, would continue to be obligated to act in accordance with Delaware law and our certificate of incorporation, bylaws, and other governing documents as then in effect, including those provisions relating to our public benefit purpose. The Trust Agreement (as defined below) limits Trustee compensation to a reasonable cash amount fixed annually by the Trustees. Trustee compensation will not vary with or be conditioned upon the profits or any action or inaction of our company. The policies of the LTBT prohibit a Trustee from directly purchasing or holding any of our securities.

Our Class F common stock will entitle the Founder LLC to an aggregate number of votes that equals 50.1% of the total voting power of our outstanding shares of capital stock as of the applicable record date with respect to matters submitted to stockholders generally, including the election of our directors other than the Class T directors. Our Class F common stock will remain outstanding until the earlier of (i) the completion of the Class F Transition Period (as defined below), which will commence when there have been fewer than three Continuing Founders (not including any successor member who is a "Non-Qualifying Member" as defined in the Founder LLC limited liability company agreement (the "Founder LLC Agreement")) for 90 consecutive calendar days and (ii) the time when there is no Class F common stock outstanding, including as a result of a redemption thereof agreed to by a Supermajority (as defined below) of the Continuing Founders or upon the

dissolution of the Founder LLC (the "Class F Sunset Time"). Upon the completion of this offering, based on beneficial ownership as of September 30, 2026, our co-founders will collectively hold approximately (i) % of the total voting power of our outstanding capital stock with respect to matters submitted to stockholders generally, excluding through their interests in the Founder LLC, and (ii) % of the total voting power of our outstanding capital stock with respect to matters submitted to stockholders generally, including through their interests in the Founder LLC.

The voting powers of the LTBT and the Founder LLC are not derived from or proportionate to economic interests in our company and will not be subject to dilution or the loss of rights upon the issuance of additional shares of Class A common stock (including upon conversion of any Class N common stock) or any other shares of our capital stock. Moreover, the LTBT, Founder LLC, and our individual co-founders may have interests that differ from yours and may vote in a way with which you disagree and that may be adverse to your interests. For example, while the LTBT, Founder LLC, and our co-founders share a long-term commitment to our mission that may benefit stockholders who share our public benefit goals, the separation between voting power and economic interests may result in such persons exercising their influence in a manner that prioritizes actions or outcomes they believe to be consistent with the Company Purpose and the best interests of those materially affected by our conduct over the pecuniary interests of our other stockholders. This divergence of voting power from economic interests in our company is likely to persist for the foreseeable future and will not be subject to dilution based on additional issuances of our capital stock or reduction for sales or dispositions of our capital stock by our individual co-founders. For additional information about the circumstances in which our Class T common stock and Class F common stock could be redeemed, see the section titled "Description of Capital Stock—Common Stock—Redemption."

Our governance structure and the adoption of our amended and restated certificate of incorporation may negatively affect the decision by certain institutional investors to purchase or hold shares of our Class A common stock.

Certain aspects of our governance structure, such as our multi-class capital structure, may limit the ability of certain institutional investors to invest in us as a result of their investment policies or may make such an investment less attractive to the portfolio managers of certain institutional investors.

In addition, our multi-class capital structure may make us ineligible for inclusion in indices, and as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track these indices would not invest in our stock. These policies may depress our valuation compared to those of other similar companies that are able to be included in such indices.

We are considered a "controlled company" within the meaning of the Nasdaq Global Select Market corporate governance requirements, and, as a result, we qualify for, and currently rely on, exemptions from certain corporate governance requirements.

We are considered a "controlled company" within the meaning of the Nasdaq Global Select Market corporate governance requirements because the LTBT, as the sole holder of our Class T common stock, generally has the power to elect a majority of the authorized members of our board of directors. As a result, we may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our board of directors consist of independent directors;
- the requirement that our board of directors have a nominating and corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement that we have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

If we elect not to comply with certain requirements, you will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq Global Select Market corporate governance requirements. Although we qualify as a "controlled company," we do not expect to rely on this exemption except with respect to our NGC, which will not consist entirely of independent directors. Our board of directors currently consists of a majority of independent directors and our audit and compensation committees currently

consist entirely of independent directors. In the event that we cease to be a "controlled company" and our Class A common stock continues to be listed on the Nasdaq Global Select Market, we will be required to comply with the provision that our NGC be comprised entirely of independent directors within the applicable transition period.

We operate as a Delaware public benefit corporation. As a public benefit corporation, we cannot provide any assurance that we will achieve the Company Purpose.

As a PBC, we are intended to produce a public benefit or benefits and to operate in a responsible and sustainable manner, balancing our stockholders' pecuniary interests, the best interests of those materially affected by our conduct, and the Company Purpose identified in our amended and restated certificate of incorporation. We cannot assure you that we will achieve the Company Purpose or that the expected positive impact from being a PBC will be realized, which could adversely affect our reputation, business, financial condition, and results of operations. As a PBC, we are required, under Section 366 of the Delaware General

Corporation Law ("DGCL") and pursuant to our amended and restated bylaws, to disclose to stockholders a report at least biennially on our overall performance in promoting the public benefit identified in our amended and restated certificate of incorporation and the best interests of those materially affected by our conduct and on our assessment of our success in achieving the Company Purpose and in promoting those interests. If we are not timely or are unable to provide this report, or if the report is not viewed favorably by parties doing business with us, regulators, others reviewing our credentials, or other stakeholders, including holders of our Class A common stock, our reputation as a PBC may be adversely affected.

Our focus on the long-term best interests of our company as a PBC, and the duty of our directors to balance the pecuniary interests of our stockholders, the best interests of those stakeholders materially affected by our conduct, and the Company Purpose, may conflict with short-, medium-, or long-term financial interests and business performance, which may negatively impact the value of our Class A common stock.

We have made, and may in the future make, decisions that we believe balance the pecuniary interests of our stockholders, the best interests of those materially affected by our conduct, and the Company Purpose set forth in our amended and restated certificate of incorporation, even if such decisions may negatively impact the short-, medium-, or long-term performance of our business, financial condition, and results of operations or the short-, medium-, or long-term performance of our Class A common stock. This may impact the value of our Class A common stock and make owning our Class A common stock less appealing to investors who are focused on returns. Our decisions and actions in pursuit of long-term success may not result in the long-term benefits we expect, which could adversely affect our business, financial condition, and results of operations, as well as the market price of our Class A common stock. Such decisions and actions may include changes to our models, platform, and applications; limitations on certain uses of our models, platform, and applications; moderating the pace of the development of our models for safety-related reasons; adjustments to the timing of new offerings; changes in how we deliver customer support; investments in our relationships with partners and employees; investments in and introductions of new models, platforms, and applications; investments in social impact initiatives consistent with our public benefit objectives; and changes in our approach to working with local or national jurisdictions on laws and regulations governing our business.

Our policies, including those on usage, currently prohibit, or may be revised in the future to prohibit, certain usage or other actions, which may have adverse commercial consequences to us. For example, our usage policy prohibits the use of our models, platform, and applications to develop or operate fully autonomous weapons or to conduct mass surveillance, including mass domestic surveillance, and we have declined to permit such uses based on the Company Purpose, notwithstanding the revenue those or similar uses could generate. Maintaining these limitations has had, and may continue to have, adverse commercial and financial consequences. We have also restricted or delayed the availability of certain capabilities for safety reasons. For example, we initially released our Mythos model only as a gated research preview through Project Glasswing rather than making it broadly available to the public. Similarly, we have chosen not to develop certain commercially attractive offerings, such as image and video generation models, in order to direct our compute toward our research and safety priorities. Our public advocacy, and the decisions we make to moderate the pace of AI development, delay or restrict the release of models or features, or forgo commercial opportunities for safety-related reasons, may not maximize stockholder value, could have a negative impact on the value of our Class A common stock, and could result in litigation. Each of these decisions reflects our directors' balancing of the pecuniary interests

of our stockholders, the best interests of those materially affected by our conduct, and the Company Purpose. While we believe these decisions are consistent with the Company Purpose, as a result of these decisions, we may forgo revenue, customers, or growth opportunities that a corporation managed solely to maximize stockholder value might pursue.

Further, while directors of traditional corporations typically have a fiduciary duty to focus on maximizing stockholder value, directors of a PBC have a duty to consider not only the stockholders' financial interests but also the company's specific public benefit purpose and the best interests of those stakeholders materially affected by the company's actions. Thus, our directors are not merely permitted, but obligated, to consider the Company Purpose and the interests of other stakeholders. Under Delaware law, directors are shielded from liability for breach of these obligations if they make informed and disinterested decisions that serve a rational purpose. In the event of a conflict among the interests of our stockholders, the Company Purpose, or the interests of our other stakeholders, our directors must only make informed and disinterested decisions that serve a rational purpose; thus, we cannot guarantee that such a conflict would be resolved in favor of our stockholders' monetary interests, which could adversely affect our business, financial condition, and results of operations and cause the market price of our Class A common stock to decline. In addition, there is very limited judicial precedent interpreting the balancing requirement applicable to PBCs under Delaware law, particularly for companies with significant scale or visibility, or with a scope of PBC purpose similar to ours. As a result, the scope of directors' obligations, the standards by which their decisions may be reviewed, and the nature and availability of stockholder remedies in connection with alleged failures to responsibly balance these interests remain uncertain. Future judicial interpretations of these provisions could be more expansive than we currently anticipate and could result in increased litigation risk, greater scrutiny of board decision-making, or outcomes that differ from our expectations.

Additionally, as a PBC, we are less vulnerable to an unsolicited takeover effort than a traditional company would be and, therefore, your ability to realize your investment through an acquisition may be limited. We may also not be an attractive target for activists or hedge fund investors because new directors must consider and give appropriate weight to the pecuniary interests of our stockholders, the best interests of those materially affected by our conduct, and the Company Purpose, and stockholders may be able to enforce this obligation through litigation. Further, by requiring that our board of directors consider additional stakeholders and the Company Purpose, and not just maximizing stockholder value, Delaware law could make it easier for our board of directors to reject a hostile bid, even where the acceptance of such a bid would provide the greatest short-term financial yield to investors.

In addition, we intend to direct a meaningful portion of our resources toward our public benefit initiatives, which may include contributions to nonprofit organizations, research institutions, underserved communities, and other third parties that may not otherwise have access to frontier AI capabilities. These initiatives, which

include the Initial Public Benefit Issuance and the future Public Benefit Issuances, have been, and may continue to be, substantial in scale, and we expect to significantly grow these efforts over time. The benefits of such expenditures may be difficult or impossible to measure in financial terms and may not result in any direct or measurable benefit to our business or our stockholders. The amount of resources directed toward these initiatives may, in any given period, reduce our revenue, increase our expenses, or otherwise affect our results of operations.

As a Delaware public benefit corporation, we may be subject to increased litigation concerning our board of directors' obligation to balance our stockholders' pecuniary interests, the best interests of those materially affected by our conduct, and the Company Purpose, the occurrence of which may have an adverse impact on our business, financial condition, and results of operations.

Section 367 of the DGCL provides that stockholders of a Delaware PBC with shares listed on a national securities exchange may only file an action to enforce the statutory balancing requirement imposed on the board of directors by the DGCL if they, individually or collectively, own the lesser of at least two percent of the corporation's outstanding shares or shares of the corporation with a market value of at least $2,000,000 as of the date the action is instituted and, in the case of a derivative action, such stockholders satisfy any other conditions applicable to filing a derivative action. This potential liability for enforcement of the statutory balancing requirement does not exist for traditional corporations. Therefore, we may be subject to the possibility of increased litigation, which would require the attention of our management, and, as a result, may

adversely affect our management's ability to effectively execute our strategy. There is limited judicial precedent for this type of balancing litigation, which may create uncertainty around the scope of our directors' obligations or the remedies available to stockholders. Additionally, any such litigation may be costly, which may adversely affect our business, financial condition, and results of operations.

Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and also provide that the federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, each of which may limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, stockholders, or employees.

Our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, stockholders, or officers or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL, or as to which the DGCL confers jurisdiction upon the Court of Chancery of the State of Delaware, (iv) any action arising pursuant to or to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation, or our amended and restated bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine, except for, in all cases, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination).

Section 22 of the Securities Act of 1933, as amended (the "Securities Act"), establishes concurrent jurisdiction for federal and state courts over Securities Act claims. Accordingly, both state and federal courts have jurisdiction to hear such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws will also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act against any person in connection with any offering of our securities, including, without limitation, any auditor, underwriter, expert, control person, or other defendant. Unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for the resolution of any derivative action or proceeding brought to enforce any duty or liability created by the Exchange Act or the rules or regulations thereunder. All other claims arising under the Exchange Act may be brought in any federal court of competent jurisdiction.

Any person or entity purchasing, holding, or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our current or former directors, officers, stockholders, or other employees, which may discourage lawsuits with respect to such claims against us and our current and former directors, officers, stockholders, or other employees. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions.

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Provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, proxy contest, or other significant corporate transaction difficult, potentially depressing the market price of our Class A common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will contain a number of provisions that may make the acquisition of our company more difficult. Such provisions will include:

- a multi-class common stock structure, which will provide the LTBT and the Founder LLC with the ability to elect all members of our board of directors, and will provide the Founder LLC with the ability to determine the outcome of all matters submitted to a vote of our stockholders generally (including the approval of any merger, sale of our company, and other significant corporate transaction requiring stockholder approval) for the foreseeable future;
- prior to the Class F Sunset Time, vacant or newly created directorships for any directors who are not Class T directors can be filled by our board of directors in accordance with a notice from the Founder LLC or by the holders of our Class A common stock and Class F common stock, voting together or acting by written consent;
- prior to the Class T Sunset Time, the number of directors constituting our board of directors will be permitted to be set only with the approval of 80% of the authorized members of our board of directors (rounded up or down to the nearest whole number (any exact 0.5 rounding up));
- a special meeting of our stockholders may only be called by (i) our board of directors acting pursuant to a resolution adopted by a majority of the authorized members of our board of directors; (ii) the Chairperson of our board of directors; (iii) our Chief Executive Officer; (iv) our President; (v) following the Class F Sunset Time, a majority of the directors who are not Class T directors; (vi) prior to the Class F Sunset Time and only with respect to a special meeting at which holders of our Class E common stock will be asked to vote on a proposal, the secretary of the company; or (vii) prior to the Class F Sunset Time, the Founder LLC as the holder of our Class F common stock;
- prior to the Class F Sunset Time and the Class T Sunset Time, stockholders may act by written consent only with respect to (i) any action to nominate, elect, or remove directors or appoint a director to fill any vacancy or newly created directorship; (ii) any action to satisfy certain redemption and protective provisions in our amended and restated certificate of incorporation related to our Class F common stock, Class T common stock, and Class E common stock; and (iii) any matter in which stockholders vote together as a single class if such matter is first approved or requested by our board of directors, and following both the Class F Sunset Time and the Class T Sunset Time, any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any written consent of our stockholders; notwithstanding the foregoing, any action required or permitted to be taken by the holders of our Class E common stock must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing by such stockholders;
- advance notice procedures required for Class A stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders;
- following the Class F Sunset Time, our board of directors will shift to having a classified board of directors consisting of three classes of directors with staggered three-year terms;
- following the Class F Sunset Time, 66 2/3% of the voting power of our Class A common stock will be required to amend certain provisions in our amended and restated certificate of incorporation and our amended and restated bylaws;
- not providing for cumulative voting; and
- authorizing undesignated preferred stock, the issuance and terms of which may be established by 80% of the authorized members of our board of directors (rounded up or down to the nearest whole number

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(any exact 0.5 rounding up)) and, prior to the Class F Sunset Time, only with the consent of the Founder LLC as the holder of our Class F common stock.

These provisions, alone or together, could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Risks Related to Ownership of our Class A Common Stock

There has been no prior public trading market for our Class A common stock, and an active trading market may not develop or be sustained following this offering.

We have applied to list our Class A common stock on the Nasdaq Global Select Market under the symbol "ANT." However, prior to this offering, there has been no public trading market for our Class A common stock. We cannot assure you that an active trading market for our Class A common stock will develop on such exchange or elsewhere or, if developed, that any market will be sustained. The initial public offering price of our Class A common stock will be determined through negotiations among us, the selling stockholders, and the underwriters. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering.

The market price of our Class A common stock may be volatile, and you may lose all or part of your investment.

We cannot predict the prices at which our Class A common stock will trade. The initial public offering price of our Class A common stock will be determined through negotiations among us, the selling stockholders, and the underwriters. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering. The market price of our Class A common stock following this offering may fluctuate substantially, depending on a number of factors, many of which are beyond our control and may not be related to our operating performance. These fluctuations may cause you to lose all or part of your investment in our Class A common stock. Factors that may cause fluctuations in the market price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time, including fluctuations due to general economic uncertainty or negative market sentiment;
- volatility in the market and trading volumes of technology stocks;
- supply chain constraints, particularly those impacting compute, and new and evolving trade regulations and tariffs, and countermeasures;
- changes in the operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders, as well as the anticipation of lock-up releases;
- rumors and market speculation involving us or other companies in our industry or related industries;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or perceived significant data breaches involving our business;
- the financial or non-financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;

- third-party data published about us or other companies in our industry, whether or not such data is accurate;
- announcements by us or our competitors of new models, platforms, or applications;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- fluctuations in the trading volume of shares of our Class A common stock or the size of our public float;
- short selling of our Class A common stock or related derivative securities;
- actual or anticipated changes or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses, or the competitive landscape generally;
- changes in the anticipated future size or growth rate of our addressable markets;
- our issuance of shares of our Class A common stock, including as a result of the conversion of our Class N common stock in connection with certain transfers;
- litigation or regulatory action involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies, or similar strategic transactions, by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- regulatory enforcement actions or other governmental efforts affecting our models, platform, and applications;
- changes in accounting standards, policies, guidelines, interpretations, or principles;

- major catastrophic events such as war, incidents of terrorism, pandemics, or responses to such events;
- any additions or departures of founders, board members, management, or key personnel; and
- general economic conditions and slow or negative growth of our markets.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the market price of our Class A common stock may decline for reasons unrelated to our business, financial condition, and results of operations. The market price of our Class A common stock may also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Accordingly, we cannot assure you of the liquidity of any trading market, your ability to sell your shares of our Class A common stock when desired, or the prices that you may obtain for your shares of our Class A common stock.

In the past, stockholders have initiated securities class action lawsuits against companies following periods of stock price volatility. If the market price of our Class A common stock is volatile, we may become the target of securities litigation. Such litigation may subject us to substantial costs, divert resources and management's attention, and adversely affect our business, financial condition, and results of operations.

The issuance of additional stock in connection with financings, acquisitions, investments, our equity incentive plans, the conversion of our outstanding convertible promissory notes, the conversion of our outstanding Class N common stock, our public benefit initiatives, or otherwise will dilute the interests of the holders of our Class A common stock.

Our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering authorizes us to issue up to an aggregate of 300,000,000,000 shares of Class A common stock, 100,000,000,000 shares of Class N common stock, one share of Class T common stock, one share of Class F common stock, 30,000,000,000 shares of Class E common stock, and 30,000,000,000 shares of preferred stock, with such rights, powers, and preferences as may be determined by our board of directors (subject to limitations in our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, or prescribed by Delaware law). Subject to compliance with applicable rules and regulations, we may issue shares of our capital stock or securities convertible into shares of our capital stock from time to time in connection with a financing, an acquisition, an investment, our equity incentive plans, the conversion of our outstanding convertible promissory notes, the conversion of our Class N common stock, our public benefit initiatives, which may include issuances of equity to third parties such as nonprofit organizations, research institutions, or other recipients, or otherwise, including the Public Benefit Issuances. Any such issuances may result in substantial dilution to the holders of our Class A common stock and cause the market price of our Class A common stock to decline. For a discussion of the dilutive impact of our Class N common stock on the holders of our Class A common stock, see the section titled "—A substantial number of shares of our Class N common stock will be outstanding upon the completion of this offering, which will dilute the voting power of the holders of our Class A common stock upon conversion."

In addition, registration rights agreements entered into with counterparties to certain of our NPAs provide such counterparties with rights to cause us to register for resale after this offering (i) shares of our common stock underlying such notes, (ii) shares of Class A common stock issuable upon conversion of Class N common stock issued upon conversion of the notes, and (iii) shares of our common stock issued in connection with certain contractual rights to private placements concurrent with this offering. The exercise of such registration rights could facilitate sales of large blocks of our Class A common stock into the public market, which could depress the market price of our Class A common stock or increase its volatility.

A substantial number of shares of our Class N common stock will be outstanding upon the completion of this offering, which will dilute the voting power of the holders of our Class A common stock upon conversion.

Immediately prior to the completion of this offering, after giving effect to the Preferred Stock Conversion and the Convertible Notes Conversion, we will have shares of Class N common stock outstanding, representing approximately % of our outstanding capital stock prior to this offering and approximately % of our outstanding capital stock following the completion of this offering (in each case, excluding our Class T common stock, Class F common stock, and Class E common stock). After giving effect to the Preferred Stock Conversion and the Convertible Notes Conversion, Amazon and Google will each hold greater than five percent of our outstanding capital stock. Although our Class N common stock is non-voting, their holdings represent a significant economic interest in our company, and because our Class N common stock converts into Class A common stock upon transfer to an unaffiliated third party, these shares could also become significant to the voting power of our Class A common stock following any such transfer. Immediately prior to the completion of this offering, after giving effect to the Preferred Stock Conversion and the Convertible Notes Conversion, and immediately following the offering, Amazon will hold shares of our Class N common stock and Google will hold shares of our Class N common stock. An aggregate of an additional shares of Class N common stock will be issuable after this offering upon conversion of remaining outstanding convertible promissory notes, all of which are held by Amazon, that could not convert immediately prior to the completion of this offering without exceeding the applicable ownership cap. Additional shares of Class N common stock may also be issued following this offering pursuant to the Public Benefit Issuances, future drawdowns and related issuances or conversions under our NPAs, and certain contractual rights. See the sections titled "Shares Eligible for Future Sale—Class N Common Stock," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Convertible Notes," and "Business—Our Commitment to Public Benefit."

Although our Class N common stock is not entitled to vote, it is entitled to economic rights equivalent to those of our Class A common stock, including the right to participate ratably with our Class A common stock in any dividends we may declare and in distributions upon a liquidation, dissolution, or winding up. As a result, the shares of Class N common stock issued in connection with the completion of this offering as a result of the Preferred Stock Conversion and Convertible Notes Conversion will dilute the economic interests, including any dividends and any proceeds available for distribution to stockholders, of the holders of our Class A common stock, and such shares are included together with our Class A common stock in determining net tangible book value per share. See the section titled "Dilution."

The shares of Class N common stock will automatically convert into an equal number of shares of Class A common stock upon a transfer effected through: (i) a registered offering or an open market sale of such shares or (ii) a transfer to an unaffiliated third party, subject to certain limitations described in the section titled "Description of Capital Stock." While held as Class N common stock, these shares are non-voting and therefore do not impact the voting power of the holders of our Class A common stock. Upon the conversion of shares of Class N common stock into Class A common stock, however, the resulting shares of Class A common stock will be entitled to one vote per share and the issuance of such shares will dilute the voting power of the existing holders of our Class A common stock. Any shares of Class N common stock that we issue in the future would have the same effect, diluting the economic interests of the holders of our Class A common stock while outstanding, as well as diluting their voting power upon conversion into Class A common stock.

Future issuances of our Class A common stock and Class N common stock will not dilute the voting power of our Class F common stock.

Future issuances of our Class A common stock, including upon conversion of our Class N common stock, and our Class N common stock will not dilute the voting power of our Class F common stock because our Class F common stock is entitled to a fixed 50.1% of the total voting power of our outstanding shares of capital stock as of the applicable record date with respect to matters submitted to stockholders generally. For example, if we were to issue 1,000,000 additional shares of Class A common stock, our Class F common stock would automatically be entitled to an incremental number of votes sufficient to cause the aggregate voting power of our Class F common stock to equal 50.1% of the total voting power of our outstanding shares of capital stock as of the applicable record date with respect to matters submitted to stockholders generally, or approximately 1,004,008 additional votes. Any future issuances of additional shares of Class A common stock, including upon conversion of our Class N common stock, and Class N common stock will not be subject to approval by our stockholders except as required by the listing standards of the Nasdaq Global Select Market.

Future sales of our Class A common stock in the public market could cause the market price of our Class A common stock to decline.

The market price of our Class A common stock may decline due to sales of a large number of shares of our Class A common stock in the market after this offering. The potential for such sales to occur may also depress the market price of our Class A common stock. Following the completion of this offering, based on shares of our Class A common stock outstanding and shares of Class N common stock outstanding as of September 30, 2026 (after giving effect to the Preferred Stock Conversion, Convertible Notes Conversion, Initial Public Benefit Issuance, and RSU Settlement), we will have a total of shares of Class A common stock outstanding and shares of Class N common stock outstanding. Our directors, executive officers, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us or have entered or will enter into lock-up agreements with Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters, under which they have agreed, subject to specific exceptions including specified early expiration provisions, to certain restrictions on their ability to transfer any shares of our Class A common stock or Class N common stock or securities directly or indirectly convertible into or exchangeable or exercisable for our Class A common stock or Class N common stock during the period ending (i) in the case of our co-founders and certain of our stockholders holding more than 0.5% of our fully diluted shares prior to this offering, on the earlier of (A) 6:00 AM Eastern Time on the second full trading day immediately following the public release of our quarterly financial results for the fiscal quarter ending September 30, 2027 and (B) immediately after the close of the trading day on the 365th day after the date of this prospectus, and (ii) in the case of all other such holders, on the earlier of (A) 6:00 AM Eastern Time on the second full trading day immediately following the public release of our quarterly financial results for the fiscal quarter ending March 31, 2027 and (B) immediately after the

close of the trading day on the 180th day after the date of this prospectus. Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC may release stockholders from the lock-up agreements, and we may, generally only with their consent, release stockholders from the market standoff agreements, in each case prior to the end of the applicable period. See the sections titled "Underwriting" and "Shares Eligible for Future Sale—Lock-Up and Market Standoff Agreements" for further information about these agreements, including the specified early expiration provisions.

As a result of these agreements and the provisions of our amended and restated investors' rights agreement, dated as of May 28, 2026 (our "IRA"), as described further in the section titled "Description of Capital Stock—

Registration Rights," and subject to the provisions of Rule 144 or Rule 701 of the Securities Act, additional shares of our Class A common stock (including shares issuable upon conversion of our Class N common stock) will become available for sale in the public market at various times after the date of this offering, beginning on the first trading day following the date of this prospectus. See the section titled "Shares Eligible for Future Sale" for additional information.

Upon completion of this offering, stockholders owning an aggregate of up to shares of our Class A common stock (including those issuable upon conversion of our Class N common stock) will be entitled, under our IRA, to demand registration rights. In addition, we intend to file a registration statement to register shares reserved for future issuance under our equity compensation plans. Upon effectiveness of that registration statement, subject to the satisfaction of applicable exercise periods and the expiration or waiver of the market standoff agreements and lock-up agreements referred to above, the shares issued upon exercise of outstanding stock options or settlement of RSUs will be available for immediate resale in the United States in the open market.

In addition, our co-founders have each pledged to dedicate 80% of their personal equity in Anthropic to philanthropic causes. These commitments are voluntary, revocable expressions of each co-founder's philanthropic intent and do not constitute legally binding obligations. The timing, amount, recipients, structure, and manner of any donations in furtherance of this pledge are uncertain and will depend on a variety of factors, including each co-founder's individual circumstances, tax and estate planning considerations, applicable transfer restrictions, market conditions, and philanthropic priorities at the relevant time. The co-founders may satisfy this pledge over time through a variety of means, including donations to donor-advised funds, charitable organizations, private foundations, or other philanthropic vehicles, certain of which have entered into irrevocable proxy agreements with us, as described under the section titled "Certain Relationships and Related Person Transactions—Irrevocable Proxy Agreements." Donations of shares of our Class A common stock in furtherance of this pledge and any subsequent sales by recipients could, subject to the lock-up and market standoff agreements described above and applicable securities laws, result in the sale of a significant number of shares in the public market. Because the timing and amount of any such donations and sales cannot be predicted, any such sales, or the perception that such sales could occur, could depress the market price of our Class A common stock. These pledges relate to the co-founders' personal economic interests in shares of our Class A common stock and do not apply to our Class F common stock or alter the Founder LLC voting structure described under the section titled "Our Governance Structure and Its Goals—Founder Voting Structure." As such, as our co-founders make donations in furtherance of this pledge, their personal economic interests in us will decrease while their voting control through the Founder LLC will remain unchanged for so long as each co-founder continues to satisfy the minimum retained ownership condition for continued membership in the Founder LLC described in the section titled "Description of Capital Stock—Founder LLC Agreement," which may reduce the alignment between the interests of our co-founders and those of our other stockholders, or cause those interests to diverge.

Sales of our Class A common stock by stockholders as lock-up restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales may also cause the market price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We do not anticipate paying cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, to fund the development and growth of our business. In addition, the A&R Credit Agreement

contains, and any future credit facility or financing we obtain may contain, terms limiting the amount of cash dividends that may be declared or paid on our capital stock. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements, and applicable contractual restrictions. As a result, stockholders should rely on sales of their Class A common stock or Class N common stock after price appreciation, if any, as the only way to realize any future gains on their investment.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendation regarding our Class A common stock adversely, the market price and trading volume of our Class A common stock could decline.

The market price and trading volume for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market, or our competitors. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If any of the analysts who cover us change their recommendation regarding our Class A common stock adversely, provide more favorable relative recommendations about our competitors or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the price and trading volume of our Class A common stock to decline.

APPENDIX 2

ANTHROPIC FINANCIAL STATEMENTS

Anthropic, PBC

Index to Consolidated Financial Statements

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Report Of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Anthropic, PBC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Anthropic, PBC (the Company) as of December 31, 2025, the related consolidated statement of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' deficit and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025, and the results of its operations and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Loss Contingencies

Description of the Matter

As further described in Note 13 to the consolidated financial statements, the Company is involved in various legal claims, proceedings and other regulatory and administrative proceedings, certain of which may include claims for substantial or indeterminate amounts of damages. The Company's assessment of loss contingency matters requires significant judgment in determining both the likelihood and estimated amount of potential losses.

Auditing the Company's accounting for and disclosure of certain loss contingencies was especially challenging due to the significant judgment required to evaluate management's assessments of the probability of loss and its estimate of the potential amounts or range of such losses.

How We Addressed the Matter in Our Audit

We performed audit procedures that included, among others, obtaining an understanding of the identification and evaluation of loss contingencies, including the Company's assessment of the likelihood that a loss will be incurred and its ability to reasonably estimate the loss or range of possible losses. We read the Company's board minutes, requested and received legal counsel confirmation letters, met with legal counsel to discuss the nature of certain matters and obtained representations from management on these matters. We also evaluated the appropriateness of the related disclosures included in the consolidated financial statements.

Fair Value of Convertible Notes

Description of the Matter

The Company accounts for its convertible promissory notes at fair value. As discussed in Note 4 to the consolidated financial statements, the estimated fair value of convertible promissory notes as of December 31, 2025, was $41.7 billion and the recognized loss for the change in the fair value of the convertible promissory notes for the year ended December 31, 2025, was $34.5 billion. The Company estimated the fair value of the convertible promissory notes using a hybrid approach comprising a contingent claims analysis method and a common stock equivalent method which involved the use of complex and subjective estimates, judgments and assumptions.

Auditing the Company's estimated fair value of convertible notes was especially challenging due to the significant judgment required to assess management's selection of the valuation methodology, determination of the relative weight applied to the contingent claims analysis and the common stock equivalent methods, which involved key judgments and assumptions, including the Company's stage of development, likelihood of an initial public offering (IPO), need for and terms of financings, and secondary and other market transactions. The estimated fair value of the convertible notes is particularly sensitive to changes in the relative weight applied to the two valuation methods.

How We Addressed the Matter in Our Audit

We performed audit procedures that included, among others, evaluating the Company's selection of the valuation methodology, evaluating the key judgments and assumptions noted above used by the Company's valuation specialist, and evaluating the completeness and accuracy of the underlying data supporting the key judgments and assumptions. We involved our valuation specialists to assist with our evaluation of the methodology used by the Company and the key judgments and assumptions. Specifically, we focused on the Company's determination of the relative weight applied to the contingent claims analysis and common stock equivalent methods and the key judgments and assumptions that affected the weighting. For example, we evaluated the stage of the Company's development, inspected the Company's written plans and internal presentations relating to an IPO process, and evaluated secondary and other market transactions during the period and their impact on the relative weight applied to the two valuation methods by the Company.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2025.

San Jose, California
June 1, 2026, except for the effects of the stock split described in Note 1, which is as of September 30, 2026

Report Of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Anthropic, PBC

Opinion on the financial statements

We have audited the accompanying consolidated balance sheet of Anthropic, PBC (a Delaware public benefit corporation) and subsidiaries (the "Company") as of December 31, 2024, the related consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' deficit, and cash flows for each of the years ended December 31, 2024 and 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the years ended December 31, 2024 and 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor from 2023 to 2025.

San Francisco, California
June 1, 2026 (except for the effects of the stock split described in Note 1, as to which the date is September 30, 2026)

Anthropic, PBC
Consolidated Balance Sheets
(In millions, except share amounts which are in thousands, and per share data)

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 3,141	$ 17,388	$ 112,389
Short-term investments	—	2,889	19,262
Accounts receivable, net	95	909	5,833
Prepaid expenses and other current assets	2,076	2,560	496
Total current assets	5,312	23,746	137,980
Restricted cash	13	13	2,529
Property and equipment, net	19	146	1,187
Operating lease right-of-use assets	35	126	1,157
Goodwill	—	154	576
Other assets, noncurrent	2,373	476	3,929
Total assets	$ 7,752	$ 24,661	$ 147,358
Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Deficit			
Current liabilities:			
Accounts payable, accrued expenses, and other current liabilities	$ 333	$ 2,511	$ 5,422
Operating lease liabilities, current	13	37	148
Deferred revenue	28	269	1,650
Total current liabilities	374	2,817	7,220
Operating lease liabilities, noncurrent	39	80	931
Convertible notes payable	14,116	41,677	108,566
Other noncurrent liabilities	150	823	750
Total liabilities	14,679	45,397	117,467
Commitments and contingencies (Note 13)			
Redeemable convertible preferred stock, $0.00001 par value; 360,995, 728,289, and 1,040,441 shares authorized as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively; 220,219, 544,322, and 853,394 shares issued and outstanding as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively; aggregate liquidation preference of $2,874, $24,646, and $136,286 as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively	2,874	29,769	157,510

Anthropic, PBC
Consolidated Balance Sheets (continued)
(In millions, except share amounts which are in thousands, and per share data)

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Stockholders' deficit:			
Class A common stock, $0.00001 par value; 6,319,705, 8,162,757, and 10,991,000 shares authorized as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively; 1,779,060, 1,901,267, and 2,157,398 shares issued and outstanding as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively	—	—	—
Class N common stock, $0.00001 par value; 2,148,900, 5,547,243, and 7,044,000 shares authorized as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively; no shares issued and outstanding as of December 31, 2024 and 2025, and 30,643 shares issued and outstanding as of June 30, 2026 (unaudited)	—	—	—
Class T common stock, $0.00001 par value; 0 shares authorized and issued as of December 31, 2024 and 2025 and June 30, 2026 (unaudited)	—	—	—
Additional paid-in capital	239	1,644	5,336
Accumulated other comprehensive income (loss)	—	5	(53)
Accumulated deficit	(10,040)	(52,154)	(132,902)
Total stockholders' deficit	(9,801)	(50,505)	(127,619)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	$ 7,752	$ 24,661	$ 147,358

The accompanying notes are an integral part of these consolidated financial statements.

Anthropic, PBC
Consolidated Statements of Operations
(In millions, except share amounts which are in thousands, and per share data)

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Revenue	$ 41	$ 386	$ 4,585	$ 1,163	$ 16,286
Operating expenses:					
Compute and infrastructure	433	2,522	7,326	2,334	8,945
Personnel	95	454	1,839	538	3,152
Bartz settlement	—	—	1,500	—	—
Sales, marketing, and partnerships	2	43	568	120	3,168
Other operating and administrative	62	347	1,412	306	1,714
Total operating expenses	592	3,366	12,645	3,298	16,979
Operating loss	(551)	(2,980)	(8,060)	(2,135)	(693)
Interest income	69	106	431	115	1,111
Change in fair value of convertible notes, derivative liabilities, and SAFEs	(1,045)	(5,434)	(34,308)	(10,942)	(72,388)
Other income (expense), net	(2)	—	(8)	—	(8,757)
Total other income (expense), net	(978)	(5,328)	(33,885)	(10,827)	(80,034)
Loss before provision for income taxes	(1,529)	(8,308)	(41,945)	(12,962)	(80,727)
Provision for income taxes	2	1	20	7	21
Net loss	$ (1,531)	$ (8,309)	$ (41,965)	$ (12,969)	$ (80,748)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.42)	$ (5.43)	$ (23.04)	$ (7.25)	$ (39.88)
Weighted-average shares outstanding, basic and diluted	1,076,881	1,528,995	1,821,085	1,788,731	2,024,973

The accompanying notes are an integral part of these consolidated financial statements.

Anthropic, PBC
Consolidated Statements of Comprehensive Loss
(In millions)

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Net loss	$ (1,531)	$ (8,309)	$ (41,965)	$ (12,969)	$ (80,748)
Other comprehensive income (loss):					
Net unrealized gain (loss) on available-for-sale securities, net of tax	—	—	4	—	(49)
Foreign currency translation adjustments	—	—	1	1	(9)
Other comprehensive income (loss)	—	—	5	1	(58)
Comprehensive loss	$ (1,531)	$ (8,309)	$ (41,960)	$ (12,968)	$ (80,806)

The accompanying notes are an integral part of these consolidated financial statements.

Anthropic, PBC

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit

(In millions, except share amounts which are in thousands)

	Redeemable convertible preferred stock		Class A common stock		Class N common stock		Class T common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	136,005	$ 1,106	1,738,823	$ —	—	$ —	—	$ —	$ 5	$ —	$ (200)	$ (195)
Issuance of redeemable convertible preferred stock, net of issuance costs	39,670	445	—	—	—	—	—	—	—	—	—	—
Conversion of SAFE note into redeemable convertible preferred stock	89	1	—	—	—	—	—	—	—	—	—	—
Issuance of Class T common stock	—	—	—	—	—	—	0	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options	—	—	15,330	—	—	—	—	—	3	—	—	3
Stock-based compensation expense	—	—	—	—	—	—	—	—	29	—	—	29
Net loss	—	—	—	—	—	—	—	—	—	—	(1,531)	(1,531)
Balance as of December 31, 2023	175,764	1,552	1,754,153	—	—	—	0	—	37	—	(1,731)	(1,694)
Issuance of redeemable convertible preferred stock, net of issuance costs	39,979	1,188	—	—	—	—	—	—	—	—	—	—
Conversion of SAFE notes into redeemable convertible preferred stock	4,476	134	—	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options	—	—	24,907	—	—	—	—	—	10	—	—	10
Stock-based compensation expense	—	—	—	—	—	—	—	—	192	—	—	192
Net loss	—	—	—	—	—	—	—	—	—	—	(8,309)	(8,309)
Balance as of December 31, 2024	220,219	2,874	1,779,060	—	—	—	0	—	239	—	(10,040)	(9,801)
Issuance of redeemable convertible preferred stock, net of issuance costs	155,830	16,548	—	—	—	—	—	—	—	—	—	—
Conversion of convertible notes into redeemable convertible preferred stock	168,273	10,347	—	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options and grants of restricted stock	—	—	141,542	—	—	—	—	—	111	—	—	111
Repurchase of outstanding common stock	—	—	(27,942)	—	—	—	—	—	—	—	(149)	(149)
Stock-based compensation expense	—	—	—	—	—	—	—	—	1,158	—	—	1,158
Equity issued in connection with business acquisition	—	—	8,607	—	—	—	—	—	136	—	—	136
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	1	—	1
Net unrealized gains on available-for-sale securities	—	—	—	—	—	—	—	—	—	4	—	4
Net loss	—	—	—	—	—	—	—	—	—	—	(41,965)	(41,965)
Balance as of December 31, 2025	544,322	$ 29,769	1,901,267	$ —	—	$ —	0	$ —	$ 1,644	$ 5	$ (52,154)	$ (50,505)

The accompanying notes are an integral part of these consolidated financial statements.

Anthropic, PBC
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(In millions, except share amounts which are in thousands)

	Redeemable convertible preferred stock		Class A common stock		Class N common stock		Class T common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2024	220,219	$ 2,874	1,779,060	$ —	—	$ —	0	$ —	$ 239	$ —	$ (10,040)	$ (9,801)
Issuance of redeemable convertible preferred stock, net of issuance costs (unaudited)	63,610	3,549	—	—	—	—	—	—	—	—	—	—
Conversion of convertible notes into redeemable convertible preferred stock (unaudited)	147,533	8,168	—	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options and grants of restricted stock (unaudited)	—	—	83,704	—	—	—	—	—	49	—	—	49
Repurchase of outstanding common stock (unaudited)	—	—	(27,942)	—	—	—	—	—	—	—	(149)	(149)
Stock-based compensation expense (unaudited)	—	—	—	—	—	—	—	—	279	—	—	279
Foreign currency translation adjustments (unaudited)	—	—	—	—	—	—	—	—	—	1	—	1
Net loss (unaudited)	—	—	—	—	—	—	—	—	—	—	(12,969)	(12,969)
Balance as of June 30, 2025 (unaudited)	431,362	$ 14,591	1,834,822	$ —	—	$ —	0	$ —	$ 567	$ 1	$ (23,158)	$ (22,590)

The accompanying notes are an integral part of these consolidated financial statements.

Anthropic, PBC
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(In millions, except share amounts which are in thousands)

	Redeemable convertible preferred stock		Class A common stock		Class N common stock		Class T common stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2025	544,322	$ 29,769	1,901,267	$ —	—	$ —	0	$ —	$ 1,644	$ 5	$ (52,154)	$ (50,505)
Issuance of redeemable convertible preferred stock, net of issuance costs (unaudited)	285,187	122,242	—	—	—	—	—	—	—	—	—	—
Conversion of convertible notes into redeemable convertible preferred stock (unaudited)	23,885	5,499	—	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options, grants of restricted stock, and sales of common stock for cash (unaudited)	—	—	229,818	—	—	—	—	—	355	—	—	355
Issuance of Class A common stock in connection with acquisitions (unaudited)	—	—	26,313	—	—	—	—	—	534	—	—	534
Issuance of Class N common stock upon settlement of donation matching program liability (unaudited)	—	—	—	—	30,643	—	—	—	667	—	—	667
Stock-based compensation expense (unaudited)	—	—	—	—	—	—	—	—	2,185	—	—	2,185
Foreign currency translation adjustments (unaudited)	—	—	—	—	—	—	—	—	—	(9)	—	(9)
Net unrealized loss on available-for-sale securities (unaudited)	—	—	—	—	—	—	—	—	—	(49)	—	(49)
Net loss (unaudited)	—	—	—	—	—	—	—	—	—	—	(80,748)	(80,748)
Other (unaudited)	—	—	—	—	—	—	—	—	(49)	—	—	(49)
Balance as of June 30, 2026 (unaudited)	853,394	$ 157,510	2,157,398	$ —	30,643	$ —	0	$ —	$ 5,336	$ (53)	$ (132,902)	$ (127,619)

The accompanying notes are an integral part of these consolidated financial statements.

Anthropic, PBC
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Cash flows from operating activities:					
Net loss	$ (1,531)	$ (8,309)	$ (41,965)	$ (12,969)	$ (80,748)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Stock-based compensation expense	29	192	1,158	279	2,185
Depreciation and amortization	3	21	40	14	97
Change in fair value of convertible notes, derivative liabilities, and SAFEs	1,045	5,434	34,308	10,942	72,388
Donation matching program liability	—	—	541	—	126
Recognition and change in fair value of other financial instruments	—	—	—	—	8,720
Other	—	7	11	5	(7)
Changes in operating assets and liabilities:					
Accounts receivable, net	(10)	(90)	(834)	(384)	(4,982)
Prepaid expenses and other assets	(1,253)	(3,190)	1,771	212	2,094
Accounts payable, accrued expenses, and other liabilities	84	222	2,079	257	2,679
Lease liabilities	(1)	—	13	7	(3)
Deferred revenue	7	21	241	124	1,380
Net cash provided by (used in) operating activities	(1,627)	(5,692)	(2,637)	(1,513)	3,929
Cash flows from investing activities:					
Purchases of property and equipment	(2)	(15)	(131)	(18)	(482)
Purchases of short-term investments	—	—	(3,082)	—	(18,972)
Sales and maturities of short-term investments	—	—	213	—	2,610
Other investing activities	—	(7)	(77)	(31)	(337)
Net cash used in investing activities	(2)	(22)	(3,077)	(49)	(17,181)
Cash flows from financing activities:					
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	445	1,188	16,548	3,549	110,432
Principal payments for finance leases	—	—	—	—	(4)
Issuance of convertible notes for cash	1,750	6,050	3,450	1,300	—
Proceeds from issuance of common stock	3	10	111	49	355
Repurchase of common stock	—	—	(149)	(149)	—
Issuance of SAFEs for cash	122	—	—	—	—
Payment of deferred offering costs	—	—	—	—	(9)
Net cash provided by financing activities	2,320	7,248	19,960	4,749	110,774
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	—	—	1	1	(5)
Net increase in cash, cash equivalents, and restricted cash	691	1,534	14,247	3,188	97,517

Anthropic, PBC
Consolidated Statements of Cash Flows (continued)
(In millions)

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Cash, cash equivalents, and restricted cash at beginning of period	929	1,620	3,154	3,154	17,401
Cash, cash equivalents, and restricted cash at end of period	$ 1,620	$ 3,154	$ 17,401	$ 6,342	$ 114,918

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business and Summary of Significant Accounting Policies

Anthropic, PBC (the "Company") is a public benefit corporation ("PBC") incorporated under Delaware law in January 2021. The Company develops and maintains advanced artificial intelligence ("AI") models and provides its intelligence service through its platform and applications to customers. The Company's public benefit purpose is to responsibly develop and maintain advanced AI for the long-term benefit of humanity. The Company is headquartered in San Francisco, California.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Company consolidates its wholly owned subsidiaries over which it exercises control, as well as variable interest entities ("VIEs") where the Company is deemed to be the primary beneficiary. All intercompany balances and transactions between consolidated entities have been eliminated in consolidation.

Change in Presentation and Reclassification of Prior Periods

Certain amounts reported in the Company's prior period consolidated financial statements have been reclassified to conform to the current period presentation. During the year ended December 31, 2025, the Company changed its presentation of operating expenses from a functional classification under which cost of revenue, gross profit (loss), research and development, sales and marketing, and general and administrative were presented as separate line items, to a classification based on the nature of expenses. As a result of this change in presentation, cost of revenue, gross profit (loss), research and development, sales and marketing, and general and administrative are no longer presented as separate line items in the consolidated statements of operations.

Under the new presentation, expenses are presented by major categories, including compute and infrastructure; personnel; sales, marketing, and partnerships; Bartz settlement; and other operating and administrative. In addition, the Company combined certain captions on its consolidated balance sheets and consolidated statements of cash flows. These reclassifications and certain other prior period amounts have been recast for all prior periods presented to conform to the current period presentation. These reclassifications affect presentation only and did not impact total assets, total liabilities, total stockholders' equity (deficit), total operating loss, net loss, or net cash provided by (used in) operating, investing, or financing activities.

Unaudited Interim Consolidated Financial Information

The accompanying interim consolidated balance sheet as of June 30, 2026 and the interim consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' deficit, and cash flows for the six months ended June 30, 2025 and 2026 and the related notes to such interim consolidated financial statements are unaudited. These unaudited interim consolidated financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all normal and recurring adjustments necessary for the fair statement of the Company's financial position as of June 30, 2026 and the Company's consolidated results of operations and cash flows for the six months ended June 30, 2025 and 2026. The results of operations for the six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the full year or any other future interim or annual period.

Stock Split

On September 17, 2026, the Company effected a 10-for-1 stock split of its authorized, issued, and outstanding shares of Class A common stock and Class N common stock. The conversion rate of the Company's redeemable convertible preferred stock was proportionately adjusted to factor in the stock split. On the same date, the Company also effected a 1-for-1,000 reverse stock split of its authorized and issued shares of Class T common stock. All share and per share information has been retroactively adjusted to reflect the stock split and reverse stock split for all periods presented.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. Significant items subject to such estimates and assumptions include the determination of the fair value of common stock, valuation of deferred tax assets and the related valuation allowance, the potential outcome of uncertain tax positions that have been recognized in the consolidated financial statements or tax returns, valuation of the simple agreements for future equity ("SAFEs"), valuation of convertible notes, valuation of goodwill, stock-based compensation, the assessment of useful lives of long-lived assets and intangible assets, contingencies, the valuation of financial instruments, and incremental borrowing rates for operating and finance leases.

Concentrations of Risk

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, accounts receivable, and short-term investments. The Company maintains cash with financial institutions of high credit quality and has not experienced any losses on such accounts and does not believe it is exposed to any unusual credit risk beyond the normal credit risk associated with commercial banking relationships. Deposits held with these financial institutions are in excess of the amount of Federal Deposit Insurance Corporation insured limits provided on such deposits. The Company has not experienced any losses related to these concentrations during the periods presented. The Company's short-term investments are primarily intended to facilitate liquidity and capital preservation and consist predominantly of highly liquid investment-grade fixed-income securities, diversified among industries and individual issuers. The Company's investment policy is designed to limit exposure from any particular issuer or institution.

Significant Customers

The table below sets forth concentrations of credit risk with respect to accounts receivable from major customers that accounted for 10% or more of the Company's total accounts receivable:

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Customer A	*	13%	13%
Customer C	*	*	10%

* Less than 10% of total

The table below sets forth concentrations of revenue from customers that accounted for 10% or more of the Company's total revenue:

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Customer A	*	*	12%	*	*
Customer B	*	*	12%	18%	*
Customer C	43%	*	*	*	11%
Customer D	11%	*	*	*	*

* Less than 10% of total

Other Concentrations

Prior to 2026, the Company obtained substantially all of its compute infrastructure from three cloud service providers ("CSPs"). During the six months ended June 30, 2026 (unaudited), the Company obtained a substantial majority of its compute infrastructure from a limited number of CSPs and other suppliers under long-term hosting and lease agreements. This created dependencies and potential vulnerabilities, in that a disruption affecting these counterparties could have adversely affected the Company's operations. While the Company is expanding its relationships with its existing CSPs, it is also expanding its compute capacity through commitments with additional CSPs and through compute procured from other sources, including leased infrastructure operated on its behalf.

The Company also provides access to its intelligence service through CSP marketplaces, with CSPs acting as collection agents for the Company in these transactions . During the years ended December 31, 2023, 2024, and 2025, revenue generated from sales through CSP marketplaces to customers represented approximately 11%, 32%, and 47% of total revenue, respectively. During the six months ended June 30, 2025 and 2026 (unaudited), revenue generated from sales through CSP marketplaces to customers represented approximately 44% and 48% of total revenue, respectively. As of December 31, 2024 and 2025 and June 30, 2026 (unaudited), net accounts receivable from sales through CSP marketplaces to customers represented 42%, 60%, and 58% of the Company's net accounts receivable, respectively.

Certain of the CSPs also hold the Company's non-voting redeemable convertible preferred stock and convertible notes. See Notes 9 and 10 for further information.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and interest-bearing accounts as well as investments in money market funds and highly liquid investments with original maturities of three months or less from the date of purchase.

Restricted Cash

The Company's restricted cash is classified as noncurrent based on the contractual or estimated term of the remaining restriction and consists of amounts pledged as collateral for the Company's lease and other contractual obligations. These amounts are restricted from general corporate use and will be released or applied against the related obligations as the underlying conditions are satisfied.

Short-Term Investments

The Company's short-term investments primarily consist of debt securities, including: U.S. Treasury and agency securities, corporate debt securities, and commercial paper. The Company determines the appropriate classification of its short-term investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company has classified and accounted for its short-term investments as available-for-sale securities as the Company may sell these securities at any time for use in its current operations or for other purposes, even prior to maturity. As a result, short-term investments, including securities with stated maturities beyond 12 months, are classified within current assets in the consolidated balance sheets.

Available-for-sale securities are recorded at fair value each reporting period and are periodically evaluated for impairment at the individual security level. For unrealized losses in securities that the Company intends to hold and will not-more-likely-than-not be required to sell before recovery, the Company further evaluates whether declines in fair value below amortized cost are due to credit or non-credit related factors.

The Company considers credit-related impairments to be changes in value that are driven by a change in the creditor's ability to meet its payment obligations and records an allowance and recognizes a corresponding loss in other income (expense), net when the impairment is incurred. Unrealized non-credit related losses and unrealized gains are reported as a separate component of accumulated other comprehensive income (loss) in the consolidated balance sheets until realized. Realized gains and losses are determined based on the specific identification method and are reported in other income (expense), net in the consolidated statements of operations.

Variable Interest Entities

The Company evaluates its ownership, contractual, and other interests in entities to determine if it has a variable interest in an entity. These evaluations are complex, involve judgment, and use estimates and assumptions based on available historical and prospective information, among other factors. If the Company determines that an entity for which it holds a contractual or ownership interest is a VIE and that the Company is the primary beneficiary, the Company consolidates such entity in its consolidated financial statements. An enterprise having a controlling financial interest in a VIE must consolidate the VIE if it is considered the primary beneficiary, which is described as having both (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (2) the right to receive benefits or the obligation to absorb losses of the VIE that potentially could be significant to the VIE. The Company consolidates certain VIEs formed to finance and deploy compute and infrastructure capacity. Refer to Note 7 for further information.

Long-Term Benefit Trust

In 2023, the Company established the Long-Term Benefit Trust ("LTBT"). The LTBT is intended to operate as an independent body of financially disinterested trustees with expertise in AI safety, national security, public policy, and social enterprise. In connection with establishing the LTBT, the Company created a class of common stock (the "Class T common stock") that is held exclusively by the LTBT and gives the LTBT authority to elect and remove certain of the Company's directors.

The LTBT is considered a consolidated VIE as it relies on the Company for financial support. The Company is the primary beneficiary of the VIE as it has the power to direct the activities that most significantly impact the LTBT's economic performance, provides financial support to the LTBT, and would receive the LTBT's financial assets (other than the Class T common stock) in the event that the LTBT terminates. The Company consolidated the VIE at inception and will perform on-going reassessments of the VIE based on any reconsideration events to reevaluate whether a change to the consolidation conclusion is required each reporting period. The consolidated balance sheets as of December 31, 2024 and 2025 and June 30, 2026 (unaudited) include assets of the LTBT, which can only be used to settle obligations and liabilities of the LTBT. As of December 31, 2024 and 2025 and June 30, 2026 (unaudited), total assets and liabilities of the LTBT were not material.

Fair Value Measurements and Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with Accounting Standards Codification ("ASC") 820, *Fair Value Measurement* ("ASC 820"), the Company uses the fair value hierarchy, which prioritizes the inputs used to measure fair value. The hierarchy, as defined below, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are set forth below:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active or inputs other than the quoted prices that are observable either directly or indirectly for the full term of the assets or liabilities.

Level 3: Unobservable inputs in which there is little or no market data and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments include accounts receivable, short-term investments, prepaid expenses and other current assets, other assets, accounts payable, accrued expenses, and other current liabilities, convertible notes payable, SAFE liabilities, and certain derivative contracts. The estimated fair value of other financial instruments, including cash and restricted cash, are stated at their carrying value which approximates fair value due to the short time to the expected receipt or payment date. Additionally, the carrying amounts of accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses, and other current liabilities approximate fair value due to their short-term nature.

Accounts Receivable and Allowances

Accounts receivable represent uncollected payments from customers and payments collected by channel partners from customers on the Company's behalf which have not yet been remitted to the Company. Accounts receivable are recorded at the invoiced amount net of the allowance for credit losses and do not bear interest. The Company's accounts receivable balances as of December 31, 2023, 2024, and 2025 and June 30, 2026 (unaudited) were $10 million, $95 million, $909 million, and $5.8 billion, respectively.

The Company regularly monitors collections and payments from customers and maintains an allowance for credit losses for estimated losses resulting from the inability of customers or channel partners to make or remit required payments. Management estimates the Company's allowance for credit losses by considering factors such as historical credit loss experience and current conditions, the length of time accounts receivable are past due, customer payment histories, any specific customer collection issues identified, and current market conditions which may affect customer financial condition. This assessment is performed on an aggregate basis when similar characteristics exist within a customer group and on an individual basis when specific customers with collectability risks are identified. The Company writes off accounts receivable against the allowance when management determines a balance is uncollectible and no longer actively pursues collection of the receivable.

Changes in the allowance for credit losses were as follows (in millions):

	Year Ended December 31,		Six Months Ended June 30,
	2024	2025	2026
			(unaudited)
Balance at beginning of period	$ —	$ 5	$ 17
Change in allowance for credit losses	5	20	57
Write-off of uncollectible accounts receivable	—	(8)	(3)
Balance at end of period	$ 5	$ 17	$ 71

Property and Equipment, Net

Property and equipment is stated at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related asset, ranging from three to five years. Leasehold improvements are amortized over the shorter of estimated useful life or the remaining lease term.

The Company estimates the useful lives of property and equipment upon initial recognition and periodically evaluates the useful lives and whether events or changes in circumstances warrant a revision to the useful lives.

Maintenance and repair costs that do not extend the useful life of the assets are expensed as incurred.

When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of operations in the period realized.

Software Development Costs

Software development costs include costs to develop advanced AI models and related software solutions used to deliver the Company's services to external users. Software development costs also include costs to develop software solely for internal use and applications used to support the Company's operations. Model development costs are generally expensed as incurred due to the significant development uncertainty inherent in the development process.

The Company capitalizes qualifying software development costs when (i) management, with relevant authority, has authorized and committed to fund the software project and (ii) it is probable that the project will be completed and the software will be used to perform its intended function. Capitalization ceases when the software is substantially complete and ready for its intended use, including the completion of all significant testing. Software development costs capitalized were not significant for the years presented.

Evaluation of Long-Lived Assets for Impairment

Long-lived assets, such as property and equipment, right-of-use ("ROU") assets, and finite-lived intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group (collectively, the "asset group") may not be recoverable. Recoverability of asset groups to be held and used is measured by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated. If the carrying amount exceeds the undiscounted cash flows, the asset groups are determined to be impaired, and an impairment charge is recognized as the amount by which the carrying amount exceeds its fair value.

Intangible Assets, Net

Intangible assets which are subject to amortization are amortized on a straight-line basis over their estimated useful lives, which range from one to six years. The Company reviews intangible assets which are subject to amortization for impairment under the long-lived asset model.

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill is not subject to amortization but is tested for impairment on an annual basis, performed in the fourth quarter of each year, or whenever events or changes in circumstances indicate the carrying value of the reporting unit may be in excess of the reporting unit's fair value.

Goodwill is tested for impairment at the reporting unit level by first assessing the qualitative factors to determine whether it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount. Qualitative indicators assessed include consideration of macroeconomic, industry, and market conditions, the Company's overall financial performance, and personnel or strategy changes. Based on the qualitative assessment, if the Company determines that it is more likely than not that the Company's single reporting unit's fair value is less than its carrying amount, a quantitative analysis is performed by comparing the fair value of the Company's single reporting unit to its carrying value. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to the reporting unit. The Company did not recognize any goodwill during the years ended December 31, 2023 and 2024 . No impairment losses related to goodwill were recognized during the year ended December 31, 2025 or the six months ended June 30, 2026 (unaudited).

Acquisitions

The Company accounts for acquisitions of entities or asset groups that qualify as businesses in accordance with ASC 805, *Business Combinations* ("ASC 805"). The purchase price of the acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over those fair values is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations.

Leases

The Company determines if an arrangement is a lease at inception. The Company evaluates the classification of leases at commencement and, as necessary, at modification. The Company, as the lessee, classifies leases with lease terms longer than 12 months as either operating or finance. A lease is classified as a finance lease if it meets any of the finance lease classification criteria in ASC 842 at lease commencement; all other leases are classified as operating leases. The Company's finance leases are generally those leases that allow the Company to utilize the asset for a major part of its estimated economic life, that have discounted lease payments that are substantially all the estimated fair value of the asset, or that include a purchase option which the Company is reasonably certain to exercise.

The Company leases facilities and equipment under operating and finance leases. The Company determines whether an arrangement is or contains a lease at inception and records lease liabilities and right-of-use assets

on its consolidated balance sheets at lease commencement. Where the Company's leases do not provide an implicit rate, the Company determines its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The determination of the incremental borrowing rate is based on an estimate of the Company's unsecured borrowing rate, adjusted for tenor and collateralized security features. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. ROU assets are measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) tenant incentives received, incurred or payable under the lease. The Company does not assume renewals or early terminations of its leases unless it is reasonably certain to exercise these options at commencement.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or, where title does not transfer at the end of the lease term and the Company is not reasonably certain to exercise a purchase option, the lease term, and are recognized within operating expenses based on the nature of the leased asset. The interest component of a finance lease is recognized using the effective interest method over the lease term and is presented separately from the amortization of the related ROU asset.

Operating lease ROU assets and operating lease liabilities are presented separately on the consolidated balance sheets. Finance lease ROU assets are included in property and equipment, net. Finance lease liabilities are included in accounts payable, accrued expenses, and other current liabilities, and in other noncurrent liabilities.

The Company's lease agreements may contain lease and non-lease components. Non-lease components related to the asset being leased are not separated from the lease components and are accounted for as a single lease component for all existing classes of assets.

The Company made an accounting policy election for lease agreements with a term of 12 months or less and does not recognize ROU assets and lease liabilities in respect of those agreements. Any payments related to short-term leases are expensed as incurred.

Variable lease payments are expensed as incurred and are mainly composed of utilities, common area maintenance, and other operating expenses.

Similar to other long-lived assets discussed above, management assesses ROU assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Finance lease ROU assets are assessed for impairment together with the Company's other property and equipment. For leased assets, such circumstances would include the decision to enter into a sublease for which estimated cash flows do not fully cover the costs of the associated lease.

Revenue Recognition

The Company generates revenue from customers, including enterprises and prosumers , utilizing its intelligence service, which enables customers to submit text, documents, and other materials ("Prompts"), and receive AI-generated results ("Results") from its proprietary Claude model family. Prompts and Results are measured in the number of tokens consumed. The Company provides the intelligence service through its web, mobile, and desktop interfaces and APIs as well as through CSP marketplaces that distribute the intelligence service to the Company's customers. The intelligence service is not available for on-premise download or hosting by customers.

The Company accounts for revenue under ASC 606, *Revenue from Contracts with Customers*. Revenue is recognized based on the amount of consideration the Company expects to receive when the Company provides its intelligence service to customers. Revenue excludes amounts collected on behalf of third parties, such as sales and indirect taxes, as well as estimated concessions, credits, and refunds.

The Company's intelligence service is provided on a consumption or subscription basis. Revenue is recognized when customers use the Company's intelligence service, based on the quantity of tokens consumed. Intelligence service provided on a subscription basis is subject to usage limits that reset over short periods, which results in revenue being recognized ratably over the subscription period, which is generally 12 months or less. Payment terms vary by customer and sales channel but are generally less than 60 days. Subscription fees are generally prepaid. Certain enterprise contracts may include minimum spend commitments.

When the Company utilizes CSP marketplaces that distribute the intelligence service to customers, the customer receives the same intelligence service as is available through its web, mobile, and desktop interfaces and APIs, and the intelligence service represents a single promise in customer contracts. In these arrangements, the Company is the principal and recognizes revenue on a gross basis because the Company has a direct contractual relationship with customers, is primarily responsible for providing the intelligence service to customers, and establishes pricing. The CSPs in these arrangements do not obtain control of the Company's intelligence service at any point prior to transfer to the customer.

Deferred Revenue

Deferred revenue consists of amounts billed or received in advance of the Company satisfying its performance obligations, and is recognized as revenue as services are delivered to customers. Deferred revenue relates primarily to subscriptions that are subject to usage limits that reset over short periods, which results in revenue being recognized ratably over the subscription period, which is generally 12 months or less.

Compute and Infrastructure

Compute and infrastructure expenses primarily consist of costs attributable to operating the Company's technology infrastructure, which supports the full range of workloads for the Company's models, including research, model development, serving customers, and internal usage of Claude. These costs primarily consist of cloud compute fees paid to CSPs under committed and on-demand arrangements, including storage, networking and connectivity, and related support costs, infrastructure costs associated with serving customer workloads through partner channels, colocation facility costs, equipment leases and committed power costs associated with the Company's data center operations, and third-party application infrastructure software costs directly related to the Company's compute operations.

Personnel

Personnel expenses primarily consist of stock-based compensation, including expense related to stock options, restricted stock units ("RSUs"), and restricted stock awards, cash compensation, including base salaries and bonuses, employee benefits, including health and welfare benefits, and employer payroll taxes.

Bartz Settlement

Bartz settlement consists of the charge the Company recorded in 2025 to settle the Bartz copyright infringement suit. Refer to Note 13 for further information.

Sales, Marketing, and Partnerships

Sales, marketing, and partnerships expenses primarily consist of channel partner costs and marketing and advertising costs, including media and public relations spend.

Advertising costs are expensed as incurred. Advertising expenses were $33 million and $147 million for the years ended December 31, 2024 and 2025, respectively. Advertising expenses incurred in 2023 were not material.

Other Operating and Administrative

Other operating and administrative expenses primarily consist of charitable donations expense related to the Company's donation matching program, vendor costs related to data quality and performance evaluation services, information technology and cloud software costs, payment processing and platform fees, facility and occupancy costs, non-income taxes, professional services costs, bad debt expense, and depreciation and amortization related to non-data center assets.

Stock-Based Compensation

The Company's equity incentive plan provides for the granting of stock options, RSUs, and restricted stock awards to employees, consultants, officers, and directors. The Company measures compensation cost for stock-based awards at grant-date fair value and recognizes it over the requisite service period. The Company accounts

for forfeitures when they occur. The fair value of stock-based awards, granted or modified, is determined on the grant date (or modification or acquisition dates, if applicable) using appropriate valuation techniques. Stock-based compensation is included within personnel expenses in the consolidated statements of operations. The Company incurred stock-based compensation expense of $29 million, $192 million, and $1.2 billion for the years ended December 31, 2023, 2024, and 2025, respectively. The Company incurred stock-based compensation expense of $286 million and $2.2 billion for the six months ended June 30, 2025 and 2026 (unaudited), respectively. The tax benefits recognized in the consolidated statements of operations for stock-based compensation arrangements were not material during the years ended December 31, 2023, 2024, and 2025 and during the six months ended June 30, 2025 and 2026 (unaudited).

Stock Options

Stock-based compensation expense is recognized on a straight-line basis over the period during which an employee is required to provide services in exchange for the award (generally the vesting period of the award). The Company determines the fair value of stock options on the date of grant using the Black-Scholes-Merton option pricing model which is impacted by the estimated fair value of the Company's common stock, as well as changes in assumptions regarding a number of highly complex and subjective variables. These variables are summarized as follows:

- *Fair value of common stock* – Until the Company's common stock is publicly traded, the Company must estimate the fair value of common stock. The Company's board of directors (the "Board") considers numerous objective and subjective factors to determine the fair value of the Company's common stock including: contemporaneous third-party valuations of the Company's common stock, price paid by investors for the Company's common and redeemable convertible preferred stock, actual and forecasted operating and financial performance, market conditions, performance of comparable publicly traded companies, developments and milestones within the Company, the rights, preferences, and privileges of the Company's common and redeemable convertible preferred stock, and the likelihood and timing of achieving a liquidity event, among other factors.

- *Expected volatility* – Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since the Company has no trading history of its common stock, it estimates the expected volatility of its underlying common stock as of the grant date of its stock options by taking the weighted-average historical volatility of a group of comparable publicly traded companies over a period equal to the expected life of the options.

- *Expected term* – Expected term represents the period over which the Company anticipates stock-based awards to be outstanding. The Company estimates the expected term based on the options' vesting term and contractual terms, such that the expected life is equal to the average of the stock-based award's weighted-average vesting period and its contractual term.

- *Risk-free interest rate* – The risk-free interest rate used is based on the implied yield in effect at the time of grant of U.S. Treasury securities with maturities similar to the expected term of the stock options.

- *Expected dividend yield* – The expected dividend yield is zero, as the Company has never declared or paid any dividends and has no current plans to do so.

Restricted Stock Units

The Company measures and recognizes stock-based compensation expense for RSUs based on the estimated fair value of the underlying common stock on the date of grant. The Company's RSUs vest upon the satisfaction of both service and performance conditions. The service condition for these awards is generally satisfied over a four-year vesting period. The performance condition is satisfied upon the occurrence of either (i) a qualifying change in control of the Company or (ii) a listing of the Company's equity securities on an established securities market (including through a traditional public offering, direct listing, or business combination with a special purpose acquisition company), in each case, on or before the seventh anniversary of the grant date, as further defined in such RSU agreements. If the performance condition is not satisfied within seven years of the grant date, all unvested RSUs are forfeited. Compensation cost related to these RSUs must be recognized over the

requisite service period using the accelerated attribution method, if it is probable that the performance-based vesting condition will be satisfied. The performance-based vesting condition will be deemed probable of being satisfied upon either the consummation of an acquisition or change in control or the Company's initial public offering. As of December 31, 2025 and June 30, 2026 (unaudited), no stock-based compensation expense had been recognized for the RSUs because management determined that it is not probable that the performance condition will be achieved.

Redeemable Convertible Preferred Stock

The Company records shares of redeemable convertible preferred stock at their respective fair values on the dates of issuance, net of issuance costs. The redeemable convertible preferred stock is recorded outside of permanent equity because it is not mandatorily redeemable and redemption is contingent upon the occurrence of certain deemed liquidation events that are not solely within the Company's control. The Company has not adjusted the carrying values of the redeemable convertible preferred stock to the liquidation preferences of such shares because it is not probable that a deemed liquidation event would occur that would obligate the Company to pay the liquidation preferences to holders of shares of redeemable convertible preferred stock. Subsequent adjustments of the carrying values to the liquidation preferences will be made only when it becomes probable that such a deemed liquidation event will occur.

Foreign Currency

The functional currencies of the Company's foreign subsidiaries are the local currency or the U.S. dollar depending on the nature of the subsidiaries' activities. Monetary assets and liabilities, and transactions denominated in currencies other than the functional currency are remeasured to the functional currency at the exchange rate in effect at the end of the period and are recorded in the current period consolidated statements of operations. Gains and losses resulting from remeasurement are recorded in foreign exchange gains (losses), net within other income (expense), net in the consolidated statements of operations. Subsidiary assets and liabilities with non-U.S. dollar functional currencies are translated at the month-end rate, retained earnings and other equity items are translated at historical rates, and revenue and expenses are translated at average exchange rates during the year. Cumulative translation adjustments are recorded within accumulated other comprehensive income (loss), a separate component of total stockholders' deficit in the Company's consolidated balance sheets.

Loss Contingencies

The Company is periodically involved in various legal claims, proceedings and other regulatory and administrative proceedings that may arise in the ordinary course of business. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages. The Company routinely reviews the status of each significant matter and assesses its potential financial exposure. The Company records a liability when it believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If the Company determines that a loss is reasonably possible and the loss or range of loss can be reasonably estimated, the Company discloses the possible loss in the consolidated financial statements.

Because of inherent uncertainties related to these legal matters, significant judgment is required to determine both the probability and the estimated amount of loss. These estimates have been based on the Company's assessment of the facts and circumstances at each balance sheet date and are subject to change based on new information and future events. As additional information becomes available, the Company reassesses its potential liability and may revise its estimates. If one or more matters were resolved against the Company for amounts in excess of management's expectations, the Company's results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected.

Share Repurchase

Share repurchases are recorded on the trade date. When shares are immediately retired, the value of repurchased shares is deducted from stockholders' deficit through common stock with the excess over par value recorded to accumulated deficit.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Current income tax expense or benefit represents the amount of income taxes expected to be payable or refundable for the current year. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial statement reporting and tax bases of assets and liabilities and net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more-likely-than-not expected to be realized based on the weighting of positive and negative evidence. Future realization of deferred tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carryback or carryforward periods available under the applicable tax law. The Company regularly reviews the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. The Company's judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute the business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, the Company's income tax provision would increase or decrease in the period in which the assessment is changed. The Company treats Net CFC Tested Income (formerly referred to as Global Intangible Low-Taxed Income or "GILTI") as a period cost.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Company recognizes the tax effects of an uncertain tax position only if such position is more likely than not to be sustained based solely on its technical merits as of the reporting date and only in an amount more likely than not to be sustained upon review by the tax authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes in the consolidated statements of operations.

Net Loss per Share

Basic and diluted net loss per share attributable to common stockholders is computed in conformity with the two-class method required for participating securities. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

The Company considers all series of its redeemable convertible preferred stock to be participating securities as the holders of such stock have the right to participate on a pari passu basis in any distributions to common stockholders.

The holders of the redeemable convertible preferred stock would be entitled to dividends in preference to common stockholders, at specified rates, if declared. Any remaining dividend amounts would then be distributed to the holders of common stock, restricted common stock, and the holders of the redeemable convertible preferred stock on a pro-rata basis assuming conversion of all redeemable convertible preferred stock into common stock. These participating securities do not contractually require the holders of such shares to participate in the Company's losses. As such, net losses for the periods presented were not allocated to the Company's participating securities.

Basic net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. The diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method if the effect is dilutive. For periods in which the Company reports net losses, diluted net loss per share is the same as basic net loss per share, because all potentially dilutive securities are anti-dilutive.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU

2023-07"), which requires disclosure of incremental segment information on an annual and interim basis, primarily through enhanced disclosures of segment expenses. This guidance is effective for the annual periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024 with early adoption permitted. The Company adopted ASU 2023-07, effective on January 1, 2024, applying the guidance on a retrospective basis. Refer to Note 14 for further information.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The updates in this ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company adopted ASU 2023-09, effective on January 1, 2025, applying guidance on a prospective basis. Refer to Note 11 for further information.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"). ASU 2025-05 provides all entities with a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. All entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The amendments in this ASU will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Company early adopted ASU 2025-05, effective January 1, 2025, electing the practical expedient and applying the guidance prospectively. This ASU did not have a significant impact to the Company's consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 modernizes the guidance for costs incurred in connection with internal-use software by removing references to prescriptive development stages. Under ASU 2025-06, an entity may begin capitalizing internal-use software costs when (a) management, with the relevant authority, implicitly or explicitly authorizes and commits to funding a computer software project and (b) it is probable that the project will be completed and the software will be used to perform the function intended (the "probable-to-complete recognition threshold"). ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods; early adoption is permitted. The ASU may be adopted prospectively, retrospectively, or via a modified prospective transition. The Company early adopted ASU 2025-06, effective January 1, 2025, applying the guidance on a prospective basis. This ASU did not have a significant impact to the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses (Subtopic 220-40*) ("ASU 2024-03"), and in January 2025, the FASB issued ASU 2025-01, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* ("ASU 2025-01"). ASU 2024-03 requires enhanced disclosure in the notes to the financial statements regarding the disaggregation of certain costs and expenses. ASU 2024-03, as clarified by ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. Upon adoption, the guidance can be applied either prospectively or retrospectively. The Company is currently evaluating the impact of the new standard on the Company's consolidated financial statements.

There are other new accounting pronouncements issued by the FASB that the Company has adopted or will adopt, as applicable, and the Company does not believe any of these accounting pronouncements have had, or will have, a material impact on its consolidated financial statements or disclosures.

2. Revenue

The following table presents revenue by geographical region, determined by the billing address of the customer (in millions):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
United States	$ 34	$ 263	$ 3,362	$ 820	$ 11,763
International	7	123	1,223	343	4,523
Total	$ 41	$ 386	$ 4,585	$ 1,163	$ 16,286

The following table presents consumption-based and subscription-based revenue (in millions):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Consumption-based	$ 39	$ 288	$ 3,796	$ 983	$ 13,064
Subscription-based	2	98	789	180	3,222
Total	$ 41	$ 386	$ 4,585	$ 1,163	$ 16,286

Deferred Revenue

Significant changes in the deferred revenue balance are as follows (in millions):

	Total
Balance as of December 31, 2023	$ 7
Revenue recognized from deferred revenue at the beginning of the period	(7)
Amounts billed or received in advance and not recognized as revenue and other	28
Balance as of December 31, 2024	28
Revenue recognized from deferred revenue at the beginning of the period	(28)
Amounts billed or received in advance and not recognized as revenue and other	269
Balance as of December 31, 2025	269
Revenue recognized from deferred revenue at the beginning of the period (unaudited)	(196)
Amounts billed or received in advance and not recognized as revenue and other (unaudited)	1,577
Balance as of June 30, 2026 (unaudited)	$ 1,650

Remaining Performance Obligations

Remaining performance obligations represent deferred revenue and amounts that will be recognized as revenue in future periods for arrangements with non-cancelable commitments. As of June 30, 2026 (unaudited), remaining performance obligations amounted to $10.8 billion. The Company expects to recognize approximately 75% (unaudited) of this amount as revenue over the next 12 months and the remainder thereafter. The amount and timing of revenue recognition is driven by customer usage and the Company's performance in accordance with contractual terms.

3. Investments

Cash Equivalents and Short-Term Investments

The amortized cost, gross unrealized gains and losses, and fair value of the Company's cash equivalents and short-term investments by major security type as of December 31, 2024 and 2025 and June 30, 2026 (unaudited) consisted of the following (in millions):

	As of December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents:				
Money market funds	$ 3,029	$ —	$ —	$ 3,029
Total cash equivalents	$ 3,029	$ —	$ —	$ 3,029

	As of December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash equivalents:				
Money market funds	$ 16,455	$ —	$ —	$ 16,455
Corporate debt securities	4	—	—	4
Total cash equivalents	$ 16,459	$ —	$ —	$ 16,459
Short-term investments:				
Commercial paper	$ 123	$ —	$ —	$ 123
U.S. Treasury and agency securities	2,111	3	—	2,114
Corporate debt securities	651	1	—	652
Total short-term investments	$ 2,885	$ 4	$ —	$ 2,889

	As of June 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(unaudited)		
Cash equivalents:				
Money market funds	$ 108,603	$ —	$ —	$ 108,603
Commercial paper	18	—	—	18
U.S. Treasury and agency securities	264	—	—	264
Corporate debt securities	4	—	—	4
Municipal securities	8	—	—	8
Total cash equivalents	$ 108,897	$ —	$ —	$ 108,897
Short-term investments:				
Commercial paper	$ 1,592	$ —	$ (3)	$ 1,589
U.S. Treasury and agency securities	14,818	—	(33)	14,785
Corporate debt securities	2,896	—	(8)	2,888
Total short-term investments	$ 19,306	$ —	$ (44)	$ 19,262

Amortized cost and fair value balances exclude accrued interest receivable of $16 million and $123 million as of December 31, 2025 and June 30, 2026 (unaudited), respectively, which was included in prepaid expenses and other current assets on the consolidated balance sheets. The Company did not have an accrued interest

receivable as of December 31, 2024. The Company does not measure an allowance for credit losses on accrued interest receivable, as any uncollectible accrued interest is written off in a timely manner.

The contractual maturities of cash equivalents and short-term investments are as follows (in millions):

	As of December 31, 2025		As of June 30, 2026	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
			(unaudited)	
Due within one year	$ 18,632	$ 18,634	$ 120,668	$ 120,654
Due after one year through five years	712	714	7,535	7,505
Total	$ 19,344	$ 19,348	$ 128,203	$ 128,159

Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

As of December 31, 2025 and June 30, 2026 (unaudited), the Company did not recognize any allowance for credit losses or impairment charges on its investments.

The following table summarizes the fair value and gross unrealized losses of short-term investments that are in an unrealized loss position aggregated by major security type (in millions):

	As of June 30, 2026	
	Fair Value	Unrealized Loss [1]
	(unaudited)	
Commercial paper	$ 1,444	$ (3)
U.S. Treasury and agency securities	14,237	(33)
Corporate debt securities	2,478	(8)
Total	$ 18,159	$ (44)

(1) All of the Company's short-term investments have been in a continuous unrealized loss position for less than 12 months.

The Company does not intend to sell, nor is it more-likely-than-not that the Company will be required to sell, short-term investments with unrealized losses prior to the recovery of its amortized cost bases, which may be at maturity.

As of December 31, 2025, the Company did not have short-term investments in an unrealized loss position.

For the year ended December 31, 2025 and the six months ended June 30, 2025 and 2026 (unaudited), there were no material realized gains or losses from cash equivalents and short-term investments that were reclassified out of accumulated other comprehensive income (loss).

Equity Method Investments

The Company holds investments accounted for under the equity method of accounting where the Company can exercise significant influence, but not control, over an investee. Equity method investments are included within other assets, noncurrent, on the Company's consolidated balance sheets, and the Company's share of the income or losses of the equity method investees are recognized in other income (expense), net, in the Company's consolidated statements of operations. As of June 30, 2026 (unaudited), the Company's carrying value of such investments was not material. The Company has made funding commitments of up to $325 million , of which $265 million remained unfunded as of June 30, 2026 (unaudited).

4. Fair Value Measurements

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis based on the fair value hierarchy as follows (in millions):

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 3,029	$ —	$ —	$ 3,029
Total fair value assets	$ 3,029	$ —	$ —	$ 3,029
Liabilities:				
Convertible notes (1)	$ —	$ —	$ 14,116	$ 14,116
Other noncurrent liabilities:				
Derivative liability	—	—	150	150
Total fair value liabilities	$ —	$ —	$ 14,266	$ 14,266

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 16,455	$ —	$ —	$ 16,455
Corporate debt securities	—	4	—	4
Short-term investments:				
Commercial paper	—	123	—	123
U.S. Treasury and agency securities	—	2,114	—	2,114
Corporate debt securities	—	652	—	652
Other assets:				
Warrant rights	—	—	345	345
Total fair value assets	$ 16,455	$ 2,893	$ 345	$ 19,693
Liabilities:				
Accounts payable, accrued expenses, and other current liabilities:				
Donation matching program liability (2)	$ —	$ —	$ 541	$ 541
Convertible notes (1)	—	—	41,677	41,677
Other noncurrent liabilities:				
Holdback liability (3)	—	—	28	28
Total fair value liabilities	$ —	$ —	$ 42,246	$ 42,246

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	As of June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(unaudited)			
Assets:				
Cash equivalents:				
Money market funds	$ 108,603	$ —	$ —	$ 108,603
Commercial paper	—	18	—	18
U.S. Treasury and agency securities	—	264	—	264
Corporate debt securities	—	4	—	4
Municipal securities	—	8	—	8
Short-term investments:				
Commercial paper	—	1,589	—	1,589
U.S. Treasury and agency securities	—	14,785	—	14,785
Corporate debt securities	—	2,888	—	2,888
Other assets:				
Warrant rights	—	—	1,069	1,069
Note purchase agreements	—	—	2,405	2,405
Total fair value assets	$ 108,603	$ 19,556	$ 3,474	$ 131,633
Liabilities:				
Accounts payable, accrued expenses, and other current liabilities:				
Holdback liability (3)	$ —	$ —	$ 58	$ 58
Convertible notes (1)	—	—	108,566	108,566
Total fair value liabilities	$ —	$ —	$ 108,624	$ 108,624

(1) Recorded at fair value with changes in fair value recorded in earnings due to the election of the fair value option of accounting for financial instruments. Refer to Note 9 for further information.
(2) Refer to Note 10 for further information.
(3) Refer to Note 15 for further information.

During the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026 (unaudited), the Company had no transfers between levels of the fair value hierarchy of its assets measured at fair value.

The Company measures cash equivalents and short-term investments at fair value. Level 1 instrument valuations are based on quoted market prices of the identical underlying security. Level 2 instrument valuations are obtained from readily available pricing sources for comparable instruments, identical instruments in less active markets, or models using market observable inputs.

During the year ended December 31, 2025, the Company entered into a contract to receive warrant rights to acquire common shares of a privately-held company as consideration under an agreement entered into but not yet commenced. The warrant rights are freestanding financial instruments that meet the definition of a derivative as they contain a net settlement feature. The warrants have not been designated as hedging instruments and will be granted and recognized as lease incentives upon commencement of the related arrangements and recognized as a reduction of the related ROU assets. The Company estimated the fair value of the warrant rights using a probability-weighted expected return method. In applying this method, the Company utilized Level 3 valuation inputs based on information available, including terms and features of the warrant rights and other outstanding classes of the issuer's equity securities, observable transactions in the issuer's securities such as its most recent financing round, estimates of equity volatility, and expected time to a liquidity event. The initial fair value of the warrant rights was recognized as a derivative asset classified within other assets on the consolidated balance sheets, with a corresponding deferred liability classified within other noncurrent liabilities.

In March 2026 (unaudited), the Company entered into a note purchase agreement (the "Google 2026 NPA") with Google LLC ("Google"), which included a commitment to sell 38.6 million shares of the Company's Series G-2 redeemable convertible preferred stock at $259.1364 per share. In April 2026 (unaudited), the Company entered into a note purchase agreement (the "Amazon 2026 NPA") with Amazon Web Services, Inc. ("Amazon"), which included a commitment to sell 19.3 million shares of the Company's Series G-2 redeemable convertible preferred stock at $259.1364 per share. Refer to Note 9 and Note 16 for further information. These agreements are marked-to-market each period. Changes in fair value are recognized in other income (expense), net on the consolidated statements of operations. Assets under these note purchase agreements are recorded at fair value within other assets, noncurrent on the consolidated balance sheet.

The estimated fair value of the note purchase agreements was determined by using a probability-weighted expected return method. The fair value of the Series G-2 redeemable convertible preferred stock was determined by using a hybrid approach comprising a contingent claims analysis ("CCA") and a common stock equivalent ("CSE") method. Assumptions included assumed future liquidity and financing events, the terms and features of the agreement, weights applied to each scenario, discount rates, applicable risk free rates, the fair value of the Series G-2 redeemable convertible preferred stock, and a discount for lack of marketability.

Level 3 liabilities consist of the SAFE liabilities (Note 9), convertible notes (Note 9), derivative liabilities (Note 9), donation matching program liability (Note 10), and a holdback liability for a portion of shares issuable in the acquisition of Codeblog Corp. ("Bun") (Note 15). There is no current market for these liabilities such that determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate. The Company recorded a $3 million change in fair value of the holdback liability during the year ended December 31, 2025 in other income (expense), net in the consolidated statements of operations.

The SAFE liabilities are recorded at fair value, which is determined based on a third-party valuation utilizing a scenario-based analysis and a CCA, that considers specific scenarios that factor in timing, probability, and financing size. This model takes into account the contract terms as well as multiple inputs, such as the Company's redeemable convertible preferred stock price, risk free interest rates, and expected volatility, some of which the Company could not corroborate with observable market data. The assumptions used in valuing the SAFE liability upon conversion on December 31, 2023 and on January 30, 2024, include volatility, risk free interest rate, and term to liquidity. Changes in the fair value measurement of the SAFE liabilities relate to the conversion scenarios and are recorded as change in fair value of convertible notes, derivative liabilities, and SAFEs in the consolidated statements of operations. All SAFEs have been converted as of December 31, 2024.

The estimated fair value of the convertible notes is determined by using a hybrid approach comprising a CCA and a CSE method. The analysis estimates the fair value of the convertible notes based on the probability-weighted expected future investment returns, considering possible outcomes available to the note holder, including conversions to redeemable convertible preferred stock, Class N common stock, and maturity. Assumptions include weight applied to the CCA and CSE methods, assumed volatility, time to a liquidity event, need for and terms of financings or expected financings, and the risk free interest rate. Changes in fair value of the convertible notes are recorded as change in fair value of convertible notes, derivative liabilities, and SAFEs in the consolidated statements of operations.

The following table presents a summary of the changes in the fair value of the Company's Level 3 financial instruments (in millions):

	Warrant Rights	Note Purchase Agreements	Donation Matching Program Liability	Holdback Liability	SAFEs	Convertible Notes Payable	Derivative Liability
Balance as of December 31, 2023	$ —	$ —	$ —	$ —	$ 128	$ 1,678	$ 1,110
Additions	—	—	—	—	—	5,900	150
Conversion	—	—	—	—	(134)	—	—
Change in fair value and settlement of derivative liability	—	—	—	—	6	6,538	(1,110)
Balance as of December 31, 2024	—	—	—	—	—	14,116	150
Additions	345	—	541	25	—	3,450	—
Conversion	—	—	—	—	—	(10,347)	—
Change in fair value and settlement of derivative liability	—	—	—	3	—	34,458	(150)
Balance as of December 31, 2025	345	—	541	28	—	41,677	—
Additions (unaudited)	—	2,348	—	—	—	—	—
Conversion (unaudited)	—	—	—	—	—	(5,499)	—
Change in fair value (unaudited)	724	(11,753)	126	30	—	72,388	—
Settlement (unaudited)	—	11,810	(667)	—	—	—	—
Balance as of June 30, 2026 (unaudited)	$ 1,069	$ 2,405	$ —	$ 58	$ —	$ 108,566	$ —

Fair value measurements categorized within Level 3 are sensitive to changes in the assumptions or methodology used to determine fair value and such changes could result in a significant increase or decrease in the fair value.

5. Goodwill and Intangible Assets

Goodwill

The following table presents goodwill activity (in millions):

	Total
Balance, as of December 31, 2024	$ —
Acquisition	154
Balance, as of December 31, 2025	154
Acquisitions and other (unaudited)	422
Balance, as of June 30, 2026 (unaudited)	$ 576

Intangible Assets

Intangible assets consisted of the following (in millions, except years):

	As of December 31, 2024			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (in years)
Technology-related	$ 3	$ —	$ 3	4.5
Contract-related	5	(3)	2	0.5
Total	$ 8	$ (3)	$ 5	

	As of December 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (in years)
Technology-related	$ 7	$ (1)	$ 6	4.7
Contract-related	24	(10)	14	0.6
Total	$ 31	$ (11)	$ 20	

	As of June 30, 2026			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (in years)
		(unaudited)		
Technology-related	$ 102	$ (13)	$ 89	1.8
Contract-related	36	(16)	20	0.6
Total	$ 138	$ (29)	$ 109	

The Company recognized amortization expense related to intangible assets of $0 million, $3 million, and $13 million for the years ended December 31, 2023, 2024, and 2025, and $4 million and $27 million for the six months ended June 30, 2025 and 2026 (unaudited), respectively.

The estimated aggregate future amortization expense for intangible assets subject to amortization as of December 31, 2025, is summarized below (in millions):

Fiscal Year	Estimated Future Amortization Expense
2026	$ 15
2027	2
2028	1
2029	1
2030	1
Total	$ 20

6. Property and Equipment, Net

Property and equipment, net consisted of the following (in millions):

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Leasehold improvements	$ 16	$ 51	$ 58
Servers, networking, and infrastructure equipment	—	34	618
Construction in progress	4	63	536
Other assets	3	10	22
Total property and equipment, gross	23	158	1,234
Less: Accumulated depreciation	(4)	(12)	(47)
Total property and equipment, net	$ 19	$ 146	$ 1,187

Depreciation expense was $1 million, $3 million, and $10 million for the years ended December 31, 2023, 2024, and 2025, and $4 million and $35 million for the six months ended June 30, 2025 and 2026 (unaudited), respectively.

7. Leases

The Company has operating and finance leases for corporate offices and infrastructure equipment with various expiration dates. The leases have non-cancelable remaining terms of less than one year to 20 years, some of which include options to extend for up to 14 years.

The components of the Company's lease expense were as follows (in millions):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Operating lease cost	$ 3	$ 17	$ 22	$ 8	$ 56
Finance lease cost:					
Amortization of lease assets	—	—	—	—	13
Interest on lease liabilities	—	—	—	—	5
Finance lease cost	—	—	—	—	18
Short-term lease cost	—	—	—	—	7
Variable lease cost	—	—	—	—	8
Total lease cost	$ 3	$ 17	$ 22	$ 8	$ 89

Weighted-average remaining lease term and discount rate for the Company's leases were as follows:

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Weighted-average remaining lease term - operating leases	3.3 years	7.7 years	10.8 years
Weighted-average remaining lease term - finance leases	*	*	4.9 years
Weighted-average discount rate - operating leases	10.4 %	8.1 %	7.5 %
Weighted-average discount rate - finance leases	*	*	7.1 %

* The Company did not have finance leases as of December 31, 2024 and 2025.

Supplemental balance sheet information for finance leases[1] were as follows (in millions):

	June 30, 2026 (unaudited)
Property and equipment, at cost	$ 445
Accumulated depreciation	(13)
Property and equipment, net	$ 432
Accounts payable, accrued expenses, and other current liabilities	$ 86
Other noncurrent liabilities	357
Total finance lease liabilities	$ 443

(1) The Company did not have finance leases as of December 31, 2025.

Maturities of lease liabilities are as follows (in millions):

	December 31, 2025	June 30, 2026	
	Operating Leases	Operating Leases	Finance Leases [1]
		(unaudited)	
2026	$ 45	$ 52	$ 62
2027	35	109	106
2028	22	194	106
2029	4	162	106
2030	4	173	106
Thereafter	39	911	37
Total undiscounted lease payments	149	1,601	523
Less: imputed interest	(32)	(522)	(80)
Present value of lease liabilities	$ 117	$ 1,079	$ 443

(1) The Company did not have finance leases as of December 31, 2025.

Leases Not Yet Commenced

As of December 31, 2025 and June 30, 2026 (unaudited), the Company had entered into lease agreements primarily related to compute and infrastructure capacity that had not yet commenced, with total estimated future undiscounted lease obligations of approximately $50.2 billion and $321.4 billion, respectively, with some arrangements subject to certain contractual conditions being met. These lease obligations will commence between 2026 and 2028 , with lease terms ranging from less than one year to 20 years. The Company may elect to satisfy a portion of its obligations by issuing convertible promissory notes. Refer to Note 9 for further information.

Leases Held Through a Consolidated Variable Interest Entity

The Company consolidates certain VIEs formed to finance and deploy compute and infrastructure capacity. As of June 30, 2026 (unaudited), assets that are not, except as may be expressly provided in any contract or instrument entered into by these VIEs, generally available to satisfy the obligations of any person other than these VIEs were $296 million, primarily included in operating lease right-of-use assets.

The Company guarantees certain VIE obligations; as a result, certain VIEs' creditors have recourse to the general credit of the Company. As of June 30, 2026 (unaudited), liabilities related to these VIEs were $328 million , which primarily included $310 million of lease liabilities, of which $257 million were included in operating lease liabilities, noncurrent. The Company may satisfy certain VIE rent obligations through the

issuance of convertible promissory notes in lieu of cash. These VIEs guarantee the Company's obligations under the convertible promissory note and grant the lessor a security interest in the leased assets to secure them, up to the amount of notes outstanding to the lessor. As of June 30, 2026 (unaudited), no convertible promissory notes had been issued. Refer to Note 9 for further information. As of December 31, 2025, the assets and liabilities of these consolidated VIEs were not material.

8 . Supplemental Financial Information

Cash, Cash Equivalents, and Restricted Cash

The following table reconciles cash, cash equivalents, and restricted cash reported on the Company's consolidated balance sheets to the total amount presented in the consolidated statements of cash flows (in millions):

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Cash and cash equivalents	$ 3,141	$ 17,388	$ 112,389
Restricted cash [(1)]	13	13	2,529
Cash, cash equivalents, and restricted cash at end of period	$ 3,154	$ 17,401	$ 114,918

(1) The Company may be required to restrict up to an additional $10.0 billion for future amounts due, under certain arrangements. As of June 30, 2026, no such requirements were in effect.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in millions):

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Prepaid expenses	$ 2,073	$ 2,537	$ 258
Other	3	23	238
Total	$ 2,076	$ 2,560	$ 496

Other Assets, Noncurrent

Other assets, noncurrent consisted of the following (in millions):

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Prepaid expenses	$ 2,364	$ 104	$ 222
Other	9	372	3,707
Total	$ 2,373	$ 476	$ 3,929

Accounts Payable, Accrued Expenses, and Other Current Liabilities

Accounts payable, accrued expenses, and other current liabilities consisted of the following (in millions):

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Cloud service provider payables	$ 302	$ 947	$ 2,810
Accrued legal expenses	2	775	1,309
Donation matching program liability	—	541	—
Other	29	248	1,303
Total	$ 333	$ 2,511	$ 5,422

Of the total accounts payable, accrued expenses, and other current liabilities presented above, accounts payable consisted of $313 million, $284 million, and $766 million as of December 31, 2024 and 2025 and June 30, 2026 (unaudited), respectively.

Other Income (Expense), Net

Other income (expense), net consisted of the following (in millions):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Recognition and change in fair value of note purchase agreements [(1)]	$ —	$ —	$ —	$ —	$ (9,405)
Change in fair value of holdback liability	—	—	(3)	—	(39)
Change in fair value of warrant rights	—	—	—	—	724
Other	(2)	—	(5)	—	(37)
Total	$ (2)	$ —	$ (8)	$ —	$ (8,757)

(1) Refer to Note 4 for further information.

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Notes to Consolidated Financial Statements
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Supplemental Cash Flow Information

The following table shows supplemental cash flow information (in millions):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Supplemental disclosure of cash flow information:					
Cash paid for income taxes, net of refunds	$ —	$ —	$ 8	$ 7	$ 34
Noncash investing and financing activities:					
Increase in property and equipment acquired but not yet paid	$ —	$ 1	$ 10	$ 1	$ 148
Conversion of convertible notes into Series E-2, Series E-3, Series E-4, Series E-5 and Series F-2 non-voting redeemable convertible preferred stock	$ —	$ —	$ 10,347	$ 8,168	$ —
Conversion of convertible notes into Series G-3 and Series G-4 redeemable convertible preferred stock	$ —	$ —	$ —	$ —	$ 5,499
Conversion of note purchase agreements into Series G-2 redeemable convertible preferred stock	$ —	$ —	$ —	$ —	$ 11,810
Conversion of SAFE notes into Series C-1, Series D-1, and Series D-2 redeemable convertible preferred stock	$ 1	$ 134	$ —	$ —	$ —
Issuance of Class N common stock upon settlement of donation matching program	$ —	$ —	$ —	$ —	$ 667
Warrant rights	$ —	$ —	$ 345	$ —	$ —
Equity issued in connection with business acquisition	$ —	$ —	$ 136	$ —	$ 534
Right-of-use assets obtained in exchange for operating lease liabilities	$ 38	$ 8	$ 82	$ 1	$ 963
Right-of-use assets obtained in exchange for finance lease liabilities	$ —	$ —	$ —	$ —	$ 445

Supplemental Operating Expense Information

The following table presents the Company's operating expenses grouped by function (in millions):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Cost of revenue [1]	$ 26	$ 752	$ 2,773	$ 1,019	$ 2,380
Research and development [2]	422	2,275	6,338	1,850	9,741
Sales and marketing [3]	76	163	911	239	3,808
Bartz settlement	—	—	1,500	—	—
General and administrative [4]	68	176	1,123	190	1,050
Total operating expenses	$ 592	$ 3,366	$ 12,645	$ 3,298	$ 16,979

(1) Substantially all of cost of revenue consists of compute and infrastructure costs associated with customer-serving workloads. Additionally, cost of revenue includes certain personnel-related costs and allocated overhead costs.
(2) Research and development expenses primarily consist of compute and infrastructure costs associated with model development, research, and internal usage workloads, personnel-related costs, software expenses, and allocated overhead costs.
(3) Sales and marketing expenses primarily consist of channel partner costs, marketing and advertising, personnel-related costs, compute and infrastructure costs associated with providing free access to the Company's intelligence service, and allocated overhead costs.
(4) General and administrative expenses primarily consist of the Company's donation matching obligation, personnel-related costs, facility costs, allocated overhead costs, legal fees, and non-income-based taxes.

9. Convertible Notes, Revolving Credit Agreement and SAFEs

Convertible Notes

The Company has entered into note purchase agreements which provide for the issuance of one or more convertible notes. To the extent that the note purchase agreements create an obligation to issue notes in the future, these obligations are accounted for as derivative liabilities on the consolidated balance sheets until the related note is issued.

Google

Google 2023 Note Purchase Agreement

In September 2023, the Company entered into a note purchase agreement ("Google 2023 NPA") with Google LLC ("Google"), for the issuance of convertible promissory notes in an aggregate principal amount of up to $2.0 billion, issuable in three tranches. The Company issued the first tranche of notes in an aggregate principal amount of $500 million in September 2023, the second tranche of notes in an aggregate principal amount of $750 million in September 2024, and the third tranche of notes in an aggregate principal amount of $750 million in September 2025.

The notes issued under Google 2023 NPA bore interest at a rate of 10.0% per annum, compounded annually, and payable upon maturity, 48 months after the respective issuance date. The Company also has a commercial agreement with Google for the provision of intelligence service.

In connection with the Company's Series E-1 redeemable convertible preferred stock financing in 2025, the first and second tranches of notes issued under Google 2023 NPA converted in full into an aggregate of 12.7 million shares of the Company's Series E-3 non-voting redeemable convertible preferred stock at a conversion price of $44.8692 per share and an aggregate of 15.3 million shares of Series E-4 non-voting redeemable convertible preferred stock at a conversion price of $50.4779 per share, respectively. The conversion prices reflect the contractual discounts to the Series E-1 original issuance price of $56.0865 per share. As of December 31, 2025, $750 million aggregate principal amount remained outstanding under the third tranche of notes issued under Google 2023 NPA.

In January 2026, in connection with the initial closing of the Series G-1 financing, the third tranche of notes issued under Google 2023 NPA converted in full into 3.3 million shares of Series G-4 non-voting redeemable convertible preferred stock at a conversion price of $233.2228 per share. The conversion price reflects the contractual discounts to the Series G-1 price of $259.1364 per share. As of June 30, 2026 (unaudited), no amounts remain outstanding under Google 2023 NPA.

Google 2024 Note Purchase Agreement

In August 2024, the Company entered into an additional note purchase agreement ("Google 2024 NPA") with Google for the issuance of a convertible promissory note in an aggregate principal amount of approximately $1.3 billion. Such note bore interest at a rate of 8.5% per annum compounded annually, and, unless earlier converted or repaid, was payable upon maturity in August 2030.

In connection with the Series E-1 redeemable convertible preferred stock financing in 2025, the note issued under Google 2024 NPA was converted in full into an aggregate of 24.2 million shares of Series E-5 non-voting redeemable convertible preferred stock at a conversion price of $53.2822 per share, reflecting a contractual discount to the Series E-1 original issuance price of $56.0865 per share. As of December 31, 2025 and June 30, 2026 (unaudited), no amounts remain outstanding under Google 2024 NPA.

Google 2026 Note Purchase Agreement (Unaudited)

In March 2026 (unaudited), the Company entered into a note purchase agreement ("Google 2026 NPA") under which, subject to certain conditions, up to $30.0 billion of convertible promissory notes or non-voting common stock through December 31, 2030 may be issued. Non-voting common stock would be issued at the 30-day trailing volume-weighted average price and, to the extent issued, the notes will bear interest at 9.0% per annum compounded annually, payable at maturity, and mature six years after issuance, unless earlier repaid or converted pursuant to the terms of the agreement.

In May 2026 (unaudited), Google invested $10.0 billion in the Company's Series H redeemable convertible preferred stock financing, which reduced the amount available for issuance under the Google 2026 NPA to $20.0 billion. As of June 30, 2026, no non-voting common stock or notes had been issued under the Google 2026 NPA.

Amazon

Amazon 2023 and 2024 Note Purchase Agreements

In September 2023, the Company entered into a note purchase agreement ("Amazon 2023 NPA") with Amazon for the issuance of convertible promissory notes in an aggregate principal amount of up to $4.0 billion issuable in two tranches. The Company issued the first tranche of notes in an aggregate principal amount of $1.2 billion in September 2023, and the second tranche of notes in an aggregate principal amount of $3.4 billion in March 2024 , reflecting an issuance premium to the $2.8 billion in proceeds received for the second tranche of notes.

In November 2024, the Company entered into an additional note purchase agreement ("Amazon 2024 NPA") with Amazon for the issuance of convertible promissory notes in an aggregate principal amount of up to $4.0 billion , issuable in three tranches. The Company issued the first tranche of notes in an aggregate principal amount of $1.3 billion in November 2024, the second tranche of notes in an aggregate principal amount of $1.3 billion in May 2025, and the third tranche of notes in an aggregate principal amount of $1.4 billion in November 2025.

The notes issued under Amazon 2023 NPA bear interest at a rate of 8.0% per annum compounded annually and payable upon maturity, and mature 10 years after the respective issuance date, unless earlier repaid or converted. The first tranche of notes issued under Amazon 2024 NPA bears interest at a rate of 8.5% per annum, compounded annually and payable at maturity, and matures in November 2034, unless earlier repaid or converted. The second and third tranche of notes issued under Amazon 2024 NPA are each non-interest bearing and mature in May 2035 and November 2035, respectively, unless earlier repaid or converted.

The notes issued under Amazon 2023 NPA and Amazon 2024 NPA are convertible into non-voting redeemable convertible preferred stock at a conversion price equal to the lesser of (i) $20.9280 per share (in the case of

notes issued under Amazon 2023 NPA), or $50.4779 per share (in the case of notes issued under Amazon 2024 NPA), and (ii) the price per share in the Company's most recent (1) preferred stock equity financing (in the case of the notes issued under Amazon 2023 NPA) or (2) qualified equity financing (in the case of the notes issued under Amazon 2024 NPA), subject, in each case, to Amazon's ownership cap, as described below.

In connection with certain liquidation transactions, Amazon may, in lieu of converting such notes at the applicable conversion price, elect to receive cash in an amount equal to the outstanding principal amount and accrued but unpaid interest thereon. Pursuant to the terms of Amazon 2024 NPA, the Company may be required to make additional cash payments to Amazon calculated as set forth in Amazon 2024 NPA in connection with certain liquidation transactions. In addition, in connection with an initial public offering, direct listing, or special purpose acquisition company transaction, any outstanding principal amount and accrued but unpaid interest thereon under the applicable Amazon NPA will automatically convert into shares of the Company's Class N common stock at a conversion price equal to the lower of (i) $2.0928 per share, in the case of Amazon 2023 NPA, or $5.0478 per share, in the case of Amazon 2024 NPA, and (ii) the price per share of the common stock offered to the public in such transaction. Any portion of Amazon's notes that cannot convert due to Amazon's ownership cap will automatically convert, subject to Amazon's ownership cap, into shares of Class N common stock at the close of each fiscal quarter following an initial public offering at a conversion price equal to the lowest of (i) the applicable conversion price set forth above, (ii) the price per share of the common stock offered to the public in connection with such initial public offering, and (iii) the then-current market price of the Company's common stock based on a 10-day volume-weighted trailing average trading price. The notes issued under an Amazon NPA may also be settled in cash at maturity or, at Amazon's election, by set-off against amounts Amazon owes the Company under certain commercial agreements with Amazon.

Any conversion of the notes issued under an Amazon NPA is subject to Amazon's aggregate ownership cap, which is waivable at Amazon's option. If any portion of the notes issued under an Amazon NPA cannot be converted without exceeding the ownership cap, the portion that could not be so converted will be re-issued as a non-interest bearing convertible rollover note, with a maturity date that is 10 years from the issuance date of such rollover note. Upon the occurrence of certain events of default as specified in the applicable Amazon NPA, the Company may be required, depending on the nature of the event of default, to repay in cash the then-outstanding principal amount that has not been converted either (i) in full upon demand of the holder or (ii) in equal installments over a four-year period.

In connection with the Series E-1 redeemable convertible preferred stock financing in 2025, the first and second tranches of notes issued under Amazon 2023 NPA were converted into an aggregate of 95.3 million shares of Series E-2 non-voting redeemable convertible preferred stock at a conversion price of $20.9280 per share. A portion of the notes issued under Amazon 2023 NPA did not convert pursuant to Amazon's ownership cap, and were re-issued as a non-interest bearing rollover note with an aggregate principal amount of $3.1 billion, maturing in March 2034. The rollover note has substantially identical conversion and repayment terms as set forth above, in each case, subject to Amazon's ownership cap. In connection with the Series E-1 redeemable convertible preferred stock financing, the conversion provisions of the notes issued under Amazon 2024 NPA were triggered. However, due to Amazon's ownership cap, none of the notes issued under Amazon 2024 NPA converted. As a result, the first tranche was re-issued as a non-interest bearing rollover note with an aggregate principal amount of $1.3 billion maturing in January 2035 and the second and third tranches remained outstanding. Such rollover note has substantially identical conversion and repayment terms as set forth above, in each case, and converts subject to Amazon's ownership cap.

Subsequently, in connection with the Company's Series F-1 redeemable convertible preferred stock financing in 2025, a portion of the rollover note issued under Amazon 2023 NPA converted into an aggregate of 20.7 million shares of Series F-2 non-voting redeemable convertible preferred stock at a conversion price of $20.9280 per share. The remaining balance of such rollover note was re-issued as a non-interest bearing amended and restated rollover note with a principal amount of approximately $2.6 billion, maturing in March 2034. The notes issued under Amazon 2024 NPA did not convert in connection with the Series F-1 redeemable convertible preferred stock financing due to Amazon's ownership cap.

As of December 31, 2025, $2.6 billion aggregate principal amount of the amended and restated rollover note issued under Amazon 2023 NPA remains outstanding and all three tranches of notes issued under Amazon 2024 NPA, with the first tranche re-issued as a non-interest bearing rollover note, remain outstanding with an aggregate principal balance of $4.0 billion.

In January and February 2026, in connection with the Company's Series G-1 financing, a portion of the second amended and restated non-interest bearing rollover note issued under Amazon 2023 NPA was converted into an aggregate of 20.6 million shares of the Company's Series G-3 non-voting redeemable convertible preferred stock at a price of $20.9280 per share. The remaining balance of such non-interest bearing rollover note was re-issued as a non-interest bearing amended and restated rollover note with a principal amount of approximately $2.2 billion, maturing in March 2034. The notes issued under Amazon 2024 NPA did not convert in connection with the Series G-1 redeemable convertible preferred stock financing due to Amazon's ownership cap.

As of June 30, 2026 (unaudited), the amended and restated rollover note issued under Amazon 2023 NPA remained outstanding with an aggregate principal amount of approximately $2.2 billion, and all notes issued under Amazon 2024 NPA remained outstanding with an aggregate principal balance of $4.0 billion.

Amazon 2026 Note Purchase Agreement (Unaudited)

In April 2026 (unaudited), the Company entered into a note purchase agreement ("Amazon 2026 NPA") under which the Company may issue, subject to certain conditions, up to $20.0 billion of non-voting common stock or convertible promissory notes. Non-voting common stock would be issued at the 30-day trailing volume-weighted average price and, to the extent issued, the notes will bear interest at 8.0% per annum compounded annually and payable at maturity, and mature ten years after issuance, unless earlier repaid or converted pursuant to the terms of the agreement.

In May 2026 (unaudited), Amazon invested $5.0 billion in the Company's Series H redeemable convertible preferred stock financing, which reduced the amount available for issuance under the Amazon 2026 NPA to $15.0 billion. As of June 30, 2026, no non-voting common stock or notes had been issued under the Amazon 2026 NPA.

Other Note Purchase Agreements

2025

In August 2025, the Company entered into a note purchase agreement under which the Company may issue, subject to certain conditions, up to $10.0 billion of convertible promissory notes solely to finance rent obligations under a compute and infrastructure equipment lease agreement. Refer to Note 7 for further information. The Company's ability to issue notes will end upon an initial public offering of its common stock. As of December 31, 2025 and June 30, 2026 (unaudited), no amounts were outstanding under the note purchase agreement.

2026 (Unaudited)

In March 2026, the Company entered into a second note purchase agreement under which the Company may issue, subject to certain conditions, up to $42.0 billion of convertible promissory notes solely to finance rent obligations under a compute and infrastructure agreement. Refer to Note 7 for further information. The notes will bear interest at 9.0% per annum, payable in kind. The Company's ability to issue notes will end upon the fifth anniversary of the commencement of the draw period (which has not yet commenced and which begins once the first infrastructure equipment is ready for service pursuant to the compute and infrastructure agreement), subject to earlier termination. As of June 30, 2026, no amounts were outstanding under the note purchase agreement.

Issuance costs associated with convertible notes are expensed as incurred.

SAFEs

During the year ended December 31, 2023, the Company issued SAFEs with an aggregate purchase amount of $122 million that entitled investors to participate in future equity financings through share-settled redemption of the amount invested. Of this amount, $1 million converted into shares of Series C-1 convertible preferred stock during the year ended December 31, 2023, and $121 million converted into shares of Series D-1 and D-2 convertible preferred stock during the year ended December 31, 2024. Conversion prices were determined

based on the purchase amount divided by the per-share price of the applicable series of preferred stock, multiplied by a stipulated discount rate, if applicable.

The Company determined that the SAFEs are not legal form debt (i.e., no creditors' rights). The monetary settlement amount of the SAFEs is based upon a fixed or determinable amount known at inception, and the number of equity shares received upon conversion is variable. In such circumstances, equity classification is not appropriate because such contracts that are settled based upon a fixed amount do not expose the holder to risks and rewards similar to those of an equity-holder, therefore, the SAFEs would have been classified as marked-to-market liabilities pursuant to ASC 480.

As of December 31, 2024 and 2025, as well as June 30, 2026 (unaudited), the Company had no outstanding SAFEs.

Fair Value Option

The Company elected to account for the SAFEs and the convertible notes using the fair value option pursuant to ASC 825 and changes in fair value related to the SAFEs and convertible notes are recorded in change in fair value of convertible notes, derivative liabilities, and SAFEs in the Company's consolidated statements of operations (Note 4). The Company elected to account for the convertible notes using the fair value option pursuant to ASC 825 to eliminate the accounting complexity that would otherwise result from separately accounting for the liability and equity components of the convertible notes under the traditional bifurcation model.

The estimated fair value of the convertible notes, derivative liabilities, and SAFEs is determined by using a scenario-based analysis that estimated the fair value of the convertible notes, derivative liabilities, and SAFEs based on the probability-weighted present value of expected future investment returns, considering possible outcomes available to the SAFE and convertible note holder, including conversions to redeemable convertible preferred stock, Class N common stock and maturity. Issuance costs were expensed as incurred and are reflected in other income (expense), net in the consolidated statements of operations. Changes in fair value of the SAFEs and convertible notes and accrued interest are recorded as change in fair value of convertible notes, derivative liabilities, and SAFEs in the consolidated statements of operations.

There were no changes in fair value attributable to credit risk recognized as of December 31, 2023, 2024, and 2025, as well as June 30, 2026 (unaudited).

Derivative Liability

As of December 31, 2024, the Company had a derivative liability representing the subsequent note tranche rights on Amazon 2024 NPA. The Company applied the terms of the subsequent note tranche rights for a written call option and purchased put option scenarios and calculated a derivative liability. The changes in the fair value of the derivative liability were recorded as change in fair value of convertible notes, derivative liabilities, and SAFEs in the consolidated statements of operations. Upon the second closing and third closing of the Amazon 2024 NPA during 2025, the related tranche rights were exercised and thus the derivative liability was settled and derecognized in full through the issuance of the convertible notes, with no remaining tranche rights outstanding as of December 31, 2025.

Revolving Credit Agreement

On May 14, 2025, the Company entered into a credit agreement (the "Credit Agreement"), by and among the Company, the lenders from time to time party thereto (collectively the "Lenders"), and Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent for the Lenders . The Credit Agreement provides for a senior secured revolving credit facility in an aggregate principal amount of $2.5 billion, with a $400 million letter of credit sublimit. The obligations under the Credit Agreement mature on May 14, 2030, subject to an earlier springing maturity date that is contingent upon the outstanding amount of convertible notes issued by the Company on the date that is 91 days prior to the maturity of such notes. The proceeds of the credit facility may be used for working capital, general corporate purposes, and other lawful purposes. The Company may request borrowings in U.S. dollars or certain other agreed currencies, subject to the terms of the Credit

Agreement. Borrowings under the Credit Agreement bear interest at rates based on either the Alternate Base Rate, Term SOFR or other applicable benchmarks, plus an applicable margin.

The Company is required to pay commitment fees on the unused portion of the credit facility and fees in connection with letters of credit. The obligations under the Credit Agreement are guaranteed by certain subsidiaries of the Company and are secured by substantially all of the assets of the Company and the subsidiary guarantors, subject to certain exceptions and exclusions set forth in the Credit Agreement. The Credit Agreement contains customary affirmative and negative covenants, including, but not limited to, restrictions on additional indebtedness, liens, asset sales, investments, mergers, and restricted payments. The Company is also subject to a financial covenant which requires the Company to maintain liquidity of at least $500 million as of the last day of each fiscal quarter. The agreement also includes customary events of default, which, if triggered, could result in the acceleration of amounts due under the credit facility.

In September 2025, the Company executed an amendment to the Credit Agreement increasing the aggregate principal amount of revolving credit commitments by $250 million to $2.8 billion.

In November 2025, the Company executed a second amendment to the Credit Agreement, providing incremental revolving commitments in an aggregate principal amount of $500 million. Following the second amendment, the aggregate principal amount of revolving commitments totals $3.3 billion.

In February 2026 (unaudited), the Company executed a third amendment to the Credit Agreement, increasing the letter of credit sublimit by $600 million to $1.0 billion.

As of December 31, 2025, the Company had no borrowings drawn under the revolving credit facility, and $4 million of standby letters of credit outstanding under the credit facility. The Company was in compliance with all covenants under the Credit Agreement as of December 31, 2025. The Company recognized $5 million in access fees during the year ended December 31, 2025, which are amortized as interest expense over the term of the credit facility. As of June 30, 2026 (unaudited), the Company had no borrowings drawn under the revolving credit facility and $78 million of standby letters of credit were outstanding under the credit facility. The Company was in compliance with all covenants under the Credit Agreement as of June 30, 2026 (unaudited).

10. Redeemable Convertible Preferred Stock, Common Stock and Stockholders' Deficit

Redeemable Convertible Preferred Stock

Redeemable convertible preferred stock is carried at its issuance price, net of issuance costs, and comprises Series A redeemable convertible preferred stock, Series B redeemable convertible preferred stock, Series C-1 redeemable convertible preferred stock, Series C-2 redeemable convertible preferred stock, Series D-1 redeemable convertible preferred stock, Series D-2 redeemable convertible preferred stock, Series D-3 redeemable convertible preferred stock, Series E-1 redeemable convertible preferred stock, Series E-2 redeemable convertible preferred stock, Series E-3 redeemable convertible preferred stock, Series E-4 redeemable convertible preferred stock, Series E-5 redeemable convertible preferred stock, Series F-1 redeemable convertible preferred stock, Series F-2 redeemable convertible preferred stock, Series F-3 redeemable convertible preferred stock, Series F-4 redeemable convertible preferred stock, Series G-1 redeemable convertible preferred stock, Series G-2 redeemable convertible preferred stock, Series G-3 redeemable convertible preferred stock, Series G-4 redeemable convertible preferred stock, Series H-1 redeemable convertible preferred stock, Series H-2 redeemable convertible preferred stock, Series H-3 redeemable convertible preferred stock, and Series H-4 redeemable convertible preferred stock.

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As of December 31, 2024, the Company's redeemable convertible preferred stock ("redeemable convertible preferred stock") consisted of the following (in millions, except share amounts which are reflected in thousands, and per share data):

Series	Shares Authorized	Shares Issued and Outstanding	Original Issue Price per Share	Net Carrying Value	Liquidation Preference
Series A	48,574	48,574	$ 2.57	$ 125	$ 125
Series B	87,430	87,430	$ 11.23	982	982
Series C-1	26,397	26,397	$ 11.23	296	296
Series C-2	13,362	13,362	$ 11.23	150	150
Series D-1	66,690	35,013	$ 30.00	1,042	1,051
Series D-2	4,444	4,444	$ 27.00	133	120
Series D-3	114,098	4,999	$ 30.00	146	150
Total	360,995	220,219		$ 2,874	$ 2,874

As of December 31, 2025, the Company's redeemable convertible preferred stock consisted of the following (in millions, except share amounts which are reflected in thousands, and per share data):

Series	Shares Authorized	Shares Issued and Outstanding	Original Issue Price per Share	Net Carrying Value	Liquidation Preference
Series A	48,574	48,574	$ 2.57	$ 125	$ 125
Series B	87,430	87,430	$ 11.23	982	982
Series C-1	26,397	26,397	$ 11.23	296	296
Series C-2	13,362	13,362	$ 11.23	150	150
Series D-1	35,013	35,013	$ 30.00	1,042	1,051
Series D-2	4,444	4,444	$ 27.00	133	120
Series D-3	4,999	4,999	$ 30.00	146	150
Series E-1	63,610	63,610	$ 56.09	3,549	3,568
Series E-2	95,282	95,282	$ 20.93	4,728	1,994
Series E-3	12,664	12,664	$ 56.09	856	710
Series E-4	15,343	15,343	$ 50.48	986	774
Series E-5	24,244	24,244	$ 53.28	1,598	1,292
Series F-1	92,220	92,220	$ 140.97	12,999	13,000
Series F-2	145,774	20,740	$ 20.93	2,179	434
Series F-3	51,839	—	$ 50.48	—	—
Series F-4	7,094	—	$ 140.97	—	—
Total	728,289	544,322		$ 29,769	$ 24,646

As of June 30, 2026 (unaudited), the Company's redeemable convertible preferred stock consisted of the following (in millions, except share amounts which are reflected in thousands, and per share data):

Series	Shares Authorized	Shares Issued and Outstanding	Original Issue Price per Share	Net Carrying Value	Liquidation Preference
			(unaudited)		
Series A	48,574	48,574	$ 2.57	$ 125	$ 125
Series B	87,430	87,430	$ 11.23	982	982
Series C-1	26,397	26,397	$ 11.23	296	296
Series C-2	13,362	13,362	$ 11.23	150	150
Series D-1	35,013	35,013	$ 30.00	1,042	1,051
Series D-2	4,444	4,444	$ 27.00	133	120
Series D-3	4,999	4,999	$ 30.00	146	150
Series E-1	63,610	63,610	$ 56.09	3,549	3,568
Series E-2	95,282	95,282	$ 20.93	4,728	1,994
Series E-3	12,664	12,664	$ 56.09	856	710
Series E-4	15,343	15,343	$ 50.48	986	774
Series E-5	24,244	24,244	$ 53.28	1,598	1,292
Series F-1	92,220	92,220	$ 140.97	12,999	13,000
Series F-2	20,740	20,740	$ 20.93	2,179	434
Series G-1	90,510	90,510	$ 259.14	23,454	23,455
Series G-2	83,929	83,929	$ 259.14	33,558	21,749
Series G-3	20,563	20,563	$ 20.93	4,571	430
Series G-4	3,322	3,322	$ 233.22	928	775
Series H-1	78,942	77,638	$ 589.01	45,728	45,729
Series H-2	34,808	33,110	$ 589.01	19,502	19,502
Series H-3	104,472	—	$ 20.93	—	—
Series H-4	79,573	—	$ 50.48	—	—
Total	1,040,441	853,394		$ 157,510	$ 136,286

Series G and Series H Financings (Unaudited)

In the first quarter of 2026, the Company completed the sale of an aggregate of 90.5 million shares of Series G-1 redeemable convertible preferred stock and an aggregate of 26.0 million shares of Series G-2 non-voting redeemable convertible preferred stock at a price of $259.1364 per share, for aggregate gross proceeds of $30.2 billion .

In the second quarter of 2026, the Company completed the sale of an aggregate of 57.9 million shares of Series G-2 non-voting redeemable convertible preferred stock at a price of $259.1364 per share, for aggregate proceeds of $15.0 billion. Refer to Note 4 for further information.

In the second quarter of 2026, the Company also completed the sale of an aggregate of 77.6 million shares of Series H-1 redeemable convertible preferred stock and an aggregate of 33.1 million shares of Series H-2 non-voting redeemable convertible preferred stock at a price of $589.0095 per share, for aggregate gross proceeds of $65.2 billion.

Dividend Rights

The holders of the outstanding shares of redeemable convertible preferred stock are entitled to receive, when and if declared by the Board , and prior and in preference to dividends on the Company's common stock, dividends at the per annum rate of 6% of the applicable original issue price per share ("OIP"). Such dividends

shall not be cumulative. After payment of such dividends, any additional dividends shall be distributed among the holders of common stock and redeemable convertible preferred stock in proportion to the number of shares of common stock that would be held by each such holder if all shares of redeemable convertible preferred stock were converted to common stock calculated on the record date for determination of holders entitled to such dividends. No dividends have been declared or paid through December 31, 2025 and June 30, 2026 (unaudited).

Liquidation Preference

In the event of any Liquidation Transaction (defined, generally, as any voluntary or involuntary liquidation, dissolution or winding up of the Company or deemed liquidation event), the holders of redeemable convertible preferred stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of common stock, by reason of their ownership thereof, an amount per share equal to the OIP for each outstanding share of redeemable convertible preferred stock then held (as adjusted for stock splits, stock dividends, reclassifications and the like), plus any declared but unpaid dividends on such shares. If, upon the occurrence of such event, the assets and funds thus distributed among the holders of redeemable convertible preferred stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the holders of redeemable convertible preferred stock in proportion to the preferential amount each such holder is otherwise entitled to receive, and provided that the holders of redeemable convertible preferred stock will be treated on an as-converted basis if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of preferred stock into shares of such series of common stock.

Conversion

Each share of redeemable convertible preferred stock is convertible into fully paid and non-assessable shares of Class A common stock, in the case of the Series A, Series C-1, Series D-1, Series D-2, Series E-1, Series F-1, Series G-1, and Series H-1 redeemable convertible preferred stock. Each share of non-voting redeemable convertible preferred stock is convertible into fully paid and non-assessable shares of Class N common stock (non-voting common stock), in the case of the Series B, Series C-2, Series D-3, Series E-2, Series E-3, Series E-4, Series E-5, Series F-2, Series F-3, Series F-4, Series G-2, Series G-3, Series G-4, Series H-2, Series H-3, and Series H-4 non-voting redeemable convertible preferred stock.

- *Optional conversion* – Each share of redeemable convertible preferred stock is convertible into Class A common stock or Class N common stock, as applicable, at any time after the issuance of shares at the option of the holder. The conversion rate is determined by dividing the applicable original issue price by the conversion price. As of December 31, 2024, the conversion ratio for all series of redeemable convertible preferred stock was 10:1. In connection with the Series E redeemable convertible preferred stock financing during the year ended December 31, 2025, the issuance of Series E-2 non-voting redeemable convertible preferred stock at $20.9280 per share triggered weighted-average antidilution adjustments to the conversion prices of the Series D-1, D-2, and D-3 redeemable convertible preferred stock. As of December 31, 2025, the conversion ratio for all series of redeemable convertible preferred stock was 10:1, except for the Series D-1, Series D-2, and Series D-3 redeemable convertible preferred stock, which were approximately 10.5, 10.4, and 10.5, respectively. As of June 30, 2026 (unaudited), the conversion ratio for all series of redeemable convertible preferred stock was 10:1, except for the Series D-1, Series D-2, and Series D-3, which were approximately 10.6:1, 10.4:1, and 10.6:1, respectively. Upon conversion, no adjustments to the conversion price shall be made for any declared but unpaid dividends on the redeemable convertible preferred stock surrendered for conversion or on the common stock delivered upon conversion.

- *Mandatory conversion* – Each share of redeemable convertible preferred stock shall automatically convert to Class A common stock or Class N common stock, as applicable, at the applicable conversion rate upon the earlier of (i) the Company's sale of its common stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, resulting in at least $100 million of aggregate cash gross proceeds to the Company, net of underwriting discounts and commissions, (ii) the Company's completion of a transaction or series of related

transactions (by merger, or consolidation, share exchange or otherwise with a publicly traded "special purpose acquisition company" or its subsidiary), which does not qualify as a liquidation transaction, or (iii) the date, or upon the occurrence of an event, specified by vote or written consent of holders of each of (a) the majority of the then outstanding shares of Series A redeemable convertible preferred stock, Series C-1 redeemable convertible preferred stock, Series D-1 redeemable convertible preferred stock, Series D-2 redeemable convertible preferred stock, Series E-1 redeemable convertible preferred stock, Series F-1 redeemable convertible preferred stock, Series G-1 redeemable convertible preferred stock, and Series H-1 redeemable convertible preferred stock voting together as a single class on an as-converted basis, (b) the holders of a majority of the then outstanding shares of Series C-1 redeemable convertible preferred stock, voting separately as a class, which majority must include the vote or written consent, as applicable, of certain specified stockholders, (c) a majority of the Series D-1 redeemable convertible preferred stock and Series D-2 redeemable convertible preferred stock, voting together as a single class on an as-converted basis, (d) a majority of the Series E-1 redeemable convertible preferred stock, voting separately as a class on an as-converted basis, (e) with respect to the Series F redeemable convertible preferred stock only, a majority of the Series F-1 redeemable convertible preferred stock, voting separately as a class on an as-converted basis, (f) with respect to the Series G redeemable convertible preferred stock only, a majority of the Series G-1 redeemable convertible preferred stock, voting separately as a class on an as-converted basis, and (g) with respect to the Series H redeemable convertible preferred stock only, a majority of the Series H-1 redeemable convertible preferred stock, voting separately as a class on an as-converted basis.

Voting

The holders of Series A, Series C-1, Series D-1, Series D-2, Series E-1, Series F-1, Series G-1, and Series H-1 redeemable convertible preferred stock shall be entitled to the same voting rights and powers as the holders of the Class A common stock and to notice of any stockholders' meeting in accordance with the bylaws of the Company, and the holders of Class A common stock and the holders of Series A, Series C-1, Series D-1, Series D-2, Series E-1, Series F-1, Series G-1, and Series H-1 redeemable convertible preferred stock shall vote together as a single class on all matters. Each holder of Series A, Series C-1, Series D-1, Series D-2, Series E-1, Series F-1, Series G-1, and Series H-1 redeemable convertible preferred stock shall be entitled to the number of votes equal to the number of shares of Class A common stock into which such shares of Series A, Series C-1, Series D-1, Series D-2, Series E-1, Series F-1, Series G-1, and Series H-1 redeemable convertible preferred stock, respectively, could be converted.

The holders of Series B, Series C-2, Series D-3, Series E-2, Series E-3, Series E-4, Series E-5, Series F-2, Series F-3, Series F-4, Series G-2, Series G-3, Series G-4, Series H-2, Series H-3, and Series H-4 non-voting redeemable convertible preferred stock shall not be entitled to vote and shall have no voting rights, except as required by law or as specifically set forth in the certificate of incorporation, and shall have no right to vote in any election of the Board.

Redemption

The holders of the redeemable convertible preferred stock have no voluntary rights to redeem shares. The redeemable convertible preferred stockholders have liquidation preferences in the event of any Liquidation Transaction (defined, generally, as any voluntary or involuntary liquidation, dissolution or winding up of the Company or deemed liquidation event). Although the redeemable convertible preferred stock is not mandatorily or currently redeemable, a deemed liquidation event could constitute a redemption event outside the Company's control. Therefore, all shares of redeemable convertible preferred stock have been presented outside of permanent equity.

The Company recorded shares of redeemable convertible preferred stock issued for cash at their respective issuance price less issuance costs on the dates of issuance. Shares of redeemable convertible preferred stock issued upon conversion of convertible notes were recorded at the fair value of the respective convertible note immediately prior to conversion. The carrying values of the Company's redeemable convertible preferred stock have not been accreted to their redemption values as the liquidation event is not considered probable of occurring. Subsequent adjustments of the carrying values to redemption values will be made only if and when it becomes probable the convertible preferred stock will become redeemable.

Common Stock

The Company has one class of capital stock designated "participating common stock" and another class of capital stock designated "Class T common stock." The class of capital stock designated "participating common stock" is divided into two series, designated "Class A common stock" and "Class N common stock." The certificate of incorporation, as amended and restated August 27, 2025, authorized the Company to issue up to 8,162.8 million shares of Class A common stock, 5,547.2 million shares of Class N common stock, and 1 share of Class T common stock. The certificate of incorporation, as amended and restated May 27, 2026 (unaudited), authorized the Company to issue up to 10,991.0 million shares of Class A common stock, 7,044.0 million shares of Class N common stock, and 1 share of Class T common stock. Holders of Class A common stock are entitled to one vote per share. The holders of Class N common stock shall have no right to vote, generally, except as required by law, including no right to vote in any election of the Board, except as required by law. The holders of Class T common stock have no right to vote generally, except as required by law or specifically set forth in the certificate of incorporation. The participating common stock is subordinate to the redeemable convertible preferred stock with respect to dividend rights and rights upon liquidation, winding up, and dissolution of the Company. The Class T common stock is not mandatorily redeemable and does not entitle the holder thereof to receive dividends or any distribution of assets upon the liquidation, winding up, or dissolution of the Company or the occurrence of a Liquidation Transaction (defined, generally, as any voluntary or involuntary liquidation, dissolution or winding up of the Company or deemed liquidation event).

The total shares of the Company's common stock reserved for future issuance, on an as-if converted basis are as follows (in thousands):

	As of December 31,		As of June 30,
	2024	2025	2026
			(unaudited)
Series A	485,744	485,744	485,744
Series B	874,304	874,304	874,304
Series C-1	263,972	263,972	263,972
Series C-2	133,617	133,617	133,617
Series D-1	350,128	368,311	370,299
Series D-2	44,438	46,132	46,314
Series D-3	49,993	52,589	52,873
Series E-1	—	636,101	636,101
Series E-2	—	952,819	952,819
Series E-3	—	126,646	126,646
Series E-4	—	153,429	153,429
Series E-5	—	242,436	242,436
Series F-1	—	922,197	922,197
Series F-2	—	207,399	207,399
Series F-3	—	—	—
Series F-4	—	—	—
Series G-1	—	—	905,104
Series G-2	—	—	839,288
Series G-3	—	—	205,629
Series G-4	—	—	33,216
Series H-1	—	—	776,379
Series H-2	—	—	331,103
Series H-3	—	—	—
Series H-4	—	—	—
Shares available under Donation Matching Plan	964,341	964,341	933,698
Stock options and restricted stock units outstanding	1,736,780	2,603,784	2,846,697
Shares available for future issuance	26,547	287,571	569,059
Total shares reserved for issuance	4,929,864	9,321,392	12,908,323

Equity Compensation Plan

In January 2021, the Board approved the 2021 Stock Plan (the "Plan"). The Plan allows for the award of incentive stock options, non-statutory stock options, restricted stock awards, and RSUs to employees, non-employee directors, and consultants of the Company. As of December 31, 2025 and June 30, 2026 (unaudited), there were 3,112.4 million shares and 3,864.8 million shares, respectively, of common stock reserved for issuance under the Plan, with 287.6 million shares and 569.1 million shares, respectively, available to be issued. Options issued under the Plan generally are exercisable for periods not to exceed ten years and generally vest over either four years with 25% vesting after one year and with the remainder vesting monthly thereafter in equal installments, or over one year with 100% vesting after one year. Effective January 2026 (unaudited), options issued under the Plan generally are exercisable for periods not to exceed 10 years and generally vest over either four years with 12.5% vesting after six months and with the remainder vesting monthly thereafter in equal installments, or over one year with 50% vesting after six months and with the remainder vesting monthly thereafter in equal installments.

Stock Options

A summary of stock option activity and related information was as follows:

	Number of Shares (in thousands)	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Balance as of December 31, 2023	532,827	$ 0.52	9.3	$ 416
Granted	1,279,562	1.30		
Exercised	(24,907)	0.40		
Cancelled and forfeited	(50,702)	0.98		
Balance as of December 31, 2024	1,736,780	1.08	9.2	$ 2,248
Granted	550,591	3.72		
Exercised	(141,478)	0.79		
Cancelled and forfeited	(163,150)	1.33		
Balance as of December 31, 2025	1,982,743	1.81	8.6	$ 31,415
Granted (unaudited)	90,419	22.14		
Exercised (unaudited)	(227,942)	1.38		
Cancelled and forfeited (unaudited)	(48,154)	1.87		
Balance as of June 30, 2026 (unaudited)	1,797,066	$ 2.89	8.2	$ 98,205
Vested and exercisable as of December 31, 2025	662,636	$ 1.12	8.1	$ 10,961
Vested and exercisable as of June 30, 2026 (unaudited)	902,727	$ 2.06	8.1	$ 50,077

The intrinsic value of a stock option is calculated as the difference between the per-share exercise price of the stock option and the estimated per-share fair value of the Company's common stock at the measurement date. The total intrinsic value of stock options exercised during the years ended December 31, 2023, 2024, and 2025 and during the six months ended June 30, 2026 (unaudited) was $7 million, $31 million, $1.1 billion, and $6.8 billion, respectively.

The weighted-average grant-date fair value of stock options granted during the years ended December 31, 2023, 2024, and 2025 and during the six months ended June 30, 2026 (unaudited) was $0.51 per share, $1.07 per share, $5.76 per share, and $19.90 per share, respectively. The total grant-date fair value of options vested during the years ended December 31, 2023, 2024, and 2025 and during the six months ended June 30, 2026 (unaudited) was $12 million, $83 million, $733 million, and $2.0 billion, respectively.

As of December 31, 2025 and June 30, 2026 (unaudited), there was approximately $3.2 billion and $2.8 billion, respectively, of total unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a weighted-average period of 1.5 years and 1.2 years, respectively.

The following weighted-average assumptions were used to calculate the fair value of option grants:

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
				(unaudited)
Fair value of common stock	$0.51 - $1.08	$1.30 - $2.23	$3.45 - $16.69	$21.56 - $57.14
Expected volatility	71.6 %	67.6 %	66.4 %	65.7 %
Risk-free interest rate	4.3 %	4.1 %	3.9 %	3.8 %
Dividend yield	— %	— %	— %	— %
Expected term (in years)	6.0	6.1	5.6	5.3

Restricted Stock Units

The Company grants RSUs to employees and the RSUs vest upon the satisfaction of both a service condition and a performance condition. The service condition for these awards is generally satisfied over a four-year vesting period. The performance condition is satisfied upon the occurrence of an "initial event" which is defined as either (i) a qualifying change in control of the Company or (ii) a listing of the Company's equity securities on an established securities market (including through a traditional public offering, direct listing, or business combination with a special purpose acquisition company), in each case, on or before the seventh anniversary of the grant date, as further defined in such RSU agreements. If the performance condition is not satisfied within seven years of the grant date, all unvested RSUs are forfeited.

As of December 31, 2025 and June 30, 2026 (unaudited), no stock-based compensation expense had been recognized for the RSUs because management determined that it is not probable that the performance condition will be achieved. If management had determined the performance condition was probable of achievement as of December 31, 2025 and June 30, 2026 (unaudited), the Company would have recognized $671 million and $2.9 billion, respectively, of cumulative stock-based compensation expense as of the respective dates and would have had $5.2 billion and $23.7 billion, respectively, of unrecognized compensation cost that represents the RSUs that have not satisfied the service condition for vesting. As of June 30, 2026 (unaudited), unrecognized compensation cost is expected to be recognized over a weighted-average period of 2.1 years.

The following table summarizes RSU activity under the Plan during the year ended December 31, 2025 and six months ended June 30, 2026 (unaudited):

	Number of Shares (in thousands)	Weighted-Average Grant-Date Fair Value per Share
Balance as of December 31, 2024	—	$ —
Granted	629,385	9.42
Vested	—	—
Forfeited or cancelled	(8,344)	6.07
Balance as of December 31, 2025	621,041	9.47
Granted (unaudited)	451,891	46.48
Vested (unaudited)	—	—
Forfeited or cancelled (unaudited)	(23,301)	12.28
Balance as of June 30, 2026 (unaudited)	1,049,631	$ 25.34

The total intrinsic value and fair value of RSUs vested during the year ended December 31, 2025 and six months ended June 30, 2026 (unaudited) was zero.

Restricted Stock Awards ("RSAs")

In January and February 2021, the Company granted a total of 1,731.3 million RSAs to founders and early employees that vested based on the passage of time (i.e., a service condition). The Company also grants RSAs to certain non-employee service providers. The RSAs are shares of common stock that are issued and outstanding and are subject to repurchase by the Company (for a minimal amount) if the holder's service terminates before the restricted shares vest. Compensation cost is measured at the grant-date fair value of the underlying common stock and is recognized over the vesting period.

During the year ended December 31, 2024, 432.8 million RSAs vested and 36.1 million RSAs were subject to repurchase. During the year ended December 31, 2025, all remaining RSAs subject to repurchase as of the end of the prior year vested and additional RSAs granted and subject to repurchase were not material.

During the six months ended June 30, 2026 (unaudited), the Company granted 10.4 million RSAs in connection with acquisitions, which remain unvested as of June 30, 2026. As of June 30, 2026 (unaudited),

there was approximately $325 million of total unrecognized compensation cost related to unvested RSAs, which is expected to be recognized over a weighted-average period of 2.7 years.

Share Repurchases

During the year ended December 31, 2025, the Company repurchased and immediately retired 27.9 million shares of common stock from certain former and current service providers at a purchase price of $5.61 per share, which was in excess of the then-current fair market value at the time of repurchase. The aggregate fair value of the shares repurchased was $149 million, which was recorded as an increase in accumulated deficit. The excess of the repurchase price over the fair market value of the shares at the date of repurchase was recognized as stock-based compensation expense of $7 million in the consolidated statement of operations.

The Company did not repurchase any shares during the six months ended June 30, 2026 (unaudited).

In February 2026 (unaudited), the Company's Board of Directors approved an offer by a group of third-party buyers to purchase shares of the Company's Class A common stock at a price of $25.9136 per share from sellers that included current and former employees, non-employee service providers, and donor advised funds. The tender offer closed in April 2026, and an aggregate of 179.9 million shares were sold. Shares sold in the tender offer were sold at fair value, and accordingly, no stock-based compensation expense was recognized in connection with the transaction.

Donation Matching Plan

In November 2021, the Company adopted its donation matching plan ("Donation Matching Plan") whereby eligible employees of the Company can pledge to donate to eligible nonprofit organizations, including 501(c)(3) tax exempt organizations, and have the Company match such donation on the terms set forth in the Donation Matching Plan. The Company may elect, at its sole discretion and per the terms of the Donation Matching Plan, to match the donation in shares of Class N common stock or in cash in an equivalent value. As of December 31, 2024 and 2025 , 964.3 million shares of common stock were reserved for issuance under the Donation Matching Plan, and no shares are issued or outstanding. As of June 30, 2026 (unaudited), 933.7 million shares of common stock were reserved for issuance under the Donation Matching Plan. During the six months ended June 30, 2026 (unaudited), the Company recognized a change in fair value of $126 million of the donation matching program liability within other operating and administrative expense in the consolidated statements of operations and issued 30.6 million shares of Class N common stock upon settlement of its donation matching obligation in the first quarter of 2026 (unaudited). As of December 31, 2024 and 2025 and June 30, 2026 (unaudited) , the Company accrued zero , $541 million, and zero , respectively, within accounts payable, accrued expenses, and other current liabilities on the consolidated balance sheets, representing the estimated fair value of the current obligations to match employee donations under the donation matching program based on observable and unobservable inputs, specifically considering the price of the Company's common stock. Donation matching expense is included within other operating and administrative expenses in the consolidated statements of operations.

11. Income Taxes

The Company is subject to taxation in the United States and various other state and foreign jurisdictions. The domestic and foreign components of pre-tax loss were as follows (in millions):

	Year Ended December 31,		
	2023	2024	2025
Domestic	$ (1,529)	$ (8,302)	$ (41,881)
Foreign	—	(6)	(64)
Loss before provision for income taxes	$ (1,529)	$ (8,308)	$ (41,945)

The components of the provision for income taxes were as follows (in millions):

	Year Ended December 31,		
	2023	2024	2025
Current:			
Federal	$ —	$ —	$ —
State	—	—	—
Foreign	2	4	17
Total current provision for income taxes	2	4	17
Deferred:			
Federal	—	—	—
State	—	—	—
Foreign	—	(3)	3
Total deferred provision for (benefit from) income taxes	—	(3)	3
Total provision for income taxes	$ 2	$ 1	$ 20

The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate:

	Year Ended December 31,	
	2023	2024
U.S. Federal statutory tax rate	21.0 %	21.0 %
State and local income taxes, net of Federal income tax effect	3.6 %	2.4 %
Foreign tax effects	(0.1) %	— %
Research and development credits	1.4 %	2.2 %
Changes in valuation allowances	(9.4) %	(12.2) %
Mark to market	(16.2) %	(13.6) %
Other	(0.4) %	0.2 %
Provision for income taxes	(0.1) %	— %

	Year Ended December 31, 2025	
	Amount	Percent
Pre-tax book income	$ (41,945)	
U.S. Federal statutory tax rate	(8,808)	21.0 %
State and local income taxes, net of Federal income tax effect [(1)]	(47)	0.1 %
Foreign tax effects	34	(0.1) %
Tax credits	(404)	1.0 %
Changes in valuation allowances	1,870	(4.5) %
Nontaxable or nondeductible items		
Mark to market	7,192	(17.1)%
Other nondeductible expenses (no item >5%)	5	— %
Changes in unrecognized tax benefits	165	(0.4) %
Other	13	— %
Provision for income taxes	$ 20	— %

(1) State taxes in California made up the majority (greater than 50%) of the tax effect in this category.

The tax effects of temporary differences and related deferred tax assets and liabilities were as follows (in millions):

	As of December 31,	
	2024	2025
Deferred tax assets:		
Stock-based compensation	$ 40	$ 279
Research and development capitalization	459	34
Net operating loss carryforwards	445	2,007
Research and development tax credit	260	656
Lease liability	10	25
Bad debt reserve	1	4
Depreciation and amortization	1	—
Contingency reserve	1	312
Other accruals	—	147
Valuation allowance	(1,206)	(3,422)
Total deferred tax asset, net	11	42
Deferred tax liabilities:		
ROU asset	(8)	(28)
Depreciation and amortization	—	(12)
Other deferred tax liabilities	—	(2)
Total deferred tax liabilities	(8)	(42)
Net deferred tax assets	$ 3	$ —

In determining the need for a valuation allowance, the Company reviewed both positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, a full valuation allowance was established against the Company's U.S. and foreign net deferred tax assets as of December 31, 2025. Management reevaluates the positive and negative evidence at each reporting period.

A reconciliation of the beginning and ending amount of the Company's valuation allowance is as follows (in millions):

	Year Ended December 31,		
	2023	2024	2025
Valuation allowance, beginning of year	$ 56	$ 200	$ 1,206
Changes in related gross deferred tax asset	144	1,006	2,216
Valuation allowance, end of year	$ 200	$ 1,206	$ 3,422

As of December 31, 2025, the Company had U.S. federal net operating loss ("NOL") carryforwards of $8.2 billion, which do not expire, state NOL carryforwards of $4.2 billion, which begin to expire in 2033, and NOL carryforwards in Ireland of $85 million, which do not expire.

As of December 31, 2025, the Company had U.S. federal and California R&D tax credit carryforwards in the amount of $656 million and $343 million, respectively. The U.S. federal R&D tax credits begin to expire in 2042 while the California R&D tax credits can be carried forward indefinitely.

The Company's ability to utilize the NOL carryforwards and R&D credit carryforwards in the future may be subject to an annual limitation due to ownership changes that have occurred or that could occur in the future in accordance with Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"), as well as similar state provisions. These ownership changes may limit the amount of NOL and R&D tax credit

carryforwards that can be utilized annually to offset future taxable income and future income tax, respectively. In general, an ownership change as defined by Section 382 results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company last completed a Section 382 analysis as of December 31, 2023, and has determined that ownership changes have taken place in October 2021 and September 2023. However, no limitations on the utilization of tax attributes were identified as of that date. A Section 382 study has not been conducted subsequent to December 31, 2023. Ownership changes that may have occurred in 2024 and 2025 may therefore subject tax attributes to a yearly limitation.

A reconciliation of the beginning and ending amount of the Company's unrecognized tax benefits during the years ended December 31, 2024 , and 2025 is as follows (in millions):

	Year Ended December 31,	
	2024	2025
Balance, beginning of year	$ 7	$ 101
Increases related to prior year tax positions	10	4
Increases related to current year tax positions	84	188
Balance, end of year	$ 101	$ 293

The Company files tax returns in the United States and various state and foreign jurisdictions in which the Company conducts business activities. The federal and state income tax returns are subject to examination for all tax years, the tax returns in the United Kingdom are open from 2023 onwards and the Ireland tax returns are open from 2024 onwards. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service ("IRS") or state tax authorities to the extent utilized in a future period. Additionally, the Company is subject to tax examinations by tax authorities in foreign jurisdictions where it has business operations. There are currently no federal, state, or foreign audits in progress by the IRS or any other jurisdictions for any tax years.

Given the Company's full valuation allowance, none of the unrecognized tax benefits, if recognized, would affect the Company's effective tax rate. The Company's policy is to recognize interest and penalties related to income taxes as components of income tax expense. As of December 31, 2024 and 2025, the Company did not accrue interest and penalties related to unrecognized tax benefits.

The Company considers the earnings of its foreign subsidiaries to be indefinitely reinvested and, accordingly, has not provided U.S. federal or state income taxes or foreign withholding taxes on such earnings. The Company does not expect material taxes would be due upon repatriation of these earnings.

The amount of cash taxes paid by (refunded to) the Company during the year ended December 31, 2025 is as follows (in millions):

	Year Ended December 31, 2025
Federal	$ —
State	—
Foreign	
United Kingdom	10
South Korea	(2)
All Other Foreign	—
Cash taxes, net of amounts refunded	$ 8

In July 2025, the United States enacted tax legislation commonly referred to as the One Big Beautiful Bill Act (the "OBBB Act"). The OBBB Act, among other things, extends certain provisions of 2017 U.S. federal tax legislation relating to federal bonus depreciation. The OBBB Act permanently reverted to pre-Tax Cuts and Jobs Act rules allowing full deduction of domestic research and experimental expenses effective for tax years

beginning after December 31, 2024, and provided transition relief permitting acceleration of previously capitalized domestic R&D costs from 2022 to 2024. While these provisions resulted in a significant favorable temporary difference in the Company's 2025 tax provision, they did not have a material effect on the Company's consolidated financial statements for the year ended December 31, 2025, due to the Company's full valuation allowance position on deferred tax assets. The Company will continue to monitor future developments, including regulatory guidance and interpretations, which could have a material impact as the Company's tax position evolves.

For the Six Months Ended June 30, 2025 and 2026 (Unaudited)

A summary of the Company's provision for income taxes, loss before provision for income taxes, and effective tax rates is as follows (in millions, except percentages):

	Six Months Ended June 30,	
	2025	2026
Provision for income taxes	$ 7	$ 21
Loss before provision for income taxes	$ (12,962)	$ (80,727)
Effective tax rate	(0.1)%	—%

The Company's provision for income taxes consists primarily of state taxes in the United States and foreign taxes in jurisdictions in which the Company conducts business. The Company recorded income tax expense of $7 million and $21 million for the six months ended June 30, 2025 and 2026, respectively. The Company maintains a full valuation allowance against its net deferred tax assets as it is more likely than not that these assets will not be realized.

12. Net Loss per Share

The Company computes net loss per share utilizing the two-class method required for participating securities. The rights, including the liquidation and dividend rights, of the holders of the Company's Class A common stock and Class N common stock are identical, except with respect to voting. As a result, the basic and diluted net loss per share of Class A common stock and Class N common stock are the same and therefore presented on a combined basis.

The following table sets forth the computation of basic and diluted net loss per share, net of tax attributable to the Company's common stockholders (in millions, except share amounts which are reflected in thousands, and per-share data):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Numerator:					
Net loss	$ (1,531)	$ (8,309)	$ (41,965)	$ (12,969)	$ (80,748)
Denominator:					
Weighted-average shares of common stock outstanding, basic and diluted	1,076,881	1,528,995	1,821,085	1,788,731	2,024,973
Net loss per share attributable to common stockholders, basic and diluted	$ (1.42)	$ (5.43)	$ (23.04)	$ (7.25)	$ (39.88)

For the years ended December 31, 2023, 2024, and 2025 and the six months ended June 30, 2025 and 2026 (unaudited), basic net loss per share is the same as diluted net loss per share as the inclusion of all potential shares of common stock outstanding would have been anti-dilutive.

Potentially dilutive securities that were not included in the diluted per-share calculations because they would have been anti-dilutive were as follows (in thousands):

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Redeemable convertible preferred stock	1,757,637	2,202,194	5,465,695	4,333,169	8,558,869
Convertible notes	1,137,923	1,893,289	2,046,074	2,253,472	1,840,445
Derivative liabilities	3,062,061	450,000	—	—	—
RSAs	468,904	36,070	27	—	13,529
Stock options	532,827	1,736,780	1,982,743	1,835,665	1,797,066
Holdback liability	—	—	1,596	—	1,590
Donation matching program liability	—	—	30,643	—	—
Total	6,959,352	6,318,333	9,526,778	8,422,306	12,211,499

The SAFEs and certain convertible notes were excluded from the anti-dilutive securities as the potential common stock are contingently issuable and the number of shares issuable is contingent on the price at which future financing transactions occur. The table above does not include 621.0 million, 173.7 million, and 1,049.6 million RSUs outstanding as these awards are subject to a performance condition that was not considered probable for the year ended December 31, 2025 and six months ended June 30, 2025 and 2026 (unaudited), respectively.

13. Commitments and Contingencies

Purchase Commitments

The Company routinely enters into non-cancelable agreements with third parties that contractually obligate the Company to purchase services. These contractual commitments primarily relate to CSP hosting and other third-party infrastructure services agreements.

Future minimum payments under the Company's non-cancelable purchase commitments with a remaining term in excess of one year as of December 31, 2025 were as follows (in millions):

Year Ended December 31,	Amount
2026	$ 7,059
2027	11,128
2028	10,832
2029	8,304
2030	5,428
Thereafter	11,808
Total non-cancelable contractual commitments	$ 54,559

As of June 30, 2026 (unaudited), expected future fixed or minimum guaranteed commitments under these agreements were approximately $265.6 billion with terms ranging from one to 20 years.

The Company has also entered into compute and infrastructure agreements that do not specify a fixed or minimum dollar commitment. Payments under these agreements will depend on the capacity made available and deployed, delivery timing, and pricing, and are not yet determinable. The Company does not include any estimated obligation for these agreements in the amount above; however, such payments are expected to be significant.

Guaranty (unaudited)

In 2026, the Company entered into guaranty and cost reimbursement arrangements with developers to support data center capacity development, including procuring long-lead time equipment and materials. The Company may be required to make payments to or on behalf of the counterparties if specified trigger events occur. As of June 30, 2026, maximum potential payments under these arrangements were up to $0.8 billion, and amounts accrued under these arrangements were not material.

Legal Matters

The Company is involved from time to time in claims, proceedings, and litigation, including the following:

In August 2024, various authors filed suit against the Company alleging infringement of copyrighted books in the case of Bartz, et al. v. Anthropic in the U.S. District Court for the Northern District of California ("Bartz"). The complaint alleged, among other things, copyright infringement related to the use of literary works used in the training of the Company's large language models. The complaint sought certification as a class action, unspecified amounts of damages, injunctive relief, attorneys' fees, costs, and interest. The Company reached a settlement in the amount of $1.5 billion and the interest earned thereon, which was approved by the district court in July 2026. The Company paid $300 million during the year ended December 31, 2025 and recorded liabilities of $750 million in accounts payable, accrued expenses, and other current liabilities and $450 million in other noncurrent liabilities on the consolidated balance sheets as of December 31, 2025, and $1.2 billion in accounts payable, accrued expenses, and other current liabilities as of June 30, 2026 (unaudited).

In October 2023, Concord Music Group et al. filed a complaint against the Company in the U.S. District Court for the Middle District of Tennessee ("Concord I"). The complaint alleges, among other things, that in the process of building and operating the Company models, the Company unlawfully copied and disseminated copyrighted lyrics controlled by the publishers. It also asserts a claim for unlawful removal of copyright management information. The complaint seeks unspecified amounts of damages, injunctive relief, attorneys' fees, costs, and interest. The case was later transferred to the Northern District of California. Both parties filed motions for summary judgment and the court held a hearing on October 21, 2026. The Company disputes the allegations of wrongdoing and intends to defend itself vigorously in this matter.

The Company is also subject to four copyright actions in Canada. In May and July 2025, two putative class actions were filed on behalf of purported classes of Canadian authors - one in British Columbia ("MacKinnon") on behalf of all Canadian authors, and one in Québec ("Grescoe") on behalf of all Québec authors - each alleging violations of Canada's Copyright Act based on the Company's copying and use of copyrighted books to train its large language models. Grescoe has been stayed pending a final judgment in MacKinnon. In July 2026, La Presse Inc., a Québec news publisher, filed a copyright infringement action against the Company in the Québec Superior Court alleging that the Company reproduced its journalistic works in the data used to train the Company's models. In October 2026, a group of Canadian news publishers filed a claim against the Company in the Ontario Superior Court of Justice. The plaintiffs allege the Company copied their content from their websites to develop its Claude models. They further allege the Company breached the websites' terms of service and circumvented technological protection measures. The Company disputes the allegations of wrongdoing and intends to defend itself vigorously in these matters.

In June 2025, Reddit, Inc. filed suit against the Company in California state court alleging various claims, including breach of contract and trespass to chattels, stemming from allegations about the Company's use of Reddit data in building and operating its models. In September 2026, the state court narrowed the case to Reddit's breach of contract, interference with contract, and unfair competition claims. The Company disputes the allegations of wrongdoing and intends to defend itself vigorously in this matter.

Between January and October 2026, several complaints were filed against the Company in the U.S. District Court for the Northern District of California by various music publishers and their affiliated entities, including Concord Music Group, Universal Music Publishing Group, ABKCO Music, BMG Rights Management (US) LLC, Round Hill Music LP, Sony Music Publishing (US) LLC, Warner Chappell Music, Inc., and others (collectively, the "Music Publisher Matters"). The complaints allege, among other things, that the Company unlawfully copied the plaintiffs' copyrighted song lyrics and musical compositions, and assert claims for direct and indirect copyright infringement based on both the acquisition and use of copyrighted materials to train the Company's

large language models and the outputs of those models, as well as claims for removal of copyright management information. Certain of the complaints also assert claims for unauthorized downloading and distribution of copyrighted works, circumvention of technological protection measures, and violations of the Digital Millennium Copyright Act, and certain of the complaints also name two Company executives as defendants. The complaints seek unspecified amounts of damages, injunctive relief, attorneys' fees, costs, and interest. These matters are in preliminary stages. The Company disputes the allegations of wrongdoing and intends to defend itself vigorously in these matters.

The Company is subject to several putative class action complaints alleging that it markets and sells subscription plans for Claude through false, misleading, and deceptive advertising practices. These matters are generally in the early stages. The Company disputes the allegations of wrongdoing and intends to defend itself vigorously in these actions.

Various authors and publishers have opted out of the class action and settlement reached in Bartz and filed individual suits against the Company, generally alleging claims of direct copyright infringement, contributory copyright infringement, and removal of copyright management information related to the use of literary works used in the training of the Company's large language models. The Company disputes the allegations of wrongdoing in these remaining opt-out actions and intends to defend itself vigorously in all matters. These proceedings remain in various stages.

The Company has received notices, demands, and other communications from several authors and individual rights-holders, publishers (including, but not limited to, book, news, and music publishers), platforms and website operators, and trade associations, in the United States and other jurisdictions (collectively, "Rights-Holders") alleging unauthorized acquisition or use of content, removal of copyright management information, violation of terms of service, and violation of copyrights. Some Rights-Holders have also sought to have their content removed from the Company's training corpus or sought more information on how their content was used in the development of the Company's models. Other Rights-Holders have argued that the mere crawling of their sites has harmed them. The Company expects to continue to receive similar notices from Rights-Holders, which may ultimately result in litigation against the Company. The Company disputes the allegations of wrongdoing and intends to defend itself vigorously in these matters.

From time to time, the Company is subject to inquiries, investigations, subpoenas and requests for information from federal, state, and foreign governmental authorities, including the U.S. Federal Trade Commission and state attorneys general, regarding, among other things, consumer protection, data protection and privacy, and the safety and security of the Company's products.

In addition, from time to time, the Company is subject to claims, litigation, and other proceedings, including potential regulatory proceedings, involving patent and other intellectual property matters, taxes, labor and employment, competition, privacy and data protection, consumer protection, commercial disputes, and services offered by the Company, and other matters. The outcomes of the Company's legal proceedings and other contingencies are inherently unpredictable, subject to significant uncertainties, and could be material to its operating results and cash flows for a particular period. The Company evaluates, on a regular basis, developments in its legal proceedings and other contingencies that could affect the amount of liability, including amounts in excess of any previous accruals and reasonably possible losses disclosed, and makes adjustments and changes to its accruals and disclosures as appropriate. For the matters the Company discloses that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and the Company may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies. Until the final resolution of such matters, if any of the Company's estimates and assumptions change or prove to have been incorrect, the Company may experience losses in excess of the amounts recorded, which could have a material effect on its business, consolidated financial position, results of operations, or cash flows.

Indemnification Agreements

The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent, independent testing and evaluation of the Company's models, or other intellectual property

infringement claim by any third party with respect to its technology. These indemnification obligations are not subject to a cap in certain instances. The term of these indemnification agreements is generally perpetual after the execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future but have not yet been made. The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements.

Employee Benefit Plan

The Company has a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees. A portion of employee contributions are matched up to a fixed maximum dollar amount per year per eligible employee. During the years ended December 31, 2023, 2024, and 2025, matching contributions related to the plan were $2 million, $7 million, and $15 million, respectively, and during the six months ended June 30, 2025 and 2026 (unaudited), matching contributions were $7 million and $20 million, respectively.

14. Segment and Geographical Information

The Company's chief operating decision maker ("CODM") is the leadership team consisting of the Company's Chief Executive Officer and President. The Company operates its business in one operating segment and, therefore, has one reportable segment. The CODM utilizes financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources including, but not limited to, the Company's consolidated net loss.

The CODM uses consolidated net loss as the measure of segment profit or loss. The CODM uses consolidated net loss to evaluate overall financial performance, monitor budget-to-actual results, assess the return on the Company's investments in compute and infrastructure, personnel, and other operating activities to inform decisions regarding the allocation of capital and personnel resources across the Company's operations. There are no other expense categories regularly provided to the CODM that are not already included in the primary consolidated financial statements, except that stock-based compensation expense is separately provided to the CODM as a discrete component within the Personnel line item. Stock-based compensation expense was $29 million, $192 million, and $1.2 billion for the years ended December 31, 2023, 2024, and 2025, and $286 million and $2.2 billion for the six months ended June 30, 2025 and 2026 (unaudited), respectively. The CODM does not evaluate operating segments using asset information.

Long-lived assets, which consist of property and equipment, net, and operating lease right-of-use assets, by geographic location are based on the physical location of the assets. As of December 31, 2024, December 31, 2025, and June 30, 2026 (unaudited), approximately 94%, 95%, and 95%, respectively, of the Company's long-lived assets were located in the United States.

15. Business Combinations

2026 Acquisition Activity (Unaudited)

On May 18, 2026, the Company acquired Stainless Software, Inc., to advance developer experience and agent connectivity. This acquisition was primarily funded by shares of the Company's Class A common stock with fair value of $295 million. The total purchase price of $306 million consisted of $12 million cash and cash equivalents, $65 million of intangible assets, $24 million of other net liabilities, and $253 million of goodwill. Goodwill primarily relates to expected synergies and assembled workforce and is not expected to be deductible for U.S. federal income tax purposes.

During the first half of 2026, the Company completed other acquisition activity for aggregate consideration of $260 million.

2025 Acquisition Activity

On December 2, 2025, the Company acquired 100% of the issued and outstanding equity interests of Bun. The acquisition primarily provides additional workforce to support the Company's developer ecosystem initiatives

and has been accounted for as a business combination. The total consideration transferred of approximately $171 million consisted of: $136 million in equity issued, including replacement of equity awards attributable to pre-combination services; a $25 million holdback liability to be settled in shares of the Company's Class A common stock; and $10 million in cash.

The fair value of equity issued was determined based on the estimated fair value of the Company's Class A common stock immediately prior to the acquisition and includes 8.6 million shares of Class A common stock issued to Bun stockholders and a number of replacement options to purchase shares of the Company's Class A common stock issued to continuing employees that are subject to service-based vesting conditions over a three-year period, of which a portion was attributable to pre-combination services and therefore included within the total consideration noted above.

Equity issued excludes 1.6 million shares of Class A common stock held back and not legally issued, which serve as partial security for the sellers' general representation and warranty obligations. The holdback shares are subject to an 18-month holdback period, after which any remaining shares will be released to the former Bun stockholders, net of any shares necessary to satisfy breaches of the sellers' general representations and warranties or other post-closing adjustments.

The holdback shares were recorded at their acquisition date fair value and classified as a liability within Other noncurrent liabilities on the consolidated balance sheets. The holdback liability will be settled in shares of Class A common stock and is recorded at fair value through its settlement date, with changes in fair value recorded to other income (expense), net on the consolidated statements of operations. The estimate of fair value of the holdback liability used both observable and unobservable inputs, specifically considering the price of the Company's Class A common stock and the probability of payout at the end of the holdback period.

The purchase price was allocated on a preliminary basis to goodwill of $154 million and cash and cash equivalents of $17 million. Goodwill primarily relates to expected synergies and assembled workforce and is not expected to be deductible for U.S. federal income tax purposes.

Pro forma results of operations have not been presented because the effects of all acquisitions, individually and in the aggregate, were not material. Acquisition-related costs were expensed as incurred within other operating and administrative expenses on the consolidated statements of operations, and were not material.

16. Subsequent Events

The Company has evaluated subsequent events for recognition and measurement purposes through June 1, 2026, which is the date the consolidated financial statements were available to be issued.

Equity and Financing Transactions

- In January and February 2026, the Company completed the sale of an aggregate of 90.5 million shares of Series G-1 redeemable convertible preferred stock and an aggregate of 26.0 million shares of Series G-2 non-voting redeemable convertible preferred stock at a price of $259.1364 per share, for aggregate gross proceeds of $30.2 billion.

- In February 2026, the Board approved an offer made by a group of third-party buyers to purchase shares of the Company's Class A common stock at a price of $25.9136 per share from a group of sellers that included current and former employees, non-employee service providers, and donor advised funds. The transaction closed in April 2026, and an aggregate of 179.9 million shares were sold. There was no stock-based compensation expense related to this transaction.

- In February 2026, the Company settled its obligation accrued as of December 31, 2025 under the Donation Matching Plan through the issuance of 30.6 million shares of Class N common stock. The liability was remeasured to fair value through the settlement date, resulting in additional other operating and administrative expense of $126 million recognized in the first quarter of 2026.

- In March 2026, the Company entered into a financing arrangement, including a note purchase agreement ("Google 2026 NPA") with Google under which Google purchased 38.6 million shares of the Company's Series G-2 non-voting redeemable convertible preferred stock for approximately $10.0

billion and will provide up to $30.0 billion of debt and/or equity financing through December 31, 2030, subject to certain conditions.

- In April 2026, the Company entered into a stock purchase and convertible note facility agreement ("Amazon 2026 NPA") with Amazon under which Amazon purchased 19.3 million shares of the Company's Series G-2 non-voting redeemable convertible preferred stock for approximately $5.0 billion and will provide up to $20.0 billion of debt and/or equity financing in the future, subject to certain conditions.

- In May 2026, the Company completed the sale of an aggregate of 75.7 million shares of Series H-1 redeemable convertible preferred stock and an aggregate of 27.6 million shares of Series H-2 non-voting redeemable convertible preferred stock at a price of $589.0095 per share, for aggregate gross proceeds of $60.8 billion, with additional sales expected in June 2026.

Compute and Infrastructure Transactions

- In March 2026, the Company entered into a lease agreement for a data center to be constructed. The lease is expected to commence in 2027 and is for a term of 20 years from the date the data center is delivered to the Company.

- In March 2026, in connection with an agreement to lease compute and infrastructure equipment, the Company entered into a note purchase agreement under which the Company may issue, subject to certain conditions, up to $42.0 billion of convertible promissory notes in the future solely to finance rent obligations under the lease.

- In March 2026, in connection with order forms executed under the Company's amended and restated colocation and services agreement with a data center provider for a facility in the United States, the Company entered into a guaranty of the provider's obligations under a power purchase contract in favor of the power counterparty in a maximum amount of up to $500 million.

- In April 2026, the Company deposited $2.5 billion into an escrow account in connection with a compute and infrastructure lease agreement.

- Subsequent to December 31, 2025, the Company entered into new, and amended existing, lease and commercial agreements primarily to secure additional compute and infrastructure capacity, with aggregate future minimum payment obligations of approximately $417 billion. These primarily consist of leases for compute equipment and data centers and purchase commitments with certain cloud providers, commencing between 2026 and 2027 with terms ranging from less than one year to 20 years. The Company also expanded certain existing commercial agreements under which it expects to secure additional compute and infrastructure capacity to be delivered between 2028 and 2031. As certain commercial terms have not yet been finalized, the Company estimates aggregate future payments under these agreements to be approximately $125 billion to $150 billion.

Strategic Transactions and Partnerships

- In April 2026, the Company completed the acquisition of Coefficient Bio, Inc., a developer of AI models for biological research applications. Aggregate merger consideration consisted of 15.4 million shares of the Company's Class A common stock, a portion of which is attributable to post-combination compensation under share revesting arrangements with continuing employees. The initial accounting for the acquisition was not complete as of the date these consolidated statements were available to be issued.

- In May 2026, the Company completed the acquisition of Stainless Software, Inc., a provider of developer tooling for the automated generation of software development kits and Model Context Protocol servers. Aggregate merger consideration consisted of 11.6 million shares of the Company's Class A common stock, a portion of which is attributable to post-combination compensation under share revesting arrangements with continuing employees. The initial accounting for the acquisition was not complete as of the date these consolidated statements were available to be issued.

- In May 2026, the Company entered into an agreement to invest $325 million in a newly formed entity that will help accelerate AI adoption across mid-sized companies. The Company is currently evaluating the impact of the accounting for this arrangement on its consolidated financial statements.

Other Matters

- In January 2026, the Company entered into a lease agreement for office space in San Francisco, California. The lease has a twelve-year initial term contractually commencing in January 2027. In March 2026, the lease was deemed to have commenced for accounting purposes when the landlord made the leased building available for use by the Company to begin tenant improvements. The Company recognized an operating lease right-of-use asset of $200 million and corresponding operating lease liability of $196 million.

- In January 2026, the Company modified all stock options outstanding for which the one-year cliff vesting period had not yet been achieved by adjusting the cliff vesting period to be equal to six months. The incremental expense recognized as a result of these stock option modifications was not material.

- A portion of the Company's revenue is derived from contracts with various agencies of the United States Government ("USG"). On February 27, 2026, the President of the United States ordered the USG to stop using the Company's models and the U.S. Department of War designated the Company as a Supply-Chain Risk to National Security (the "Risk Designation"). The Company may experience material revenue losses or business disruptions attributable to these events. On March 9, 2026, the Company filed a complaint in the U.S. District Court for the Northern District of California challenging the Risk Designation as unlawful and simultaneously filed a petition for review in the U.S. Court of Appeals for the D.C. Circuit. The U.S. District Court for the Northern District of California has largely granted summary judgment in the Company's favor, ruling that the Department of War's actions were retaliatory acts meant to punish the Company for speech protected under the First Amendment to the United States Constitution and violated the Company's rights under the Due Process Clause under the Fifth Amendment to the United States Constitution, and that the Secretary of War's Risk Designation, particularly with respect to 10 U.S.C. § 3252, violated the Administrative Procedure Act because they were in excess of statutory authority, contrary to law, and arbitrary and capricious. The defendants have filed a notice of appeal of the preliminary injunction. The D.C. Circuit Court of Appeals, however, in a 2-1 split decision, has denied the Company's petition for review, ruling that the Department of War's Risk Designation was proper under Federal Acquisition Supply Chain Security Act ("FASCSA") Section 4713, and that the Company's rights under the First Amendment and Due Process Clause of the Fifth Amendment were not violated. The Company is evaluating its next steps with respect to the D.C. Circuit's decision.

17. Subsequent Events (Unaudited)

The Company has evaluated subsequent events for recognition and measurement purposes through October 26, 2026, the date the unaudited interim consolidated financial statements were available to be issued.

Equity and Financing Transactions

- Subsequent to June 30, 2026, the Company's board of directors approved grants of approximately 91 million RSUs with an aggregate grant date fair value of $5.8 billion. The RSUs are subject to both service-based and performance-based vesting conditions. The service-based condition is generally satisfied quarterly over a period of four years, with a cliff vesting period of six months applicable to grants made to new hires, subject to the employee's continuous service with the Company through each service-based vesting date. The performance-based vesting condition of the RSUs will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part.

- In September 2026, the Company amended and restated the Credit Agreement, increasing the revolving commitments from $3.3 billion to $15.0 billion and extending the maturity to September 2031. The amendment also increases the minimum liquidity covenant from $500 million to $5.0 billion.

- In September 2026, the Company amended its certificate of incorporation to effectuate a 10-for-1 stock split of its authorized, issued, and outstanding shares of Class A common stock and Class N common stock, and in connection therewith, authorized 10,906.1 million shares of Class A common stock and 7,128.9 million shares of Class N common stock.

- In the third quarter of 2026, the Company recognized $2.0 billion within other operating and administrative expense on the consolidated statement of operations for the initial recognition and change in fair value of its obligation to match employee donations made in August 2026 under the Donation Matching Plan. In October 2026, the Company issued approximately 28.0 million shares of Class N common stock upon settlement of this donation matching obligation. The liability will be remeasured to fair value through the settlement date in the fourth quarter of 2026.

- In October 2026, the Company entered into amendments to the employment agreements of certain executive officers that provide for cash severance, continued health coverage and accelerated vesting of a number of outstanding equity awards upon certain conditions, modifying the executive officers' outstanding stock options and RSUs. Because the performance-based vesting condition of the RSUs was not probable of being satisfied as of the modification date, the RSUs outstanding are expected to be remeasured at their modification-date fair value.

- In October 2026, the Company amended its certificate of incorporation to increase the number of authorized shares of Class N common stock to 7,975.7 million shares, and the Company's stockholders approved the issuance of up to 846.8 million shares of Class N common stock to a newly formed, wholly owned subsidiary of the Company in furtherance of the Company's public benefit purpose.

- In October 2026, the Company's board of directors adopted, and its stockholders approved, the 2026 Equity Incentive Plan and the 2026 Employee Stock Purchase Plan, each effective on the day prior to the effectiveness of the registration statement of which this prospectus forms a part, with up to 2,950.0 million and 160.0 million shares of Class A common stock, respectively, initially reserved for issuance, subject to annual increases.

Compute and Infrastructure Transactions

- In July 2026, the Company entered into a hardware supply framework agreement (the "Hardware Supply Agreement") with Advanced Micro Devices, Inc. ("AMD") to purchase, lease, or access AMD Helios rack-scale systems featuring AMD Instinct MI450 series GPUs. Pursuant to the terms of the Hardware Supply Agreement, AMD committed to purchase up to $5.0 billion of the Company's Class N common stock, if certain conditions are achieved.

- In addition to the transactions above, subsequent to June 30, 2026, the Company entered into new, and amended existing, lease and commercial agreements primarily to secure additional compute and infrastructure capacity, with aggregate future minimum payment obligations of approximately $245 billion, with some arrangements subject to certain contractual conditions being met. These primarily consist of compute and infrastructure agreements, commencing between 2026 and 2036 with terms greater than one year and up to 20 years. The Company also entered into certain agreements that are short term in nature with minimum non-cancelable payments under such contracts of approximately $21 billion.

APPENDIX 3

SK HYNIX FINANCIAL STATEMENTS

SK hynix Inc. and Subsidiaries

Consolidated Financial Statements
December 31, 2025 and 2024

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KPMG SAMJONG Accounting Corp.
152, Teheran-ro, Gangnam-gu, Seoul 06236
(Yeoksam-dong, Gangnam Finance Center 27th Floor)
Republic of Korea

Tel +82 (2) 2112 0100
Fax +82 (2) 2112 0101
www.kr.kpmg.com

Independent Auditors' Report

Based on a report originally issued in Korean

To the Shareholders and Board of Directors
SK hynix Inc.:

Opinion

We have audited the accompanying consolidated financial statements of SK hynix Inc. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position of the Group as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with the Korean Standards on Auditing, the Group's Internal Control over Financial Reporting for consolidation purposes as of December 31, 2025, based on criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 4, 2026, expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Timing of commencement of depreciation for machinery

1) Reasons why the matter was determined to be a key audit matter

As described in Note2.11 and Note 12 to the consolidated financial statements, as of December 31, 2025, the Group's property, plant and equipment amount to ₩77,502,704 million, of which the machinery accounts for ₩39,560,170 million. The Group starts depreciating machinery when the acquisition and installation of the machinery is complete, and it is ready for its intended use. During the current year ended December 31, 2025, the Group commenced depreciation of machinery amounting to ₩17,618,705 million based on management's determination that the machinery is ready for its intended use.

The Group makes substantial annual investments in machinery to maintain and expand its production plants, and the resulting depreciation expense can have a significant impact on the consolidated financial statements. Accordingly, we identified the timing of commencement of depreciation as a key audit matter.

2) How our audit addressed the key audit matter

We performed the following audit procedures to address the key audit matter:

- Obtained an understanding of the Group's policy and process in relation to the determination of timing of commencement of depreciation for machinery.
- Evaluated the design and implementation and the operating effectiveness of the Group's internal controls related to:
  a) Determining when the machinery is ready for its intended use and the commencement timing of depreciation, including the machinery transferred from construction-in-progress.
  b) Identifying and reviewing the reasons for delays in transferring long-outstanding assets in construction-in-progress to property, plant and equipment.
- Tested sample transactions of machinery transferred from construction-in-progress (CIP) to main accounts and inspected supporting evidence such as internal inspection reports and installation completion documents to assess management's determination of when the assets were ready for intended use.
- Inquired of the reasons for the delay and inspected supporting evidence such as internal approvals of identified reasons for delays and expected transfer dates for selected samples of machinery in CIP at the year-end that had not been transferred by the expected transfer dates.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process**.**

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Joo-Hun Yoon.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 4, 2026

This report is effective as of March 4, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

SK hynix Inc. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2025 and 2024

(In millions of Korean won)	Notes		2025		2024
Assets					
Current assets					
Cash and cash equivalents	5,6	₩	14,923,766	₩	11,205,117
Short-term financial instruments	5,6,7		14,679,719		2,382,010
Short-term investment assets	5,6		5,338,768		569,236
Trade receivables, net	5,6,8,31		18,199,078		13,019,006
Loans and other receivables, net	5,6,8,31		386,343		293,061
Other financial assets	5,6,7,21		195,259		45,309
Inventories, net	9		14,289,390		13,313,937
Current tax assets			67,715		57,467
Other current assets	10		1,378,035		1,393,744
			69,458,073		42,278,887
Non-current assets					
Investments in associates and joint ventures	11		1,320,927		1,940,663
Long-term investment assets	5,6		14,547,099		4,041,276
Loans and other receivables, net	5,6,8,31		420,036		444,286
Other financial assets	5,6,7,21		1,114,462		346,749
Property, plant and equipment, net	12,32		77,502,704		60,157,474
Right-of-use assets, net	13,31		2,336,457		2,486,871
Intangible assets, net	14		4,049,402		4,018,847
Investment property, net			188		200
Deferred tax assets	20,29		3,660,493		2,811,559
Employee benefit assets	19		1,552,888		1,154,255
Other non-current assets	10		144,930		174,142
			106,649,586		77,576,322
Total assets		₩	176,107,659	₩	119,855,209

See accompanying notes to the consolidated financial statements.

SK hynix Inc. and Subsidiaries
Consolidated Statements of Financial Position, Continued
December 31, 2025 and 2024

(In millions of Korean won)	Notes		2025		2024
Liabilities					
Current liabilities					
Trade payables	5,6,31	₩	2,848,455	₩	2,277,347
Other payables	5,6,31,32		6,434,144		6,967,013
Other non-trade payables	5,6,15,31		6,283,111		3,983,543
Borrowings	5,6,16,31,32		8,161,757		5,252,238
Other financial liabilities	5,6,21,31		4,913,879		1,741,587
Provisions	18		228,937		270,235
Current tax liabilities			7,023,813		3,083,950
Lease liabilities	5,6,13,31		547,296		588,355
Other current liabilities	17		937,607		801,176
			37,378,999		24,965,444
Non-current liabilities					
Long-term other payables	5,6		375,141		477,027
Other non-trade payables	5,6,15,31		19,970		51,897
Borrowings	5,6,16,32		14,086,148		17,431,495
Other financial liabilities	5,6,21		2,487		5,909
Defined benefit liabilities, net	19		66,144		68,090
Deferred tax liabilities	20		248,395		217,852
Lease liabilities	5,6,13,31		1,962,647		2,180,021
Other non-current liabilities	17		1,300,977		541,770
			18,061,909		20,974,061
Total liabilities			55,440,908		45,939,505
Equity					
Equity attributable to owners of the Parent Company					
Capital stock	22		3,657,652		3,657,652
Capital surplus	22		8,953,714		4,487,123
Other equity	22,34		(1,348,598)		(2,191,549)
Accumulated other comprehensive income	22		2,676,862		2,532,107
Retained earnings	23		106,576,548		65,418,061
Total equity attributable to owners of the Parent Company			120,516,178		73,903,394
Non-controlling interests			150,573		12,310
Total equity			120,666,751		73,915,704
Total liabilities and equity		₩	176,107,659	₩	119,855,209

See accompanying notes to the consolidated financial statements.

SK hynix Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years ended December 31, 2025 and 2024

(In millions of Korean won, except per share information)	Notes		2025		2024
Revenue	4,24,31	₩	97,146,675	₩	66,192,960
Cost of sales	26,31		38,455,885		34,364,814
Gross profit			58,690,790		31,828,146
Selling and administrative expenses	25,26		11,484,471		8,360,827
Operating profit			47,206,319		23,467,319
Finance income	5,27		16,373,480		4,855,082
Finance expenses	5,27		12,504,998		5,707,997
Share of loss of equity-accounted investees	11		(564,553)		(38,245)
Other income	28		333,277		1,476,579
Other expenses	28		377,973		167,388
Profit before income tax			50,465,552		23,885,350
Income tax expense	29		7,517,650		4,088,448
Profit for the year		₩	42,947,902	₩	19,796,902
Other comprehensive income (loss)					
Item that will never be reclassified to profit or loss:					
Remeasurements of defined benefit liability, net of tax	19		(79,633)		(273,610)
Items that are or may be reclassified to profit or loss:					
Foreign operations – foreign currency translation differences, net of tax			173,701		1,374,587
Gain on valuation of derivatives, net of tax	21		2,118		637
Equity-accounted investees – share of other comprehensive income (loss), net of tax	11		(26,740)		145,906
Other comprehensive income for the year, net of tax			69,446		1,247,520
Total comprehensive income for the year		₩	43,017,348	₩	21,044,422
Profit attributable to:					
Owners of the Parent Company		₩	42,919,287	₩	19,788,681
Non-controlling interests			28,615		8,221
Total comprehensive income attributable to:					
Owners of the Parent Company		₩	42,984,408	₩	21,033,123
Non-controlling interests			32,940		11,299
Earnings per share	30				
Basic earnings per share (in won)		₩	62,044	₩	28,732
Diluted earnings per share (in won)		₩	60,378	₩	28,419

See accompanying notes to the consolidated financial statements.

SK hynix Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
Years ended December 31, 2025 and 2024

(In millions of Korean won)

	Notes	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
		Capital stock	Capital surplus	Other equity	Accumulated other comprehensive income (loss)	Retained earnings	Total		
Balance at January 1, 2024		₩ 3,657,652	₩ 4,372,559	₩ (2,269,294)	₩ 1,014,055	₩ 46,729,313	₩ 53,504,285	₩ (533)	₩ 53,503,752
Comprehensive income (loss):									
Profit for the year		-	-	-	-	19,788,681	19,788,681	8,221	19,796,902
Remeasurements of defined benefit liabilities, net of tax	19	-	-	-	-	(273,610)	(273,610)	-	(273,610)
Other comprehensive income of associate, net of tax	11	-	-	-	145,906	-	145,906	-	145,906
Gain on valuation of derivatives, net of tax	21	-	-	-	637	-	637	-	637
Foreign currency translation differences for foreign operations, net of tax		-	-	-	1,371,509	-	1,371,509	3,078	1,374,587
Total comprehensive income for the year		-	-	-	1,518,052	19,515,071	21,033,123	11,299	21,044,422
Transactions with owners of the Parent Company:									
Dividends paid	23	-	-	-	-	(826,323)	(826,323)	-	(826,323)
Disposal of treasury shares	22	-	75,995	51,313	-	-	127,308	-	127,308
Share-based payment transactions	34	-	38,569	26,432	-	-	65,001	(4,488)	60,513
Issue of shares of subsidiaries and changes in ownership to the subsidiaries		-	-	-	-	-	-	6,032	6,032
Total transactions with owners of the Parent Company		-	114,564	77,745	-	(826,323)	(634,014)	1,544	(632,470)
Balance at December 31, 2024		₩ 3,657,652	₩ 4,487,123	₩ (2,191,549)	₩ 2,532,107	₩ 65,418,061	₩ 73,903,394	₩ 12,310	₩ 73,915,704

See accompanying notes to the consolidated financial statements.

SK hynix Inc. and Subsidiaries
Consolidated Statements of Changes in Equity, Continued
Years ended December 31, 2025 and 2024

(In millions of Korean won)

	Notes	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
		Capital stock	Capital surplus	Other equity	Accumulated other comprehensive income (loss)	Retained earnings	Total		
Balance at January 1, 2025		₩ 3,657,652	₩ 4,487,123	₩ (2,191,549)	₩ 2,532,107	₩ 65,418,061	₩ 73,903,394	₩ 12,310	₩ 73,915,704
Comprehensive income (loss):									
Profit for the year		-	-	-	-	42,919,286	42,919,286	28,616	42,947,902
Remeasurements of defined benefit liabilities, net of tax	19	-	-	-	-	(79,633)	(79,633)	-	(79,633)
Other comprehensive loss of associate, net of tax	11	-	-	-	(26,740)	-	(26,740)	-	(26,740)
Gain on valuation of derivatives, net of tax	21	-	-	-	2,118	-	2,118	-	2,118
Foreign currency translation differences for foreign operations, net of tax		-	-	-	169,377	-	169,377	4,324	173,701
Total comprehensive income for the year		-	-	-	144,755	42,839,653	42,984,408	32,940	43,017,348
Transactions with owners of the Parent Company:									
Changes in ownership in subsidiaries		-	73,008	-	-	-	73,008	-	73,008
Dividends paid	23	-	-	-	-	(1,681,166)	(1,681,166)	-	(1,681,166)
Disposal of treasury shares	22	-	4,313,106	714,992	-	-	5,028,098	-	5,028,098
Changes in consolidation scope		-	-	-	-	-	-	446	446
Share-based payment transactions	20,34	-	80,477	127,959	-	-	208,436	104,877	313,313
Total transactions with owners of the Parent Company		-	4,466,591	842,951	-	(1,681,166)	3,628,376	105,323	3,733,699
Balance at December 31, 2025		₩ 3,657,652	₩ 8,953,714	₩ (1,348,598)	₩ 2,676,862	₩ 106,576,548	₩ 120,516,178	₩ 150,573	₩ 120,666,751

See accompanying notes to the consolidated financial statements.

SK hynix Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years ended December 31, 2025 and 2024

(In millions of Korean won)	Note	2025	2024
Cash flows from operating activities			
Cash generated from operating activities	33	₩ 58,904,432	₩ 31,250,846
Interest received		337,982	322,960
Interest paid		(938,849)	(1,276,564)
Dividends received		960,716	50,731
Income tax paid		(5,891,155)	(552,088)
Net cash provided by operating activities		53,373,126	29,795,885
Cash flows from investing activities			
Decrease in short-term financial instruments		6,513,772	1,499,026
Increase in short-term financial instruments		(18,804,330)	(3,370,863)
Decrease (increase) in short-term investment assets, net		(4,552,604)	457,163
Decrease in loans and other receivables		32,880	38,222
Increase in loans and other receivables		(178,331)	(47,704)
Proceeds from disposal of long-term investment assets		1,233,030	2,373
Acquisitions of long-term investment assets		(33,956)	(19,460)
Decrease in other financial assets		115,091	57
Increase in other financial assets		(1,105,649)	(109,646)
Proceeds from disposal of property, plant and equipment		144,828	47,126
Acquisitions of property, plant and equipment		(27,518,924)	(15,945,534)
Proceeds from disposal of intangible assets		2,142	19,703
Acquisitions of intangible assets		(1,060,419)	(717,106)
Proceeds from disposal of investments in associates		16,875	22,510
Acquisitions of investments in associates		(9,000)	(25,859)
Proceeds from disposal of assets held for sale		85,216	145,355
Payment for business combination	32	(3,079,783)	-
Receipt of government grants		144,911	-
Net cash used in investing activities		(48,054,251)	(18,004,637)
Cash flows from financing activities			
Proceeds from borrowings	33	8,183,735	8,717,964
Repayment of borrowings	33	(7,416,131)	(16,093,621)
Payment of lease liabilities	33	(596,465)	(601,821)
Dividends paid		(1,681,166)	(826,323)
Issue of shares by subsidiaries and changes in ownership in subsidiaries		-	6,032
Proceeds from disposal of treasury shares		65,035	93,829
Net cash used in financing activities		(1,444,992)	(8,703,940)
Effects of exchange rate changes on cash and cash equivalents		(155,234)	530,480
Net increase in cash and cash equivalents		3,718,649	3,617,788
Cash and cash equivalents at the beginning of the year		11,205,117	7,587,329
Cash and cash equivalents at the end of the year		₩ 14,923,766	₩ 11,205,117

See accompanying notes to the consolidated financial statements.

1. General Information

(1) General information about SK hynix Inc. (the “Parent Company”) and its subsidiaries (collectively referred to as the "Group") is as follows:

The Parent Company manufactures, distributes, and sells semiconductor products. The Parent Company was established on October 15, 1949 and its shares have been listed on the Korea Exchange since 1996. The Parent Company’s headquarter is located at 2091 Gyeongchung-daero, Bubal-eup, Icheon-si, Gyeonggi-do, South Korea, and the Group has manufacturing facilities in Icheon-si and Cheongju-si, South Korea, and Wuxi, Chongqing and Dalian, China.

As of December 31, 2025, the shareholders of the Parent Company are as follows:

Shareholder	Number of shares	Percentage of ownership (%)
SK Square Co., Ltd.	146,100,000	20.07
Other investors	555,591,520	76.32
Treasury shares[1]	26,310,845	3.61
	728,002,365	100.00

[1] Treasury shares include 8,932,547 shares deposited with the Korea Securities Depository due to the issuance of exchangeable bonds. Excluding these, the number of treasury shares is 17,378,298 (equivalent to 2.39% of ownership interest).

The Parent Company’s common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange and the Luxembourg Stock Exchange, respectively.

1. General Information, Continued

(2) Details of the Group's consolidated subsidiaries as of December 31, 2025 and 2024 are as follows:

Company	Controlling company	Location	Business	Ownership (%)	
				2025	2024
SK hyeng Inc.	SK hynix Inc.	Korea	Construction and service	100.00	100.00
SK hystec Inc.	SK hynix Inc.	Korea	Business support and service	100.00	100.00
Happymore Inc.	SK hynix Inc.	Korea	Semiconductor apparel manufacturing, baking and services	100.00	100.00
SK hynix system ic Inc.	SK hynix Inc.	Korea	Semiconductor research and development and business support	100.00	100.00
HappyNarae Co., Ltd.	SK hynix Inc.	Korea	Industrial material supply	100.00	100.00
SK Keyfoundry Inc.	SK hynix Inc.	Korea	Semiconductor sales, manufacturing and others	100.00	100.00
SK hynix America Inc.	SK hynix Inc.	U.S.A	Semiconductor sales	100.00	100.00
SK hynix Deutschland GmbH	SK hynix Inc.	Germany	Semiconductor sales	100.00	100.00
SK hynix Asia Pte. Ltd.	SK hynix Inc.	Singapore	Semiconductor sales	100.00	100.00
SK hynix Semiconductor Hong Kong Ltd.	SK hynix Inc.	Hong Kong	Semiconductor sales	100.00	100.00
SK hynix U.K. Ltd.	SK hynix Inc.	U.K.	Semiconductor sales	100.00	100.00
SK hynix Semiconductor Taiwan Inc.	SK hynix Inc.	Taiwan	Semiconductor sales	100.00	100.00
SK hynix Japan Inc.	SK hynix Inc.	Japan	Semiconductor sales	100.00	100.00
SK hynix (Wuxi) Semiconductor Sales Ltd.	SK hynix Inc.	China	Semiconductor sales	100.00	100.00
SK hynix Semiconductor (China) Ltd.	SK hynix Inc.	China	Semiconductor manufacturing	100.00	100.00
SK hynix memory solutions Taiwan Ltd.	SK hynix Inc.	Taiwan	Semiconductor research and development	100.00	100.00
SK APTECH Ltd.	SK hynix Inc.	Hong Kong	Overseas investment	100.00	100.00
SK hynix Ventures Hong Kong Ltd.	SK hynix Inc.	Hong Kong	Overseas investment	100.00	100.00
Gauss Labs Inc.[1]	SK hynix Inc.	U.S.A	Information and Communications Industry	97.38	98.17
SK hynix NAND Product Solutions Corp.[1]	SK hynix Inc.	U.S.A	Semiconductor sales, research and development and others	97.48	98.49
SK hynix Semiconductor (Dalian) Co., Ltd.	SK hynix Inc.	China	Semiconductor manufacturing	100.00	100.00
SK hynix memory solutions Poland sp. z o.o.	SK hynix Inc.	Poland	Semiconductor research and development	100.00	100.00
SK Keyfoundry America Inc.	SK Keyfoundry Inc.	U.S.A	Semiconductor sales	100.00	100.00
SK Keyfoundry Shanghai Co., Ltd.	SK Keyfoundry Inc.	China	Semiconductor sales	100.00	100.00
SK Powertech[2]	SK Keyfoundry Inc.	Korea	Semiconductor manufacturing	99.42	-
SkyHigh Memory Limited[3]	SK hynix system ic Inc.	Hong Kong	Semiconductor manufacturing and sales	-	60.00

1. General Information, Continued

(2) Details of the Group's consolidated subsidiaries as of December 31, 2025 and 2024 are as follows, Continued:

Company	Controlling company	Location	Business	Ownership (%)	
				2025	2024
SUZHOU HAPPYNARAE Co., Ltd.	HappyNarae Co., Ltd.	China	Overseas industrial material supply	100.00	100.00
HappyNarae America LLC	HappyNarae Co., Ltd.	U.S.A	Overseas industrial material supply	100.00	100.00
HappyNarae Hungary Kft[4]	HappyNarae Co., Ltd.	Hungary	Overseas industrial material supply	100.00	100.00
SK hynix Semiconductor (Chongqing) Ltd.	SK APTECH Ltd.	China	Semiconductor manufacturing	100.00	100.00
SK hynix (Wuxi) Education Service Development Co., Ltd.	SK hynix (Wuxi) Education Technology Co., Ltd.	China	Overseas education	100.00	100.00
SK hynix (Wuxi) Industry Development Ltd.	SK hynix (Wuxi) Investment Ltd.	China	Foreign hospital construction	100.00	100.00
SK hynix Happiness (Wuxi) Hospital Management Ltd.	SK hynix (Wuxi) Investment Ltd.	China	Foreign hospital operation	70.00	70.00
SK hynix cleaning (Wuxi) Ltd.	SK hynix (Wuxi) Investment Ltd.	China	Building maintenance and others	100.00	100.00
SK hynix (Wuxi) Education Technology Co., Ltd.	SK hynix (Wuxi) Investment Ltd.	China	Overseas education	100.00	100.00
SK hynix Semiconductor West Lafayette LLC	SK hynix America Inc.	U.S.A	Semiconductor manufacturing	100.00	100.00
SK hynix memory solutions America Inc.[5]	SK hynix America Inc.	U.S.A	Semiconductor research and development	100.00	98.49
SK hynix Semiconductor India Private Ltd.	SK hynix Asia Pte. Ltd.	India	Semiconductor sales	100.00	100.00
SK hynix NAND Product Solutions Taiwan Co., Ltd.[1]	SK hynix NAND Product Solutions Corp.	Taiwan	Semiconductor research and development and sales	97.48	98.49
SK hynix NAND Product Solutions Canada Ltd.[1]	SK hynix NAND Product Solutions Corp.	Canada	Semiconductor research and development	97.48	98.49
SK hynix NAND Product Solutions Mexico, S. DE R.L. DE C.V.[1]	SK hynix NAND Product Solutions Corp.	Mexico	Semiconductor research and development	97.48	98.49
SK hynix NAND Product Solutions UK Limited[1]	SK hynix NAND Product Solutions Corp.	U.K.	Semiconductor sales	97.48	98.49
SK hynix NAND Product Solutions Israel Ltd.[1]	SK hynix NAND Product Solutions Corp.	Israel	Semiconductor sales	97.48	98.49
SK hynix NAND Product Solutions Japan G.K.[6]	SK hynix NAND Product Solutions Corp.	Japan	Semiconductor sales	-	98.49
SK hynix NAND Product Solutions International LLC[1]	SK hynix NAND Product Solutions Corp.	U.S.A	Semiconductor sales	97.48	98.49
SK hynix NAND Product Solutions Asia Pacific LLC[1]	SK hynix NAND Product Solutions Corp.	U.S.A	Semiconductor sales	97.48	98.49
SK hynix NAND Product Solutions Singapore Pte. Ltd.[1]	SK hynix NAND Product Solutions Corp.	Singapore	Semiconductor sales	97.48	98.49
SK hynix NAND Product Solutions Malaysia Sdn. Bhd.[1]	SK hynix NAND Product Solutions Corp.	Malaysia	Semiconductor sales	97.48	98.49
SK HYNIX NAND PRODUCT SOLUTIONS POLAND sp. z o.o.[1]	SK hynix NAND Product Solutions Corp.	Poland	Semiconductor research and development	97.48	98.49
SK hynix NAND Product Solutions (Beijing) Co., Ltd.[1]	SK hynix NAND Product Solutions Corp.	China	Semiconductor sales	97.48	98.49

1. General Information, Continued

(2) Details of the Group's consolidated subsidiaries as of December 31, 2025 and December 31, 2024 are as follows, Continued:

Company	Controlling company	Location	Business	Ownership (%)	
				2025	2024
SK Hynix NAND Product Solutions (Shanghai) Co., Ltd.[1]	SK hynix NAND Product Solutions Corp.	China	Semiconductor research and development	97.48	98.49
Intel NDTM US LLC.[7]	SK hynix NAND Product Solutions Corp.	U.S.A	Semiconductor research and development	97.48	-
SK hynix (Wuxi) Investment Ltd.	SK hynix Semiconductor (China) Ltd.	China	Overseas investment	100.00	100.00
SK hynix semiconductor storage technology (Dalian) Co., Ltd. [7,8]	SK hynix Semiconductor (Dalian) Co., Ltd.	China	Semiconductor manufacturing support	100.00	-
SkyHigh Memory China Limited [3]	SkyHigh Memory Limited	China	Semiconductor sales	-	60.00
SkyHigh Memory Limited Japan[3]	SkyHigh Memory Limited	Japan	Semiconductor sales	-	60.00
CHONGQING HAPPYNARAE Co., Ltd.	SUZHOU HAPPYNARAE Co., Ltd.	China	Overseas industrial material supply	100.00	100.00
MMT (Money Market Trust)	-	Korea	Money Market Trust	100.00	100.00

[1] The Group's ownership interest decreased due to exercise of stock options by the employees of SK hynix NAND Product solutions Corp. and its subsidiaries during the year ended December 31, 2025.
[2] SK Powertech was included as a consolidated subsidiary through acquisition during the year ended December 31, 2025.
[3] SkyHigh Memory Limited and its subsidiaries, SkyHigh Memory China Limited and SkyHigh Memory Limited Japan, were excluded from the Group's consolidated subsidiaries upon disposal the year ended December 31, 2025.
[4] Liquidation is in progress as of December 31, 2025.
[5] SK hynix NAND Product Solutions Corp. transferred its shares to SK hynix America Inc. during the year ended December 31, 2025.
[6] Liquidation was completed during the year ended December 31, 2025.
[7] The Group acquired ownership through the second Closing of Intel NAND business acquisition during the year ended December 31, 2025.
[8] The entity changed its name from Intel Semiconductor Storage Technology (Dalian) Ltd. to SK hynix semiconductor storage technology (Dalian) Co., Ltd. during the year ended December 31, 2025.

1. General Information, Continued

(3) Changes in the Group's consolidated subsidiaries for the year ended December 31, 2025 are as follows:

Type	Company	Reason
Addition	SK Powertech	Acquisition
Derecognition	SK hynix NAND Product Solutions Japan G.K.	Liquidation
Derecognition	SkyHigh Memory Limited	Divestment
Derecognition	SkyHigh Memory China Limited	Divestment
Derecognition	SkyHigh Memory Limited Japan	Divestment

(4) Major subsidiaries' summarized statements of financial position information as of December 31, 2025 and December 31, 2024 are as follows:

(In millions of Korean won)

	December 31, 2025			December 31, 2024		
	Assets	Liabilities	Equity	Assets	Liabilities	Equity
SK hynix America Inc.	₩ 11,796,744	₩ 10,820,074	₩ 976,670	₩ 9,315,588	₩ 8,390,431	₩ 925,157
SK hynix Asia Pte. Ltd.	722,275	583,135	139,140	525,064	387,897	137,167
SK hynix Semiconductor Hong Kong Ltd.	1,083,795	866,247	217,548	285,057	67,108	217,949
SK hynix U.K. Ltd.	562,832	524,847	37,985	277,089	240,478	36,611
SK hynix Semiconductor Taiwan Inc.	885,042	850,369	34,673	597,357	566,553	30,804
SK hynix (Wuxi) Semiconductor Sales Ltd.	3,598,755	2,615,459	983,296	1,600,577	812,029	788,548
SK hynix Semiconductor (China) Ltd.	9,229,621	1,731,329	7,498,292	9,858,883	2,507,527	7,351,356
SK hynix Semiconductor (Chongqing) Ltd.	1,386,504	174,072	1,212,432	1,272,156	152,172	1,119,984
SK hynix NAND Product Solutions Corp. and subsidiaries	12,555,237	10,282,219	2,273,018	14,116,862	13,808,944	307,918

1. General Information, Continued

(5) Major subsidiaries' summarized statements of comprehensive income information for years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025		2024	
	Revenue	Net profit	Revenue	Net profit
SK hynix America Inc.	₩ 58,693,294	₩ 235,926	₩ 33,458,964	₩ 104,908
SK hynix Asia Pte. Ltd.	2,706,318	5,190	2,293,110	6,265
SK hynix Semiconductor Hong Kong Ltd.	3,103,236	5,174	2,128,207	5,408
SK hynix U.K. Ltd.	1,543,568	2,227	1,099,705	1,976
SK hynix Semiconductor Taiwan Inc.	3,275,605	8,563	2,315,141	5,649
SK hynix (Wuxi) Semiconductor Sales Ltd.	15,952,775	174,902	13,010,424	143,158
SK hynix Semiconductor (China) Ltd.	5,849,989	1,007,086	5,612,652	598,485
SK hynix Semiconductor (Chongqing) Ltd.	948,503	70,538	1,093,190	110,484
SK hynix NAND Product Solutions Corp. and subsidiaries	9,175,068	1,391,538	8,848,824	830,678

(6) The Group's subsidiaries do not have material non-controlling interests as of December 31, 2025 and December 31, 2024.

2. Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Consolidated Financial Statements Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying consolidated financial statements have been condensed, restructured, and translated into English from the Korean language financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the consolidated statements of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- financial instruments at fair value through other comprehensive income are measured at fair value
- assets or liabilities for defined benefit plans are recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets (Employee benefit assets)
- liabilities for cash-settled share-based compensations are measured at fair value

Korean IFRS permits the use of critical accounting estimates in the preparation of the consolidated financial statements and requires management judgments in applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosure

2.2.1 New and amended standards or interpretations adopted by the Group

The Group has applied the following new and amended Korean IFRS Standards or interpretations that are effective from January 1, 2025.

(a) Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and Korean IFRS 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments do not have a significant impact on the consolidated interim financial statements.

(b) Amendments to Korean IFRS 1117 'Insurance Contracts'

If input estimation techniques for insurance contracts differ from regulatory requirements, the entity discloses the differences. This information is shared when the impact on financial statements is relevant and material to users.

2. Material Accounting Policies, Continued

2.2 Changes in Accounting Policies and Disclosure, Continued

2.2.2 New and amended standards or interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

(a) Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures

Disclosure requirements have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in the process of evaluating the impact of these amendments on the consolidated financial statements.

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term.
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(b) Annual Improvements to Korean IFRS -Volume 11

Annual Improvements to Korean IFRS -Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the financial statements.

- Korean IFRS 1101 First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter
- Korean IFRS 1107 Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance
- Korean IFRS 1109 Financial Instruments: Derecognition of lease liabilities and definition of transaction price
- Korean IFRS 1110 Consolidated Financial Statements: Determination of a ‘de facto agent’
- Korean IFRS 1007 Statement of Cash Flows: Cost Method

2. Material Accounting Policies, Continued

2.2 Changes in Accounting Policies and Disclosure, Continued

2.2.2 New and amended standards or interpretations not yet adopted by the Group, Continued

(c) Amendments to Korean IFRS 1109 Financial Instruments and Korean IFRS 1107 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Contracts referencing nature-dependent electricity are defined contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). The amendments clarify that 'contracts to buy or sell such electricity' are assessed for eligibility under the own-use exemption.

In addition, the amendments modify hedge accounting requirements by allowing an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that reflect the nature-dependent variability of electricity and introduce additional disclosure requirements.

The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. Management does not expect the amendments to have a significant impact on the consolidated financial statements.

(d) New Standard: Korean IFRS 1118 Presentation and Disclosure in Financial Statements

Korean IFRS 1118 Presentation and Disclosure in Financial Statements replaces Korean IFRS 1001 Presentation of Financial Statements and includes new requirements aimed at enhancing comparability of financial performance between similar entities and providing more relevant information to users. While the amendments do not affect the recognition or measurement of items in the financial statements, they are expected to have an extensive impact on presentation and disclosure, including the income statement and the disclosure of management-defined performance measures.

The standard should be applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with the retrospective application requirements, comparative information for the year ended December 31, 2026, shall be restated under Korean IFRS 1118.

Management is in the process of evaluating the impact of applying the new standard on the Group's consolidated financial statements. Based on a preliminary assessment, the following potential effects have been identified.

2. Material Accounting Policies, Continued

2.2 Changes in Accounting Policies and Disclosure, Continued

2.2.2 New and amended standards or interpretations not yet adopted by the Group, Continued

Adoption of the standard is not expected to have an impact on the Group's net profit or loss; however, it will require revenues and expenses in the income statements to be classified into new categories, which is expected to have an impact on the calculation and presentation of operating profit (loss). Based on a preliminary impact assessment conducted by the Group, the following items have been identified as potentially affecting operating profit (loss).

- Exchange differences currently presented in 'Finance Income and Expenses' outside of operating profit may need to be presented separately in the new categories, and certain foreign exchange gains and losses may be presented in operating profit (loss).
- The standard specifies detailed requirements for the categorization of gains and losses on derivative instruments. Such gains and losses should be presented in the same category as the income and expenses affected by the risks the derivative instruments are used to manage. Currently, the Group presents these gains and losses within finance income and expenses. Consequently, there may be changes to the classification of these items in the income statement.

Applying the concept of 'a useful structured summary' and the enhanced principles of aggregation and disaggregation may result in changes to the line items presented in the primary financial statements. In addition, goodwill must be presented separately on the statement of financial position; therefore, the Group will present goodwill and other intangible assets as separate line items.

The requirements for disclosing material information remain unchanged; therefore, the Group does not expect significant changes to the information currently disclosed in the Notes. However, as a result of the principles of aggregation and disaggregation, the way information is grouped may change. In addition, significant new disclosures will be required for the following matters.

- Management-defined performance measure
- A breakdown of line items classified by function within the operating category of the income statement into their nature (required only for specified nature expenses)
- Reconciliation of differences for each line item in the income statement between the amounts previously presented under Korean IFRS 1001 and the restated amounts by applying Korean IFRS 1118 for the comparative period immediately preceding the period in which this standard is first applied.

There is a change in the presentation of interest received and interest paid in the statement of cash flows. Interest paid will be presented as cash flows from financing activities, and interest received as cash flows from investing activities, resulting in a change from the current presentation of cash flows from operating activities.

2. Material Accounting Policies, Continued

2.3 Operating Segments

The Group's CODM is the board of directors, who do not receive and therefore do not review discrete financial information for any component of the Group. Accordingly, no operating segment information is included in these consolidated financial statements. Entity wide disclosures of geographic, product and customer information are provided in note 4 and 24.

2.4 Consolidation

(a) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition, and the Group shall also attribute total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The Group’s share of unrealized gain incurred from transactions with equity-accounted investees are eliminated and unrealized loss are eliminated using the same basis if there are no evidence of asset impairments.

(c) Business combinations under common control

The assets and liabilities acquired in the combination of entities or business under common control are recognized at the carrying amounts recognized previously in the consolidated financial statements of the ultimate parent. The difference between consideration transferred and carrying amounts of net assets acquired is added to or deducted from capital surplus.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

2.6 Inventories

The cost of inventories is based on the weighted average method (except for goods in-transit that is based on the specific identification method), and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing inventories to their existing location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on the actual capacity of production facilities. However, the normal capacity is used for the allocation of fixed production overheads if the actual level of production is lower than the normal capacity.

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

2. Material Accounting Policies, Continued

2.7 Trade Receivables

Trade receivables are initially recognized at the transaction price if they do not contain a significant financing component. If a significant financing component exists, the receivables are initially recognized at fair value. Subsequently, trade receivables are measured at amortized cost using the effective interest method, less any loss allowance.

2.8 Non-derivative financial assets

(a) Initial recognition and measurement

Trade and other receivables, and debt investment are initially recognized when they are originated. Other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

(b) Classification and subsequent measurements

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

2.9 Derivative financial instruments

(a) Hedge accounting

The Group enters into a fixed-to-fixed cross currency swap contract and a floating-to-fixed cross currency interest rate swap contract to hedge interest rate risk and currency risk.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction. In addition, the document includes hedging instruments; hedged items; initial commencement date of those hedge relationship; fair value of hedged items based on hedged risk during the subsequent period; and the method of valuation on hedging instruments offsetting changes in cash flow.

(b) Embedded Derivative

Embedded derivative is accounted separately and separated from the host contract if the host contract is not a financial asset and meets certain requirements.

2. Material Accounting Policies, Continued

2.10 Impairment of financial assets

(a) Recognition of impairment on financial assets

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized costs; and
- Korean IFRS 1115 contract assets.

The Group measures impairment losses at an amount equal to lifetime ECLs except for the below assets, which are measured at 12-month ECLs.

- credit risk of debt instruments is low at the end of reporting date
- credit risk has not increased significantly since the initial recognition of debt investment (lifetime ECL: ECL that resulted from all possible default events over the expected life of a financial instrument)

The Group adopted an accounting policy to recognize loss allowances at an amount equal to lifetime expected credit losses for trade receivables and contract assets.

(b) Credit-impaired financial instrument

A debt instrument carried at amortized cost and fair value through other comprehensive income (FVOCI) is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

(c) Presentation of credit loss allowance on financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

2.11 Property, plant and equipment

The Group begins depreciation when the asset is available for the purposes intended by management, such as production of products.

Property, plant and equipment, except for land, are depreciated on a straight-line basis over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed.

The estimated useful lives of the Group's property, plant and equipment are as follows:

	Estimated Useful lives (years)
Buildings	10 - 50
Structures	10 - 20
Machinery	5 - 15
Vehicles	5 - 10
Other	5 - 10

2. Material Accounting Policies, Continued

2.12 Intangible assets

Amortization of intangible assets is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, certain intangible assets are determined as having indefinite useful lives and not amortized as there is no foreseeable limit to the period over which the assets are expected to be available for use.

	Estimated Useful lives (years)
Industrial rights	5 - 10
Development costs	2
Other intangible assets	4 - 20

As of December 31, 2025, the Group has entered into a number of patent license agreements related to the design and production of its products. Royalties under this contract are paid in the form of either of lump-sum royalty or running royalty, and the payment amount of the lump-sum royalty is recognized as intangible assets and amortized in a straight-line manner according to the patent license period.

2.13 Government grants

(a) Grants related to assets

Government grants for which the primary condition is that the Group purchases, constructs or otherwise acquires non-current assets are deducted from the cost of the asset. The grant is recognized in profit or loss over the useful lives of depreciable assets as deduction to depreciation expense.

(b) Grants related to income

Government grants which are intended to compensate the Group for expenses incurred are recognized in profit or loss as deduction of the related expenses.

2.14 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from employee benefits, inventories, and deferred tax assets, are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, are tested for impairment annually by comparing their recoverable amount to their carrying amount.

The Group estimates the recoverable amount of an individual asset; however, if it is impossible to measure the individual recoverable amount of an asset, the Group estimates the recoverable amount of cash-generating unit ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. The value in use is estimated by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

2. Material Accounting Policies, Continued

2.15 Leases

(a) As a lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The Group generally uses its incremental borrowing rate as the discount rate.

The Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for certain agreements, the Group has elected practical expedient not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group separately presents right-of-use assets that do not meet the definition of investment property in the statement of financial position.

2.16 Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

2.17 Employee benefits

(a) Retirement benefits: defined benefit plans

As of the end of reporting period, defined benefits liabilities relating to defined benefit plans are recognized as present value of defined benefit obligations, net of fair value of plan assets.

The calculation is performed annually by an independent actuary using the projected unit credit method. When the fair value of plan assets exceeds the present value of the defined benefit obligation, the Group recognizes an asset, to the extent of the present value of any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan.

2.18 Foreign currencies

(a) Foreign operations

If the presentation currency of the Group is different from a foreign operation’s functional currency, the financial statements of the foreign operation are translated into the presentation currency using the following methods:

The assets and liabilities of foreign operations, whose functional currency is not the currency of a hyperinflationary economy, are translated to presentation currency at exchange rates at the end of reporting period. The income and expenses of foreign operations are translated to functional currency at average exchange rates. Foreign currency differences are recognized in other comprehensive income.

2. Material Accounting Policies, Continued

2.19 Revenue from contracts with customers

Revenue is recognized when the customer obtains control of that asset, which is typically upon delivery or shipment depending on the terms of the contract.

When the good is defective, the customer is granted the right to return the defective goods in exchange for a functioning product or cash.

Revenue is measured at the amount of consideration for the sale of goods, reflecting the expected amount of return estimated through historical information. The Group's right to recover products from customers and refund liability is recognized.

Refund liability is initially measured at the former carrying amount of the product less any expected costs to recover those products. Refund liability is included in contract liabilities (See note 17) and right to recover products from customers is included in contract assets (See note 10). The Group reviews its estimate of expected returns at the end of each reporting period and updates the amounts of the asset and liabilities accordingly.

2.20 Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(a) Deferred tax

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Group recognizes deferred tax assets for all deductible temporary differences including unused tax loss and tax credit to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

2.21 Approval of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the board of directors on January 28, 2026, which will be submitted for approval at the shareholders' meeting to be held on March 25, 2026.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

(1) Fair value of financial instruments

In principle, the fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes judgments on the selection and assumptions of various evaluation techniques based on relevant market conditions as of the end of the reporting period (see note 6).

(2) Income tax

There is uncertainty in determining the final tax effect as income tax on the Group's taxable income is calculated by applying tax laws and tax authorities' decisions and interpretations in various jurisdictions. The Group recognized the income tax effect, which is expected to be borne in the future as a result of business activities until the end of the reporting period, as current tax and deferred tax after the best estimation process. However, the actual future final income tax burden may not be consistent with the assets and liabilities recognized, and this difference may affect current and deferred tax assets and liabilities when the final tax effect is confirmed.

The Group will pay additional income taxes calculated by the method prescribed by the tax law when a certain amount of taxable income is not used for investment, salary increase, etc. for a certain period of time. Therefore, when measuring current and deferred taxes during the period, the tax effects should be reflected, and the income tax to be borne by the Group depends on the level of investment and salary growth in each year, so there is uncertainty in calculating the final tax effect.

In accordance with Korean IFRS 1012, the Group reviews uncertainty in its tax treatment and reflects the impact of uncertainty in its financial statements if the tax authorities conclude that uncertainty is unlikely to be accepted, using a method that expects better prediction of uncertainty:

(a) Most likely: the single most likely amount within the range of possible outcomes
(b) Expected value: the sum of all amounts in the range of possible outcomes multiplied by each probability

3. Critical Accounting Estimates and Assumptions, Continued

(3) Provisions

The Group calculates provisions related to litigation costs and recovery costs as of the end of the reporting period, which are determined by estimates based on past experience (see note 18).

(4) Net defined benefit liabilities

The present value of the net defined benefit liability is affected by various factors determined by the actuarial method, especially changes in the discount rate (see note 19).

(5) Inventories

Estimating the net realizable value of inventories is based on the most reliable evidence available as of the measurement date for the amount feasible from inventories. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the period.

(6) Revenue recognition

When products are sold with a right of return, the Group recognizes a refund liability and an asset for the right to recover returned goods. Expected returns are estimated at the time of sale using the expected-value method based on historical experience. Revenue is adjusted for changes in expected return rates.

Revenue from the sale of goods is recognized at the transaction price, net of sales incentives, when control of the goods transfers to the customer. Based on past experience and the terms of customer contracts, the Group estimates variable consideration relating to sales incentives. Revenue is adjusted for changes in these estimates.

(7) Development cost

The recoverable amount used to assess the impairment of development costs is determined based on the value in use of each individual asset.

(8) Depreciation of property, plant, and equipment and intangible assets

The depreciation method, residual values and useful lives of property, plant and equipment and intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting period. If the resulting estimates differ from previous estimates, the difference is accounted for as a change in accounting estimates in accordance with Korean IFRS 1008 ‘Accounting Policies, Changes in Accounting Estimates and Errors’.

(9) Cash Generating Unit impairment test

The recoverable amount of the cash-generating unit including goodwill to examine whether any impairment exist is determined as the higher of the cash-generating unit’s fair value less costs of disposal and its value in use.

3. Critical Accounting Estimates and Assumptions, Continued

(10) Lease

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For warehouses and equipment leases, the most relevant factors are generally as follows:
- If a significant penalty is to be paid to terminate (not to extend), it is reasonably certain that the Group exercises the option to extend (not to extend).
- It is reasonably certain that the Group exercises the option to extend (not exercise the option to terminate) if the lease is expected to have significant residual value.
- In other cases than the above, the Group considers other factors, including the lease duration and costs, and the discontinuation required to replace the leased asset.

Most extension options in office and vehicle transport leases are not included in lease liabilities because the Group can replace the asset without significant cost or business interruption.

The Group reassesses the lease term when an option is actually exercised (or not exercised) or when the Group becomes obligated to exercise (or not exercise) the option. The Group revises its determination of whether it is reasonably certain to exercise (or not exercise) an extension option only if a significant event or a significant change in circumstances occurs that is within the control of the lessee and affects the determination of the lease term.

3. Critical Accounting Estimates and Assumptions, Continued

(11) Derivatives

Derivatives are initially recognized at fair value as of the date of contracts and subsequently recognized at fair value as of the end of each reporting period. The gain or loss on valuation of changes in the fair value of derivatives are recognized as follows:

(a) Hedge accounting

The Group enters into derivative financial instrument contracts, such as interest rate swap, cross currency swap, and etc., to manage interest rate risk and exchange rate risk. The Group designates some derivative financial instruments as risk hedging instruments to manage exchange rate fluctuation risk (cash flow hedge) or other risks of expected transactions or confirmed transactions with a high probability of occurrence.

The Group formally designates and documents the hedging relationship, risk management objectives and hedging strategy at the inception of the hedging relationship. This documentation also includes the hedging instrument, the hedged item, and the method for assessing the effectiveness of the hedging instrument in offsetting changes in the fair value or cash flows of the hedged item attributable to the hedged risk at the inception of the hedging relationship and thereafter.

Cash flow hedges

The effective portion of hedge of the fair value change of a derivative that has been designated as a hedging instrument and meets the requirements for cash flow hedge accounting is recognized in equity, and the ineffective portion is recognized in profit or loss. Cash flow hedge accounting is discontinued when the Group no longer designates hedge accounting, or when the hedging instrument no longer exists (that is, terminated, sold, liquidated, or exercised), or when the requirements for cash flow hedge accounting are no longer met. The cumulative gain or loss on valuation of derivatives recognized in equity is recognized in profit or loss for the period from the date of discontinuation of cash flow hedge accounting to the reporting period in which the forecasted transaction occurs. However, if the forecasted transaction is no longer expected to occur, the cumulative gain or loss on valuation of derivatives recognized in equity is recognized in profit or loss.

(b) Others

All derivatives, except those designated as hedging instruments and effective for hedging, are measured at fair value. The gain or loss on valuation of changes in the fair value of derivatives are recognized as profit or loss.

4. Operating Segment and Entity-wide Information

The Group has a single reportable segment that is engaged in the manufacture and sale of semiconductor products. The Chief Operating Decision Maker of the Group reviews the operational results of the semiconductor business with the reporting information which is prepared in the same manner as management reviews during the establishment of the Group's business strategy.

(1) The Group's non-current assets (excluding financial assets, loans and other receivables, investment in associates and joint ventures and deferred tax assets etc.) information by region based on the location of the Parent Company and its subsidiaries as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025		December 31, 2024
Korea	₩	74,293,530	₩	54,926,692
China		10,533,204		12,415,083
Asia(other than China)		15,424		19,044
U.S.A.		738,739		627,323
Europe		5,672		3,647
	₩	85,586,569	₩	67,991,789

(2) For the year ended December 31, 2025, revenue of ₩23,260,076 million (2024: ₩10,902,817 million), over 10% of the Group's revenue, is derived from an external customer A.

5. Carrying Amounts of Financial Instruments by Categories

(1) Carrying amounts of financial assets by categories as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025				
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income or loss	Financial assets at amortized cost	Others	Total
Cash and cash equivalents	₩ -	₩ -	₩ 14,923,766	₩ -	₩ 14,923,766
Short-term financial instruments	222,500	-	14,457,219	-	14,679,719
Short-term investment assets	5,338,768	-	-	-	5,338,768
Trade receivables[1]	-	1,256,429	16,942,649	-	18,199,078
Loans and other receivables	-	-	806,379	-	806,379
Other financial assets	62	-	1,113,792	195,867	1,309,721
Long-term investment assets	14,547,099	-	-	-	14,547,099
	₩ 20,108,429	₩ 1,256,429	₩ 48,243,805	₩ 195,867	₩ 69,804,530

(In millions of Korean won)

	December 31, 2024				
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income or loss	Financial assets at amortized cost	Others	Total
Cash and cash equivalents	₩ -	₩ -	₩ 11,205,117	₩ -	₩ 11,205,117
Short-term financial instruments	222,500	-	2,159,510	-	2,382,010
Short-term investment assets	569,236	-	-	-	569,236
Trade receivables[1]	-	672,860	12,346,146	-	13,019,006
Loans and other receivables	-	-	737,347	-	737,347
Other financial assets	8,692	-	122,940	260,426	392,058
Long-term investment assets	4,041,276	-	-	-	4,041,276
	₩ 4,841,704	₩ 672,860	₩ 26,571,060	₩ 260,426	₩ 32,346,050

[1] The Group transferred certain portion of trade receivables, which are from specific customers, and derecognized the trade receivables from the consolidated financial statements when all the risks and rewards are substantially transferred. Accordingly, the Group recognized gain or loss on disposal of trade receivables.

5. Carrying Amounts of Financial Instruments by Categories, Continued

(2) Carrying amounts of financial liabilities by categories as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025			
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Others	Total
Trade payables	₩ -	₩ 2,848,455	₩ -	₩ 2,848,455
Other payables	-	6,809,285	-	6,809,285
Other non-trade payables[1]	-	1,541,016	-	1,541,016
Borrowings[2]	-	22,247,905	-	22,247,905
Lease liabilities	-	2,509,943	-	2,509,943
Other financial liabilities	4,911,955	1,585	2,826	4,916,366
	₩ 4,911,955	₩ 35,958,189	₩ 2,826	₩ 40,872,970

[1] Among other non-trade payables, employee benefits liabilities that correspond to the Group's obligations under the employee benefit plan were excluded because they were not subject to disclosure of financial instruments.
[2] The Group participates in supplier-financing arrangements under letters of credit, whereby a financial institution settles the Group's payables to suppliers within an agreed limit, and the Group subsequently repays the financial institution under the original payment terms. As of December 31, 2025, no amounts under these arrangements were classified as short-term borrowings.

(In millions of Korean won)

	December 31, 2024			
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Others	Total
Trade payables	₩ -	₩ 2,277,347	₩ -	₩ 2,277,347
Other payables[1]	-	7,444,040	-	7,444,040
Other non-trade payables[2]	-	1,387,034	-	1,387,034
Borrowings[3]	-	22,683,733	-	22,683,733
Lease liabilities	-	2,768,376	-	2,768,376
Other financial liabilities	1,738,962	2,100	6,434	1,747,496
	₩ 1,738,962	₩ 36,562,630	₩ 6,434	₩ 38,308,026

[1] The Group participated in supplier financing arrangements through corporate purchase card agreements with certain financial institutions to pay income taxes, electricity bills and others. Under these arrangements, the Group pays the card issuer the settlement amount on the credit extension period end date. There were no unpaid amounts in trade payables under the supplier financing arrangements as of December 31, 2024.
[2] Among other non-trade payables, employee benefits liabilities that correspond to the Group's obligations under the employee benefit plan were excluded because they were not subject to disclosure of financial instruments.
[3] The Group participated in supplier financing arrangements under letters of credit, where financial institutions pay the Group's obligations to suppliers within a certain limit, and the Group subsequently repays the financial institutions. There were no short-term borrowings under the supplier financing arrangements as of December 31, 2024.

5. Carrying Amounts of Financial Instruments by Categories, Continued

(3) Details of gain and loss on financial assets and liabilities by category for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Financial assets at amortized cost		
Interest income	₩ 493,112	₩ 343,674
Foreign exchange differences	(607,440)	2,962,818
Loss on disposal	(5)	(3,680)
Reversal (Loss) on impairment	(428)	1,433
	(114,761)	3,304,245
Financial assets at fair value through profit or loss		
Dividend income	940,739	29,313
Interest income	1,215	1,140
Gain on disposal	187,469	150,287
Gain (Loss) on valuation	11,984,285	(195,773)
Gain on transaction	329	-
Foreign exchange differences	(115,479)	205,716
	12,998,558	190,683
Financial liabilities at amortized cost		
Interest expenses	(923,703)	(1,345,239)
Foreign exchange differences	220,266	(2,691,682)
Loss on transaction	(555)	(1,913)
	(703,992)	(4,038,834)
Financial liabilities at fair value through profit or loss		
Loss on valuation	(4,163,304)	(79,495)
Loss on transaction	(4,202,673)	(20,344)
Foreign exchange differences	28,080	(212,444)
	(8,337,897)	(312,283)
Others		
Loss on transaction	-	(3,391)
	₩ 3,841,908	₩ (859,580)

6. Financial Risk Management

(1) Financial risk management

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Parent Company's corporate finance division in accordance with policies approved by the board of directors. The Parent Company's corporate finance division identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro, Chinese yuan and Japanese yen. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities in foreign currencies, and net investments in foreign operations.

Monetary foreign currency assets and liabilities as of December 31, 2025 are as follows:

(In millions of Korean won and millions of foreign currencies)

	Assets		Liabilities	
	Foreign currencies	Korean won equivalent	Foreign currencies	Korean won equivalent
USD	23,074	₩ 33,108,951	15,528	₩ 22,280,863
JPY	904	8,295	116,044	1,064,852
CNY	1,748	357,939	2,734	559,886
EUR	25	42,240	149	251,626

Also, as described in note 21, the Group entered into a currency swap contract and a currency interest rate swap contract to hedge interest rate risk and currency risk of foreign currency denominated bonds and borrowings.

When the exchange rate of the functional currency for each foreign currency fluctuates by 10% as of December 31, 2025, the impact of the change in the exchange rate on profit before income tax expenses is as follows:

(In millions of Korean won)

	If increased by 10%	If decreased by 10%
USD	₩ 1,210,371	₩ (1,210,371)
JPY	(105,656)	105,656
CNY	(20,195)	20,195
EUR	(20,939)	20,939

6. Financial Risk Management, Continued

(1) Financial risk management, Continued

(a) Market risk, Continued

(ii) Interest rate risk

Interest rate risk of the Group is defined as the risk that the interest expenses arising from borrowings will fluctuate due to changes in future market interest rate. The interest rate risk mainly arises through floating rate borrowings and is partially offset by interests received from floating rate financial assets.

The Group is managing cash flow interest rate risk using floating-to-fixed cross currency interest rate swaps. These interest rate swaps have an economic effect of converting floating interest borrowings into fixed interest borrowings. Generally, the Group borrows at a floating interest rate and then swaps at a fixed rate. Under the swap agreement, the Group will settle the difference between fixed interest costs and the floating interest costs calculated according to the principal agreed upon for each counterparty and specific period (mainly quarterly).

The Group is partially exposed to the risk of changing net interest costs due to changes in interest rates as of December 31, 2025. The Group has signed a currency interest rate swap contract on floating interest rate borrowings in foreign currency amount to ₩199,451 million and an interest rate swap contract on floating interest rate borrowings in local currency of ₩348,800 million. Therefore, the changes in interest costs subject to fluctuation of interest rates do not have an impact on the profit before income tax for the year ended December 31, 2025.

As of December 31, 2025, if interest rates on borrowings and financial assets had been 100 basis points higher/lower with all other variables held constant, profit before income tax would have been ₩41,875 million (2024: ₩49,875 million) lower/higher over the next year, mainly as a result of higher/lower net interest costs on floating-rate borrowings and interest income on floating-rate financial assets.

(iii) Price risk

The Group invests in equity and debt securities resulted from its business needs and the purpose of liquidity management. The Group's equity and debt securities are exposed to price risk as of December 31, 2025.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from operating and investing activities. In order to manage credit risk, the Group periodically evaluates the creditworthiness of each customer or counterparty through the analysis of its financial information, historical transaction records and other factors, based on which the Group establishes credit limits for each customer or counterparty.

6. Financial Risk Management, Continued

(1) Financial risk management, Continued

(b) Credit risk, Continued

(i) Trade and other receivables
For each new customer, the Group individually analyzes its creditworthiness before standard payment and delivery terms and conditions are offered. In addition, the Group is continuously managing trade and other receivables by reevaluating the customer's credit worthiness and securing collaterals in order to limit its credit risk exposure.

The Group reviews at the end of each reporting period whether trade and other receivables are impaired and enters into credit insurance contracts to manage credit risk exposure from oversea customers. The extent of the Group's exposure to credit risk as of December 31, 2025 is equal to the carrying amount of trade and other receivables.

(ii) Other financial assets
Credit risk also arises from other financial assets such as cash and cash equivalents, short-term financial instruments, short-term investment assets, and short-term and long-term loans mainly due to the bankruptcy of each counterparty to those financial assets. The maximum exposure to credit risk as of December 31, 2025 is the carrying amount of those financial assets. The Group deposits cash and cash equivalents, short-term financial instruments, and others in several financial institutions, and transacts only with banks and financial institutions with high credit ratings. Accordingly, management does not expect any significant loss from non-performance by the counterparties.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group is unable to meet its short-term payment obligations on time due to deterioration of its business performance or inability to access financing. The Group forecasts its cash flow and liquidity status and sets action plans on a regular basis to manage liquidity risk proactively.

The Group invests surplus cash in interest-bearing current accounts, time deposits, and demand deposits choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

6. Financial Risk Management, Continued

(1) Financial risk management, Continued

(c) Liquidity risk, Continued

The contractual maturity of financial liabilities held by the Group as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025				
	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Borrowings[1]	₩ 7,978,826	4,845,560	8,676,290	3,272,460	₩ 24,773,136
Lease liabilities	576,548	426,197	1,068,681	944,492	3,015,918
Trade payables	2,848,455	-	-	-	2,848,455
Other payables	6,436,829	134,985	157,957	166,236	6,896,007
Other non-trade payables	1,224,871	10,378	9,698	162	1,245,109
Other financial liabilities	145,648	724	113	-	146,485
	₩ 19,211,177	5,417,844	9,912,739	4,383,350	₩ 38,925,110

[1] The cash flow includes payment of interest under terms and conditions of borrowing.

(In millions of Korean won)

	December 31, 2024				
	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Borrowings[1]	₩ 3,844,805	6,732,584	11,218,578	4,246,482	₩ 26,042,449
Lease liabilities	602,620	461,676	1,063,224	1,128,611	3,256,131
Trade payables	2,277,347	-	-	-	2,277,347
Other payables	6,983,374	186,336	179,794	217,925	7,567,429
Other non-trade payables	1,086,615	12,440	41,166	165	1,140,386
Other financial liabilities	151,855	2,515	1,604	-	155,974
	₩ 14,946,616	7,395,551	12,504,366	5,593,183	₩ 40,439,716

[1] The cash flow includes payment of interest under terms and conditions of borrowing.

The table above analyzes the Group's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

6. Financial Risk Management, Continued

(2) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, procure and repay borrowings, issue new shares, or sell assets.

The debt-to-equity ratio and net borrowing ratio as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Total liabilities (A)	₩ 55,440,908	₩ 45,939,505
Total equity (B)	120,666,751	73,915,704
Cash and cash equivalents, and others[1] (C)	34,942,253	14,156,363
Total borrowings (D)	22,247,905	22,683,733
Debt-to-equity ratio (A/B)	45.95%	62.15%
Net borrowing ratio[2] (D-C)/B	-	11.54%

[1] Total amount of cash and cash equivalents, short-term financial instruments and short-term investment assets.
[2] Net borrowing ratio is not disclosed because the ratio is negative as of December 31, 2025.

Under major borrowing contracts, the Group is obliged to comply with a certain level of debt ratio and Loan-To-Value ratio. The Group has complied with all of these conditions as of December 31, 2025.

(3) Fair value

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

6. Financial Risk Management, Continued

(3) Fair value, Continued

(a) The following table presents the Group's carrying amounts and fair values of financial instruments by categories, including their levels in the fair value hierarchy, as of December 31, 2025 and 2024:

(In millions of Korean won)

	December 31, 2025				
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Short-term financial instruments	₩ 222,500	₩ -	₩ -	₩ 222,500	₩ 222,500
Short-term investment assets	5,338,768	-	5,338,768	-	5,338,768
Trade receivables[1]	1,256,429	-	1,256,429	-	1,256,429
Long-term investment assets	14,547,099	-	-	14,547,099	14,547,099
Other financial assets	195,929	-	195,929	-	195,929
	21,560,725	-	6,791,126	14,769,599	21,560,725
Financial assets not measured at fair value					
Cash and cash equivalents[2]	14,923,766	-	-	-	-
Short-term financial instruments[2]	14,457,219	-	-	-	-
Trade receivables[2]	16,942,649	-	-	-	-
Loans and other receivables[2]	806,379	-	-	-	-
Other financial assets[2]	1,113,792	-	-	-	-
	48,243,805	-	-	-	-
Total financial asset	₩ 69,804,530	₩ -	₩ 6,791,126	₩ 14,769,599	₩ 21,560,725
Financial liabilities measured at fair value					
Other financial liabilities	₩ 4,914,781	₩ -	₩ 4,914,781	₩ -	₩ 4,914,781
Financial liabilities not measured at fair value					
Trade payables[2]	2,848,455	-	-	-	-
Other payables[2]	6,809,285	-	-	-	-
Other non-trade payables[2]	1,541,016	-	-	-	-
Borrowings	22,247,905	-	22,449,184	-	22,449,184
Lease liabilities[2]	2,509,943	-	-	-	-
Other financial liabilities[2]	1,585	-	-	-	-
	35,958,189	-	22,449,184	-	22,449,184
Total financial liabilities	₩ 40,872,970	₩ -	₩ 27,363,965	₩ -	₩ 27,363,965

[1] The Group transferred certain portion of trade receivables, which are from specific customers, and derecognized the trade receivables from the consolidated financial statements as all the risks and rewards are substantially transferred. Accordingly, the Group recognized gain or loss on disposal of trade receivables.

[2] The Group did not present fair values of financial assets and liabilities of which carrying amounts are considered to be a reasonable approximation of fair values.

6. Financial Risk Management, Continued

(3) Fair value, Continued

(a) The following table presents the Group's carrying amounts and fair values of financial instruments by categories, including their levels in the fair value hierarchy, as of December 31, 2025 and 2024, Continued:

(In millions of Korean won)

		December 31, 2024			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Short-term financial instruments	₩ 222,500	₩ -	₩ -	₩ 222,500	₩ 222,500
Short-term investment assets	569,236	-	569,236	-	569,236
Trade receivables[1]	672,860	-	672,860	-	672,860
Long-term investment assets	4,041,276	-	-	4,041,276	4,041,276
Other financial assets	269,118	-	269,118	-	269,118
	5,774,990	-	1,511,214	4,263,776	5,774,990
Financial assets not measured at fair value					
Cash and cash equivalents[2]	11,205,117	-	-	-	-
Short-term financial instruments[2]	2,159,510	-	-	-	-
Trade receivables[2]	12,346,146	-	-	-	-
Loans and other receivables[2]	737,347	-	-	-	-
Other financial assets[2]	122,940	-	-	-	-
	26,571,060	-	-	-	-
Total financial asset	₩ 32,346,050	₩ -	₩ 1,511,214	₩ 4,263,776	₩ 5,774,990
Financial liabilities measured at fair value					
Other financial liabilities	₩ 1,745,396	₩ -	₩ 1,745,396	₩ -	₩ 1,745,396
Financial liabilities not measured at fair value					
Trade payables[2]	2,277,347	-	-	-	-
Other payables[2]	7,444,040	-	-	-	-
Other non-trade payables[2]	1,387,034	-	-	-	-
Borrowings	22,683,733	-	22,604,615	-	22,604,615
Lease liabilities[2]	2,768,376	-	-	-	-
Other financial liabilities[2]	2,100	-	-	-	-
	36,562,630	-	22,604,615	-	22,604,615
Total financial liabilities	₩ 38,308,026	₩ -	₩ 24,350,011	₩ -	₩ 24,350,011

[1] The Group transferred certain portion of trade receivables, which are from specific customers, and derecognized the trade receivables from the consolidated financial statements as all the risks and rewards are substantially transferred. Accordingly, the Group recognized gain or loss on disposal of trade receivables.

[2] The Group did not present fair values of financial assets and liabilities of which carrying amounts are considered to be a reasonable approximation of fair values.

6. Financial Risk Management, Continued

(3) Fair value, Continued

(b) Valuation Techniques

The valuation techniques of recurring and non-recurring fair value measurements and quoted prices classified as level 2 or level 3 are as follows:

(In millions of Korean won)

		Fair value	Level	Valuation Techniques
Financial assets at fair value through profit or loss:				
Short-term investment assets	₩	5,338,768	2	Present value technique
Short-term financial instruments		222,500	3	Present value technique
Long-term investment assets		14,547,099	3	Present value technique and others
Financial assets at fair value through other comprehensive income:				
Trade receivables	₩	1,256,429	2	Present value technique
Others:				
Other financial assets	₩	195,929	2	Present value technique
Financial liabilities at fair value through profit or loss:				
Embedded derivative liabilities	₩	4,911,955	2	Binominal model and others
Others:				
Other financial liabilities	₩	2,826	2	Present value technique

Long-term investments assets measured at level 3 in the fair value hierarchy include investments in special purpose companies of BCPE Pangea Intermediate Holdings Cayman, L.P. ("SPC1") amounting to ₩7,405,240 million and BCPE Pangea Cayman2 Limited ("SPC2") amounting to ₩6,746,627 million in connection with the acquisition of KIOXIA Holdings Corporation ("KIOXIA")(formerly, Toshiba Memory Corporation). The fair value of the long-term investments is measured based on the equity value of the underlying asset, KIOXIA.

The fair value of equity investment in SPC1 is measured using an option pricing model allocating the estimated fair value of KIOXIA equity between investors based on distribution priority pursuant to the underlying investment arrangement together with consideration of expected SPC1 liquidation.

The fair value of debt investment in SPC2 convertible bonds is measured based on the estimated KIOXIA's equity value and SPC2’s equity ownership in KIOXIA (14.30%).

6. Financial Risk Management, Continued

(3) Fair value, Continued

(b) Valuation Techniques, Continued

The valuation techniques and key inputs used in valuation of the equity investment in SPC1 and investment in SPC2 convertible bonds are as follows:

(In millions of Korean won)

		Fair value	Valuation Techniques	Level 3 inputs	Input Range
Equity investment in SPC1	₩	7,405,240	Option-pricing method	Expected expiration(years)	0.21
				Liquidity discount	8.95%
				Volatility	48.48%
				Risk free rate	0.60%
SPC2 convertible bonds	₩	6,746,627	Adjusted net asset method	Liquidity discount	8.95%

Among the level 3 inputs, a decrease in liquidity discount, which is a key assumption, will result in a higher fair value of the equity investment in SPC1, while any change in volatility and risk-free rate may have either positive or negative impact on the fair value of the investment in SPC1. In addition, when the liquidity discount increases it will result in higher fair value of the investment in SPC2 convertible bonds.

Any positive or negative changes in these significant unobservable inputs will have a direct impact on the fair value of investments in SPC1 and SPC2, respectively. As these inputs are significant and unobservable, the equity investment in SPC1 and the SPC2 convertible bonds are classified within Level 3 of the fair value hierarchy. Accordingly, changes in key valuation inputs may have a significant impact on the fair values of these investments.

The sensitivity analysis results of the effect of changes in the input variables of each long-term investment classified as Level 3 on fair value are as follows:

(In millions of Korean won)

		Positive fluctuation		Negative fluctuation
Equity investment in SPC1[1]	₩	79,428	₩	(79,428)
SPC2 convertible bonds[1]		74,114		(74,114)

[1] Fair value fluctuations were calculated by increasing or decreasing the liquidity discount, which is major unobservable input, by 1.0% points.

6. Financial Risk Management, Continued

(3) Fair value, Continued

(c) There was no transfer between fair value hierarchy levels during the year ended December 31, 2025 and changes in financial assets classified as level 3 fair value measurements during the year ended December 31, 2025 are as follows:

(In millions of Korean won)

	Beginning Balance	Acquisition	Disposals	Gain on Valuation	Foreign Exchange Difference	Ending Balance
Financial assets:						
Short-term financial instruments	₩ 222,500	-	-	-	-	₩ 222,500
Long-term investment assets	₩ 4,041,276	28,143	(1,206,875)	11,938,050	(253,495)	₩ 14,547,099

7. Restricted Financial Instruments

Details of restricted financial instruments as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Short-term financial instruments:		
Restricted for supporting small businesses	₩ 222,500	₩ 222,500
Pledged for consumption tax	5,506	5,619
Others	324	256
	228,330	228,375
Other financial assets:		
Escrow account	-	110,391
Bank overdrafts guarantee deposit	13	11
Others	2,822	1,807
	2,835	112,209
	₩ 231,165	₩ 340,584

8. Trade Receivables and Loans and Other Receivables

(1) Details of loans and other receivables as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Current:		
Other receivables	₩ 89,511	₩ 215,385
Accrued income	156,266	27,519
Short-term loans	117,592	13,462
Short-term guarantee and other deposits	22,974	36,695
	386,343	293,061
Non-current:		
Long-term other receivables	74,024	95,122
Long-term loans	189,262	193,487
Guarantee deposits	156,488	155,409
Others	262	268
	420,036	444,286
	₩ 806,379	₩ 737,347

8. Trade Receivables and Loans and Other Receivables, Continued

(2) Trade receivables and loans and other receivables, net of provision for impairment, as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025		
	Gross amount	Provision for impairment	Carrying amount
Trade receivables	₩ 18,201,785	₩ (2,707)	₩ 18,199,078
Current loans and other receivables	386,419	(76)	386,343
Non-current loans and other receivables	420,972	(936)	420,036
	₩ 19,009,176	₩ (3,719)	₩ 19,005,457

(In millions of Korean won)

	December 31, 2024		
	Gross amount	Provision for impairment	Carrying amount
Trade receivables	₩ 13,020,351	₩ (1,345)	₩ 13,019,006
Current loans and other receivables	293,155	(94)	293,061
Non-current loans and other receivables	445,227	(941)	444,286
	₩ 13,758,733	₩ (2,380)	₩ 13,756,353

(3) Details of provision for impairment

Changes in the provision for impairment of trade receivables for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Beginning balance	₩ 1,345	₩ 9,717
Bad debt expense	3,782	46
Reversal	(345)	(1,327)
Write-off	(2,076)	(7,070)
Foreign exchange difference	1	(21)
Ending balance	₩ 2,707	₩ 1,345

Changes in the provision for impairment of current loans and other receivables for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Beginning balance	₩ 94	₩ 39
Bad debt expense	821	94
Reversal	(94)	-
Write-off	(745)	(39)
Ending balance	₩ 76	₩ 94

8. Trade Receivables and Loans and Other Receivables, Continued

(3) Details of provision for impairment, Continued

Changes in the provision for impairment of non-current loans and other receivables for the years ended December 31, 2025 and 2024 are as follows

(In millions of Korean won)

		2025		2024
Beginning balance	₩	941	₩	913
Bad debt expense		10		8
Reversal		7		(101)
Foreign exchange difference		(22)		121
Ending balance	₩	936	₩	941

(4) The aging analysis of trade receivables and loans and other receivables as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025						
		Not impaired						
			Overdue					
		Not past due	Less than 3 months	Over 3 months and less than 6 months	Over 6 months	Impaired		Total
Trade receivables	₩	18,199,078	-	-	-	2,707	₩	18,201,785
Current loans and other receivables		386,343	-	-	-	76		386,419
Non-current loans and other receivables		420,036	-	-	-	936		420,972
	₩	19,005,457	-	-	-	3,719	₩	19,009,176

(In millions of Korean won)

		December 31, 2024						
		Not impaired						
			Overdue					
		Not past due	Less than 3 months	Over 3 months and less than 6 months	Over 6 months	Impaired		Total
Trade receivables	₩	13,019,006	-	-	-	1,345	₩	13,020,351
Current loans and other receivables		293,061	-	-	-	94		293,155
Non-current loans and other receivables		444,286	-	-	-	941		445,227
	₩	13,756,353	-	-	-	2,380	₩	13,758,733

9. Inventories

(1) Details of inventories as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025		
	Acquisition cost	Inventory valuation allowance	Carrying amount
Merchandise	₩ 5,564	₩ (261)	₩ 5,303
Finished goods	2,616,635	(209,670)	2,406,965
Work-in-process	9,290,708	(83,271)	9,207,437
Raw materials	1,507,058	(17,745)	1,489,313
Supplies	1,086,570	(183,958)	902,612
Goods in transit	277,760	-	277,760
	₩ 14,784,295	₩ (494,905)	₩ 14,289,390

(In millions of Korean won)

	December 31, 2024		
	Acquisition cost	Inventory valuation allowance	Carrying amount
Merchandise	₩ 33,492	₩ (26,717)	₩ 6,775
Finished goods	3,138,975	(624,692)	2,514,283
Work-in-process	8,952,952	(330,187)	8,622,765
Raw materials	1,521,521	(60,495)	1,461,026
Supplies	700,846	(114,547)	586,299
Goods in transit	122,789	-	122,789
	₩ 14,470,575	₩ (1,156,638)	₩ 13,313,937

(2) The amount of the inventories recognized as cost of sales and reversal on valuation allowance of inventories charged to cost of sales for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Inventories recognized as cost of sales	₩ 39,117,310	₩ 35,634,490
Reversal on valuation allowance of inventories	(661,733)	(1,269,964)

10. Other Current and Non-current Assets

Details of other current and non-current assets as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025		December 31, 2024
Current:				
Advance payments	₩	73,312	₩	62,928
Prepaid expenses		291,529		247,166
Value added tax refundable		876,429		937,926
Contract assets		125,240		123,894
Others		11,525		21,830
		1,378,035		1,393,744
Non-current:				
Long-term advance payments		79,810		113,564
Long-term prepaid expenses		33,778		25,997
Others		31,342		34,581
		144,930		174,142
	₩	1,522,965	₩	1,567,886

11. Investments in Associates and Joint Ventures

(1) General information of investments in associates and joint ventures is as follows:

Type	Investee	Location	Business
Associates	SK China Company Limited [1]	China	Consulting and investment
	SK South East Asia Investment Pte. Ltd.	Singapore	Consulting and investment
	SiFive, Inc. [2]	U.S.A	Design and manufacture of semiconductor
	Wuxi xinfa IC industry park., Ltd.	China	Developing science-technological park
	Others		
Joint ventures	HITECH Semiconductor (Wuxi) Co., Ltd. [3]	China	Manufacture of semiconductor parts
	SK hynix system ic (Wuxi) Co., Ltd. [4, 5]	China	Foundry factory construction
	Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor [3, 7]	Korea	Investment
	Specialized Investment-type Private Equity Investment Trust For Win-win System Semiconductor [3, 6]	Korea	Investment
	Others		

[1] Management of the Group is able to exercise significant influence over the entity by participating the Board of Directors. Accordingly, the investment has been classified as an associate.
[2] The Group is able to exercise significant influence through its right to appoint a director to the Board of Directors of investee. Accordingly, the investment has been classified as an associate.
[3] It has been classified to a joint venture as it is stated in the agreement that unanimous vote is required for relevant activities.
[4] Net asset share amount and carrying amount of SK hynix system ic (Wuxi) Co., Ltd. were prepared based on the consolidated financial statements including Hystars Semiconductor (Wuxi) Co., Ltd.
[5] The Group disposed 49.9% of its shares of SK hynix system ic (Wuxi) Co., Ltd. and lost control over SK hynix system ic (Wuxi) Co., Ltd. based on the agreement that major decisions of SK hynix system ic (Wuxi) Co., Ltd. require the approval of more than two-thirds of the shareholders during the year ended December 31, 2024. The fair value of remaining shares has been recognized as an investment in a joint venture. The Group's ownership decreased due to a capital increase by issuing new shares to a third party during the year ended December 31, 2025. Due to accumulated losses, an impairment loss of ₩470,869 million was recognized during the year ended December 31, 2025 for the difference between the recoverable amount and the carrying amount.
[6] The principal amount of ₩2,700 million was collected during the year ended December 31, 2025.
[7] The principal amount of ₩1,909 million was collected during the year ended December 31, 2025.

11. Investments in Associates and Joint Ventures, Continued

(2) Details of investments in associates and joint ventures as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

Investee	December 31, 2025			December 31, 2024	
	Ownership (%)	Net asset value	Carrying amount	Ownership (%)	Carrying amount
Associates:					
SK China Company Limited	11.87	₩ 410,963	₩ 463,560	11.87	₩ 456,471
SK South East Asia Investment Pte. Ltd.	20.00	370,671	370,671	20.00	401,843
SiFive, Inc.	6.84	9,651	9,175	6.81	18,311
Wuxi xinfa IC industry park., Ltd.	30.00	46,990	46,990	30.00	44,895
Others		152,863	160,957		131,978
Joint ventures:					
HITECH Semiconductor (Wuxi) Co., Ltd.	45.00	150,937	152,015	45.00	157,255
SK hynix system ic (Wuxi) Co., Ltd.	49.79	(13,564)	78,548	50.10	688,702
Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor	33.33	9,039	9,039	33.33	11,237
Specialized Investment-type Private Equity Investment Trust For Win-win System Semiconductor	37.50	19,574	19,574	37.50	22,459
Others		10,398	10,398		7,512
		₩ 1,167,522	₩ 1,320,927		₩ 1,940,663

11. Investments in Associates and Joint Ventures, Continued

(3) Changes in investments in associates and joint ventures for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025							
	Beginning balance	Acquis-ition	Share of profit (loss)	Other equity movement	Dividend	Recovery of principal	Impairment loss	Ending balance
SK China Company Limited	₩ 456,471	₩ -	₩ 4,005	₩ 3,084	₩ -	₩ -	₩ -	₩ 463,560
SK South East Asia Investment Pte. Ltd.	401,843	-	(10,281)	(20,891)	-	-	-	370,671
SiFive, Inc.	18,311	-	(9,854)	718	-	-	-	9,175
Wuxi xinfa IC industry park., Ltd.	44,895	-	1,155	940	-	-	-	46,990
HITECH Semiconductor (Wuxi) Co., Ltd.	157,255	-	17,673	(4,441)	(18,472)	-	-	152,015
SK hynix system ic (Wuxi) Co., Ltd.	688,702	-	(133,296)	(5,989)	-	-	(470,869)	78,548
Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor	11,237	-	469	(167)	(591)	(1,909)	-	9,039
Specialized Investment-type Private Equity Investment Trust For Win-win System Semiconductor	22,459	-	(185)	-	-	(2,700)	-	19,574
Others	139,490	9,000	36,769	6	(1,505)	(12,266)	(139)	171,355
	₩ 1,940,663	₩ 9,000	₩ (93,545)	₩ (26,740)	₩ (20,568)	₩ (16,875)	₩ (471,008)	₩ 1,320,927

11. Investments in Associates and Joint Ventures, Continued

(3) Changes in investments in associates and joint ventures for the years ended December 31, 2025 and 2024 are as follows, Continued:

(In millions of Korean won)

	2024								
	Beginning balance	Acquisition	Share of profit (loss)	Other equity movement	Dividend	Recovery of principal	Impairment loss	Transfer	Ending balance
SK China Company Limited	₩ 408,230	₩ -	₩ 4,609	₩ 43,632	₩ -	₩ -	₩ -	₩ -	₩ 456,471
SK South East Asia Investment Pte. Ltd.	351,923	-	4,093	45,827	-	-	-	-	401,843
SiFive, Inc. [1]	53,277	-	(12,694)	2,466	-	-	(24,738)	-	18,311
Wuxi xinfa IC industry park., Ltd.	42,458	-	(2,215)	4,652	-	-	-	-	44,895
HITECH Semiconductor (Wuxi) Co., Ltd.	137,655	-	17,603	19,172	(17,175)	-	-	-	157,255
SK hynix system ic (Wuxi) Co., Ltd. [2]	-	483,721	(35,348)	(5,646)	-	-	-	245,975	688,702
Hystars Semiconductor (Wuxi) Co., Ltd. [2]	220,373	-	832	24,770	-	-	-	(245,975)	-
Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor	19,283	-	3,520	(66)	(3,107)	(8,393)	-	-	11,237
Specialized Investment-type Private Equity Investment Trust For Win-win System Semiconductor	29,779	-	37	143	-	(7,500)	-	-	22,459
Others	104,370	25,859	6,056	10,956	(1,135)	(6,616)	-	-	139,490
	₩ 1,367,348	₩ 509,580	₩ (13,507)	₩ 145,906	₩ (21,417)	₩ (22,509)	₩ (24,738)	₩ -	₩ 1,940,663

[1] Due to SiFive, Inc.'s continued accumulation of losses, the Group recognized ₩ 24,738 million, the difference between the book value and recoverable amount, as a loss related to investments in associates.

[2] As Hystars Semiconductor (Wuxi) Co., Ltd. was incorporated as a subsidiary of SK hynix system ic (Wuxi) Co., Ltd. during the year ended December 31, 2024, the book value of Hystars Semiconductor (Wuxi) Co., Ltd. was transferred with the book value of SK hynix system ic (Wuxi) Co., Ltd.

11. Investments in Associates and Joint Ventures, Continued

(4) Major associates and joint ventures' summarized financial information as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025			
	Current assets	Non-current assets	Current liabilities	Non-current liabilities
SK China Company Limited	₩ 1,787,188	₩ 2,120,977	₩ 151,370	₩ 293,452
SK South East Asia Investment Pte. Ltd.	1,021,847	983,307	58,110	36,458
HITECH Semiconductor (Wuxi) Co., Ltd.	298,955	277,560	182,138	58,962
SK hynix system ic (Wuxi) Co., Ltd.	210,511	1,233,265	962,673	520,468

(In millions of Korean won)

	December 31, 2024			
	Current assets	Non-current assets	Current liabilities	Non-current liabilities
SK China Company Limited	₩ 1,621,534	₩ 2,168,615	₩ 111,297	₩ 299,593
SK South East Asia Investment Pte. Ltd.	1,197,435	2,268,114	613,999	14,918
HITECH Semiconductor (Wuxi) Co., Ltd.	272,861	306,426	69,219	163,986
SK hynix system ic (Wuxi) Co., Ltd. [1]	456,634	1,361,701	1,011,649	585,647

[1] Hystars Semiconductor (Wuxi) Co., Ltd. was incorporated as a subsidiary of SK hynix system ic (Wuxi) Co., Ltd., during the year ended December 31, 2024.

(5) Major associates and joint ventures summarized financial information for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025		2024	
	Revenue	Net profit (loss)	Revenue	Net profit (loss)
SK China Company Limited	₩ 68,074	₩ 42,472	₩ 15,111	₩ 38,846
SK South East Asia Investment Pte. Ltd.	97,960	10,656	133,764	20,467
HITECH Semiconductor (Wuxi) Co., Ltd.	779,854	39,469	688,331	37,292
SK hynix system ic (Wuxi) Co., Ltd. [1]	348,182	(265,822)	45,996	(57,481)
Hystars Semiconductor (Wuxi) Co., Ltd. [1]	-	-	55,620	1,660

[1] Hystars Semiconductor (Wuxi) Co., Ltd. was incorporated as a subsidiary of SK hynix system ic (Wuxi) Co., Ltd., during the year ended December 31, 2024.

12. Property, Plant and Equipment

(1) Changes in property, plant and equipment for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025							
	Land	Buildings	Structures	Machinery	Vehicles	Others	Construction -in-progress	Total
Beginning balance	₩ 1,205,857	10,474,146	3,207,904	33,674,111	25,914	462,318	11,107,224	₩ 60,157,474
Changes during 2025								
Acquisitions	16,317	627,479	327,158	11,867,710	379	318,128	17,015,647	30,172,818
Impairment	-	(45,120)	-	-	-	(37)	-	(45,157)
Disposals	(1,171)	(12,729)	(7,469)	(29,847)	(455)	(8,709)	(31,036)	(91,416)
Depreciation	-	(471,753)	(247,033)	(11,718,575)	(2,657)	(223,498)	-	(12,663,516)
Transfers	466,389	(281,589)	315,928	5,750,995	57	85,083	(6,329,203)	7,660
Foreign exchange differences and others	(1,465)	(42,343)	9,202	(21,790)	(3)	1,239	(18,895)	(74,055)
Reclassified as assets held for sale	-	-	(2)	(1,091)	-	(1,270)	-	(2,363)
Business combination	-	-	1,777	38,657	-	817	8	41,259
Ending balance	1,685,927	10,248,091	3,607,465	39,560,170	23,235	634,071	21,743,745	77,502,704
Acquisition cost	1,685,927	13,544,821	5,322,428	139,232,683	46,864	3,034,803	21,769,815	184,637,341
Accumulated depreciation	-	(3,209,393)	(1,694,511)	(99,343,367)	(23,629)	(2,399,992)	-	(106,670,892)
Accumulated impairment	-	(68,346)	(15,339)	(299,800)	-	(16)	(26,070)	(409,571)
Government grants	-	(18,991)	(5,113)	(29,346)	-	(724)	-	(54,174)
	₩ 1,685,927	10,248,091	3,607,465	39,560,170	23,235	634,071	21,743,745	₩ 77,502,704

(In millions of Korean won)

	2024							
	Land	Buildings	Structures	Machinery	Vehicles	Others	Construction -in-progress	Total
Beginning balance	₩ 1,207,988	10,341,242	3,080,243	31,471,525	31,044	554,024	6,018,787	₩ 52,704,853
Changes during 2024								
Acquisitions	66	156,877	292,362	9,990,891	526	152,395	7,362,704	17,955,821
Impairment	-	-	-	21	-	(12)	-	9
Disposals	-	(24)	(1,858)	(21,042)	(2,557)	(1,729)	(4,840)	(32,050)
Depreciation	-	(505,552)	(227,972)	(10,553,687)	(3,144)	(245,280)	-	(11,535,635)
Transfers	(9,735)	121,201	49,237	2,327,386	-	3,786	(2,490,804)	1,071
Foreign exchange differences and others	7,538	360,402	98,560	841,568	45	12,722	221,541	1,542,376
Reclassified as assets held for sale	-	-	(82,668)	(382,551)	-	(13,588)	(164)	(478,971)
Ending balance	1,205,857	10,474,146	3,207,904	33,674,111	25,914	462,318	11,107,224	60,157,474
Acquisition cost	1,205,857	13,771,703	4,615,743	123,124,358	47,115	2,664,488	11,175,488	156,604,752
Accumulated depreciation	-	(3,256,494)	(1,389,621)	(89,123,068)	(21,200)	(2,201,560)	-	(95,991,943)
Accumulated impairment	-	(23,226)	(15,339)	(261,984)	-	(13)	(68,264)	(368,826)
Government grants	-	(17,837)	(2,879)	(65,195)	(1)	(597)	-	(86,509)
	₩ 1,205,857	10,474,146	3,207,904	33,674,111	25,914	462,318	11,107,224	₩ 60,157,474

12. Property, Plant and Equipment, Continued

(2) Details of depreciation expense allocation for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)		2025		2024
Cost of sales	₩	11,839,495	₩	10,696,150
Selling and administrative expenses		766,325		759,701
Development costs and others		57,696		79,784
	₩	12,663,516	₩	11,535,635

(3) Certain property, plant and equipment are pledged as collaterals for borrowings of the Group as of December 31, 2025 (See note 32).

(4) The Group capitalized borrowing costs amounting to ₩249,760 million (2024: ₩202,995 million) on qualifying assets during the year ended December 31, 2025. Borrowing costs were calculated using a capitalization rate of 3.91% (2024: 6.32%) for the year ended December 31, 2025.

(5) The Group provides certain property, plant, and equipment as operating leases. Rental income from the property, plant and equipment during the year ended December 31, 2025 are ₩29,144 million (2024: ₩23,811 million).

13. Leases

(1) Leases as lessee

(a) Changes in right-of-use assets for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025					
	Properties	Structures	Machinery	Vehicles	Others	Total
Beginning balance	₩ 412,296	1,513,255	540,219	19,821	1,280	₩ 2,486,871
Increase	61,141	111,711	75,928	13,576	27,742	290,098
Termination	(3,005)	-	-	(2,410)	-	(5,415)
Depreciation	(75,121)	(152,098)	(185,859)	(13,726)	(8,979)	(435,783)
Foreign exchange difference	(2,448)	4,324	-	36	1	1,913
Reclassified as assets held for sale	(1,227)	-	-	-	-	(1,227)
Ending balance	391,636	1,477,192	430,288	17,297	20,044	2,336,457
Acquisition cost	648,293	2,169,989	673,504	36,689	27,775	3,556,250
Accumulated depreciation	(223,209)	(692,797)	(243,216)	(19,392)	(7,731)	(1,186,345)
Government grants	(33,448)	-	-	-	-	(33,448)
	₩ 391,636	1,477,192	430,288	17,297	20,044	₩ 2,336,457

(In millions of Korean won)

	2024					
	Properties	Structures	Machinery	Vehicles	Others	Total
Beginning balance	₩ 419,162	1,523,997	709,973	23,551	18,161	₩ 2,694,844
Increase	43,827	204,843	51,627	13,534	(195)	313,636
Termination	(6,142)	-	-	(4,171)	-	(10,313)
Depreciation	(74,900)	(152,250)	(193,853)	(13,170)	(15,516)	(449,689)
Foreign exchange difference	33,045	41,827	1,073	317	403	76,665
Reclassified as assets held for sale	(2,696)	(105,162)	(28,601)	(240)	(1,573)	(138,272)
Ending balance	412,296	1,513,255	540,219	19,821	1,280	2,486,871
Acquisition cost	606,918	2,048,948	802,452	34,245	22,647	3,515,210
Accumulated depreciation	(160,786)	(535,693)	(262,233)	(14,424)	(21,367)	(994,503)
Government grants	(33,836)	-	-	-	-	(33,836)
	₩ 412,296	1,513,255	540,219	19,821	1,280	₩ 2,486,871

13. Leases, Continued

(1) Leases as lessee, Continued

(b) Changes in lease liabilities for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Beginning balance	₩	2,768,376	₩	3,029,874
Acquisition		290,133		266,528
Termination		(5,361)		(13,971)
Interest expenses		97,843		105,238
Payments		(648,765)		(635,953)
Foreign exchange difference		8,954		161,165
Reclassified as liabilities held for sale		(1,237)		(144,505)
Ending balance	₩	2,509,943	₩	2,768,376

(c) The details of the minimum lease payment to be paid in the future for each period in connection with lease liabilities, present value and current/non-current classification of lease liabilities as of December 31, 2025 are as follows:

(In millions of Korean won)

		2025
Less than one year	₩	576,548
One to five years		1,494,878
More than five years		944,492
Total lease liabilities undiscounted as of December 31, 2025		3,015,918
Present value of lease liabilities recognized as of December 31, 2025		2,509,943
Current lease liabilities		547,296
Non-current lease liabilities		1,962,647

(d) The amounts recognized in profit or loss in relation to right-of-use assets and lease liabilities for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Depreciation of right-to-use assets	₩	435,783	₩	449,689
Interest expenses of lease liabilities		97,843		105,238
Expenses relating to short-term leases or to leases of low-value assets		7,906		7,997

The total cash outflow from leases is ₩656,671 million (2024: ₩643,950 million).

14. Intangible Assets

(1) Changes in intangible assets for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	2025				
	Goodwill	Industrial property rights	Development costs	Others	Total
Beginning balance	₩ 848,828	90,464	713,642	2,365,913	₩ 4,018,847
Changes during 2025					
Internal development	-	-	266,890	-	266,890
External acquisition	-	2,012	-	689,777	691,789
Business combination	-	3	-	1,409	1,412
Disposals	(32,596)	(856)	-	(6,316)	(39,768)
Amortization	-	(17,442)	(348,757)	(464,620)	(830,819)
Impairment	-	-	-	(38,053)	(38,053)
Transfers	-	21,966	-	(29,718)	(7,752)
Reclassified as assets held for sale	-	-	-	(287)	(287)
Others	(8,709)	(6)	-	(4,142)	(12,857)
Ending balance	807,523	96,141	631,775	2,513,963	4,049,402
Acquisition cost	1,830,625	242,212	5,213,157	5,773,909	13,059,903
Accumulated amortization and impairment	(1,023,102)	(146,071)	(4,581,382)	(3,259,946)	(9,010,501)
	₩ 807,523	96,141	631,775	2,513,963	₩ 4,049,402

(In millions of Korean won)	2024				
	Goodwill	Industrial property rights	Development costs	Others	Total
Beginning balance	₩ 803,348	92,096	410,667	2,528,456	₩ 3,834,567
Changes during 2024					
Internal development	-	-	417,724	-	417,724
External acquisition	-	1,581	-	327,530	329,111
Disposals	-	(9,092)	-	(8,592)	(17,684)
Amortization	-	(17,421)	(114,749)	(464,030)	(596,200)
Impairment	-	-	-	(216)	(216)
Transfers	-	23,271	-	(32,483)	(9,212)
Reclassified as assets held for sale	-	-	-	(29,094)	(29,094)
Others	45,480	29	-	44,342	89,851
Ending balance	848,828	90,464	713,642	2,365,913	4,018,847
Acquisition cost	1,896,957	227,202	4,946,266	5,319,455	12,389,880
Accumulated amortization and impairment	(1,048,129)	(136,738)	(4,232,624)	(2,953,542)	(8,371,033)
	₩ 848,828	90,464	713,642	2,365,913	₩ 4,018,847

(2) Details of amortization expense allocation for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)	2025	2024
Cost of sales	₩ 321,740	₩ 311,226
Selling and administrative expenses	507,572	282,794
Development costs	1,507	2,180
	₩ 830,819	₩ 596,200

14. Intangible Assets, Continued

(3) Goodwill impairment tests

The Group allocates goodwill to identified CGUs, and the details of goodwill for each CGU as of December 31, 2025 are as follows:

(In millions of Korean won)

		2025		2024
Existing CGU	₩	807,523	₩	848,328

The Group performs goodwill impairment tests annually. For the purpose of impairment tests, goodwill is allocated to the relevant CGU. The recoverable amount of the CGU as of December 31, 2025 was determined considering the fair value less costs to sell, which was determined based on the amount using the current stock price as of December 31, 2025. No impairment loss of goodwill was recognized since the recoverable amount is higher than the carrying value of the CGU as of December 31, 2025.

(4) Among costs associated with development activities, ₩266,890 million (2024: ₩417,724 million) that met capitalization criteria, were capitalized as development cost for the year ended December 31, 2025. In addition, costs associated with research activities and other development expenditures that did not meet the criteria in the amount of ₩6,465,637 million (2024: ₩4,436,341 million) were recognized as expenses for the year ended December 31, 2025.

The Group assesses whether there is any indication for impairment of development costs at the end of the reporting period, and no impairment loss was recognized for development projects during the years ended December 31, 2025 and 2024 as there are no development projects of which the recoverable value is less than the book value.

15. Other Payables

Details of other payables as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Current:		
Accrued expenses	₩ 6,277,237	₩ 3,977,166
Deposits payable	5,874	6,377
	6,283,111	3,983,543
Non-current:		
Long-term accrued expenses	8,400	40,584
Deposits payable	11,570	11,313
	19,970	51,897
	₩ 6,303,081	₩ 4,035,440

16. Borrowings

(1) Details of borrowings as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Current:		
Short-term borrowings	₩ 2,395,797	₩ 1,283,488
Current portion of long-term borrowings	1,470,301	1,143,258
Current portion of debentures[1]	4,295,659	2,825,492
	8,161,757	5,252,238
Non-current:		
Long-term borrowings	2,879,750	5,022,069
Debentures	11,206,398	12,409,426
	14,086,148	17,431,495
	₩ 22,247,905	₩ 22,683,733

[1] The carrying amount includes exchangeable bond issued by the Group during the year ended December 31, 2023. The maturity date of the exchangeable bond is in 2030, but the Group has classified the exchangeable bond as current borrowings due to the possibility of exercising conversion rights by the bondholders. During the year ended December 31, 2025, exchangeable bonds equivalent to USD 926,400,000 were exchanged for 11,206,742 shares upon exercise of exchange rights by the bondholders. On a cumulative basis, exchangeable bonds equivalent to USD 961,600,000 have been exchanged for 11,627,828 shares. The conditions of issuance are as follows:

16. Borrowings, Continued

(1) Details of borrowings as of December 31, 2025 and 2024 are as follows, Continued:

Type of bond		Foreign exchangeable bond
Issue amount		USD 1,700,000,000
Outstanding balance of bonds issued[1]		USD 738,400,000
Interest rate	Coupon Rate	1.75%
	Yield Rate	1.75%
Maturity Date		April 11, 2030
Redemption measures		1) Redemption upon maturity: redemption of the remaining amounts for which conversion rights or early redemption has not been exercised upon maturity date 2) Early redemption: Redemption by the Call Option of the Issuer or redemption by the Put Option of Bondholders
Details of conversion right	Conversion Rate	100.00% of the principal amount
	Conversion price	₩108,811 per share
	Subject of Conversion	Ordinary shares of the SK hynix Inc. (currently held as treasury shares)
	Conversion period	May 22, 2023 - April 1, 2030
	Adjustment to Conversion Price	Adjustment of the Conversion Price in certain circumstances, including but not limited to: Bonus issue, subdivision, consolidation, reclassification, right issues of shares or option over shares, share dividends, capital distribution, modification of rights of conversion , issue at less than current market price, etc.
Put Option of Bondholders		The fourth anniversary from the transaction date (April 11, 2027) In the case of a change of control of the Parent company In the case of the Shares of the Parent company ceases to be listed or admitted to trading or are suspended for trading for a period equal to or exceeding 20 consecutive Trading Days
Call Option of the Issuer		On or after April 25, 2028, in the case of the closing price of the Shares for any 20 trading days in a period of 30 consecutive trading days is at least 130% of the prevailing Conversion Price In the case of the aggregate principal amount of the Bonds outstanding is less than 10% of the aggregate principal amount originally issued (Clean Up Call) In the case of the Issuer becomes obliged to pay any additional amounts, as a result of changes relating to tax laws in Korea.

[1] The number of exchangeable shares was 20,126,911 upon initial issuance, but due to the exercise of conversion rights and adjustments in the conversion price, the number of exchangeable shares has been changed to 8,932,547 as of December 31, 2025.

16. Borrowings, Continued

(2) Details of borrowings as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	Financial institutions	Maturity date	Interest rate per annum in 2025 (%)	2025	2024
Short-term borrowings:					
Commercial Paper	Shinhan Bank	2026.09	3.7 ~ 4.0	₩ 300,000	₩ 300,000
General borrowings	Nonghyup Bank and others	2026.01 ~ 2026.12	1.4 ~ 6.3	2,095,797	983,488
				2,395,797	1,283,488
Long-term borrowings:					
Funds for equipment	MUFG and others	2026.01 ~ 2030.12	1.0 ~ 7.7	3,473,363	5,076,594
General borrowings	The Export-Import Bank of Korea and others	2026.12 ~ 2027.12	2.9 ~ 4.5	883,200	1,104,402
				4,356,563	6,180,996
Less: Current portion				(1,470,301)	(1,143,258)
Less: Discounts on borrowings				(6,512)	(15,669)
				₩ 2,879,750	₩ 5,022,069

16. Borrowings, Continued

(3) Details of debentures as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	Maturity date	Interest rate per annum in 2025 (%)	December 31, 2025	December 31, 2024
Unsecured notes in local currency:				
Unsecured corporate bonds 219-2nd	2025.08.27	2.67	-	90,000
Unsecured corporate bonds 220-3rd	2026.05.09	2.17	120,000	120,000
Unsecured corporate bonds 220-4th	2029.05.09	2.54	250,000	250,000
Unsecured corporate bonds 221-2nd	2025.02.14	1.72	-	360,000
Unsecured corporate bonds 221-3rd	2027.02.14	1.93	130,000	130,000
Unsecured corporate bonds 221-4th	2030.02.14	2.21	230,000	230,000
Unsecured corporate bonds 222-1st	2030.11.10	2.33	70,000	70,000
Unsecured corporate bonds 222-2nd	2035.11.10	2.73	100,000	100,000
Unsecured corporate bonds 223-2nd	2026.04.13	1.89	360,000	360,000
Unsecured corporate bonds 223-3rd	2028.04.13	2.11	80,000	80,000
Unsecured corporate bonds 223-4th	2031.04.13	2.48	190,000	190,000
Unsecured corporate bonds 224-1st	2026.02.13	3.83	430,000	430,000
Unsecured corporate bonds 224-2nd	2028.02.14	4.27	780,000	780,000
Unsecured corporate bonds 224-3rd	2030.02.14	4.52	100,000	100,000
Unsecured corporate bonds 224-4th	2033.02.14	4.90	80,000	80,000
Unsecured corporate bonds 225-1st	2027.04.08	3.63	350,000	350,000
Unsecured corporate bonds 225-2nd	2029.04.08	3.72	300,000	300,000
Unsecured corporate bonds 225-3rd	2031.04.08	3.84	100,000	100,000
Unsecured corporate bonds 226-1st	2028.01.20	2.98	440,000	-
Unsecured corporate bonds 226-2nd	2030.01.20	3.03	190,000	-
Unsecured corporate bonds 226-3rd	2032.01.20	3.09	70,000	-
			4,370,000	4,120,000
Unsecured notes in foreign currency:				
Unsecured global bonds 10-2nd	2026.01.19	1.50	1,434,900	1,470,000
Unsecured global bonds 10-3rd	2031.01.19	2.38	1,434,900	1,470,000
Unsecured global bonds 11-1st	2026.01.17	6.25	1,076,175	1,102,500
Unsecured global bonds 11-2nd	2028.01.17	6.38	1,434,900	1,470,000
Unsecured global bonds 11-3rd	2033.01.17	6.50	1,076,175	1,102,500
Unsecured global bonds 12th	2025.11.17	5.89	-	441,000
Unsecured global bonds 14-1st	2027.01.16	5.50	717,450	735,000
Unsecured global bonds 14-2nd	2029.01.16	5.50	1,434,900	1,470,000
Unsecured global bonds 15-1st	2028.09.11	4.25	860,940	-
Unsecured global bonds 15-2nd	2030.09.11	4.38	860,940	-
			10,331,280	9,261,000
Foreign exchangeable bond:				
Unsecured global bonds 13th	2030.04.11	1.75	1,059,530	2,447,256
			1,059,530	2,447,256
			15,760,810	15,828,256
Less: Discounts on debentures			(258,753)	(593,338)
Less: Current portion			(4,295,659)	(2,825,492)
			₩ 11,206,398	₩ 12,409,426

17. Other Current and Non-current Liabilities

Details of other current and non-current liabilities as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Current		
Advance receipts	₩ 59,298	₩ 40,161
Unearned income	6,499	3,730
Withholdings	318,105	157,970
Contract liabilities[1]	474,185	543,477
Others	79,520	55,838
	937,607	801,176
Non-current		
Other long-term employee benefits	1,300,847	302,141
Others	130	239,629
	1,300,977	541,770
	₩ 2,238,584	₩ 1,342,946

[1] The advance receipts from customers at the beginning of the year ended December 31, 2024 were recognized as revenue during the year ended December 31, 2024.

18. Provisions

(1) Changes in provisions for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025			
	Beginning Balance	Utilization	Reversal	Ending Balance
Warranty	₩ 263,001	₩ (6,206)	₩ (34,044)	₩ 222,751
Emission allowances	5,407	-	(1,048)	4,359
Restoration	1,827	-	-	1,827
	₩ 270,235	₩ (6,206)	₩ (35,092)	₩ 228,937

(In millions of Korean won)

	2024				
	Beginning Balance	Increase	Utilization	Reversal	Ending Balance
Purchase commitments	₩ 29,656	₩ -	₩ -	₩ (29,656)	₩ -
Warranty	256,402	18,155	(11,556)	-	263,001
Emission allowances	234	7,414	(2,241)	-	5,407
Restoration	1,827	-	-	-	1,827
	₩ 288,119	₩ 25,569	₩ (13,797)	₩ (29,656)	₩ 270,235

18. Provisions, Continued

(2) Provisions for warranty

The Group estimates the expected warranty costs based on historical results and records provisions for warranty. Regarding the durability issue of certain products sold in the prior years, the Group separately estimated and recorded warranty provisions for the amount expected to be paid for cash compensation, product replacement and other customer supporting activities.

(3) Provision for emission allowances

The Group recognizes estimated future payment for the number of emission certificates required to settle the Group's obligation exceeding the actual number of certificates on hand as emission allowances according to the Act on Allocation and Trading of Greenhouse Gas Emission Permits.

(a) Details of the allocated amount of emission permits are as follows:

(In ten thousand tons CO2-eq)

	The third compliance period (2021 - 2025)					
	2021	**2022**	**2023**	**2024**	**2025**	**Total**
Allocated emission permits	548	524	504	577	554	2,707

(b) Changes in the emission permits rights for the year ended December 31, 2025 are as follows:

(In ten thousand tons CO2-eq)

	2024
Beginning balance	19
Allocated	577
Submission	(524)
Carryforwards	(58)
Disposal	(14)
Ending balance	-

(c) The estimated net volume of emission made by the Group is 6.23 million tons as of December 31, 2025.

19. Defined Benefit Liabilities (Assets)

Under the defined benefit plan, the Group pays employee benefits to retired employees in the form of a lump sum based on their salaries and years of service at the time of their retirement. Accordingly, the Group is exposed to a variety of actuarial assumption risks such as risk associated with expected years of service, interest risk, and market (investment) risk.

(1) Details of defined benefit liabilities(assets) as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	₩ 3,447,188	₩ 3,125,802
Fair value of plan assets	(4,933,932)	(4,211,967)
Net defined benefit liabilities(assets)	₩ (1,486,744)	₩ (1,086,165)
Defined benefit liabilities	₩ 66,144	₩ 68,090
Employee benefit assets[1]	₩ 1,552,888	₩ 1,154,255

[1] The Parent Company and certain subsidiaries' fair value of plan assets in excess of the present value of defined benefit obligations, presented as employee benefit assets, amounted to ₩1,552,888 million and ₩1,154,255 million as of December 31, 2025 and 2024, respectively.

(2) Principal actuarial assumptions as of December 31, 2025 and 2024 are as follows:

	December 31, 2025 (%)	December 31, 2024 (%)
Discount rate for defined benefit obligations	4.08 ~ 5.64	3.46 ~ 5.07
Expected rate of salary increase	3.00 ~ 6.04	3.50 ~ 6.84

(3) Weighted average durations of defined benefit obligations as of December 31, 2025 and 2024 are 10.96 years and 11.57 years, respectively.

(4) Changes in defined benefit obligations for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Beginning balance	₩ 3,125,802	₩ 2,511,541
Current service cost	293,157	244,640
Past service cost	(5,404)	2,965
Interest expense	153,278	144,914
Transfer from associates	(7,355)	3,069
Remeasurements:	73,063	343,386
Demographic assumption	4,910	33,869
Financial assumption	(119,948)	238,461
Adjustment based on experience	188,101	71,056
Benefits paid	(185,615)	(125,654)
Others	262	941
Ending balance	₩ 3,447,188	₩ 3,125,802

19. Defined Benefit Liabilities (Assets), Continued

(5) Changes in plan assets for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Beginning balance	₩ 4,211,967	₩ 3,851,623
Contributions	736,528	269,436
Interest income	208,769	223,602
Transfer from associates	(4,983)	2,672
Benefits paid	(183,803)	(108,727)
Remeasurements	(33,700)	(26,751)
Others	(846)	112
Ending balance	₩ 4,933,932	₩ 4,211,967

(6) The amounts recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Current service cost	₩ 293,157	₩ 244,640
Past service cost	(5,404)	2,965
Net interest income	(55,491)	(78,688)
	₩ 232,262	₩ 168,917

(7) The amounts in which defined benefit plan related expenses are included for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Cost of sales	₩ 129,160	₩ 83,640
Selling and administrative expenses	103,102	85,277
	₩ 232,262	₩ 168,917

(8) Details of plan assets as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Deposits	₩ 4,825,314	₩ 4,210,840
Others	108,618	1,127
	₩ 4,933,932	₩ 4,211,967

Actual return on plan assets for the years ended December 31, 2025 and 2024 amounted to ₩175,069 million and ₩196,851 million, respectively.

(9) As of December 31, 2025, the Group funded defined benefit obligations through insurance plans with Mirae Asset Life Insurance Co., Ltd. and other insurance companies. The Group's reasonable estimation of contribution to the plan assets for the year ending December 31, 2026 is ₩848,730 million under the assumption that the Group maintains the defined benefit plan.

19. Defined Benefit Liabilities (Assets), Continued

(10) The sensitivity analysis of the defined benefit obligations as of December 31, 2025 to changes in the principal assumptions is as follows:

(In millions of Korean won)

	Effects on defined benefit obligation	
	Increase of rate	Decrease of rate
Discount rate (if changed by 1% point)	₩ (331,254)	₩ 388,314
Expected salary increase rate (if changed by 1% point)	394,054	(341,465)

The sensitivity analysis above was calculated under the assumption that other assumptions were constant. The sensitivity of defined benefit liabilities to changes in major actuarial assumptions was calculated using the same predictive unit approach used to calculate defined benefit liabilities recognized in the statement of financial position.

(11) In addition to defined benefit plans, the Group also operates defined contribution plans. Contributions to defined contribution plans amounting to ₩19,637 million (2024: ₩13,350 million) were recognized as cost for the year ended December 31, 2025.

20. Deferred Income Tax

(1) Changes in deferred income tax assets and liabilities for the years ended December 31, 2025 and 2024 without taking into consideration the offsetting of balances within the same tax authority, are as follows:

(In millions of Korean won)

	2025				
	Beginning	Profit or loss	Equity	Foreign exchange differences	Ending
Inventories, net	₩ 332,496	(60,848)	-	(99)	₩ 271,549
Property, plant and equipment, net	219,328	250,083	-	11,162	480,573
Defined benefits liabilities, net	(309,437)	(99,030)	26,621	2,403	(379,443)
Short-term and long-term investment assets and others	4,620	(2,900,523)	-	-	(2,895,903)
Employee benefits	121,216	276,813	-	(2,693)	395,336
Provisions	(25,112)	(35,279)	-	4,314	(56,077)
Other assets and other liabilities	61,364	15,512	-	142	77,018
Accrued expenses	258,083	(69,847)	-	-	188,236
Other financial liabilities	335,912	978,914	(809)	(32)	1,313,985
Others	90,378	(5,452)	-	(56,601)	28,325
Deferred tax assets for temporary differences, net	1,088,848	(1,649,657)	25,812	(41,404)	(576,401)
Tax loss carryforwards recognized	42,781	(906)	-	(113)	41,762
Tax credit carryforwards recognized and others	1,462,078	2,353,881	-	9	3,946,737
Equity-settled share-based payments	-	18,069	112,700	-	130,769
Deferred tax assets recognized, net	₩ 2,593,707	721,387	139,962	(42,958)	₩ 3,412,098

20. Deferred Income Tax, Continued

(1) Changes in deferred income tax assets and liabilities for the years ended December 31, 2025 and 2024 without taking into consideration the offsetting of balances within the same tax authority, are as follows: continued

(In millions of Korean won)

	2024				
	Beginning	Profit or loss	Equity	Foreign exchange differences	Ending
Inventories, net	₩ 598,419	(266,611)	-	688	₩ 332,496
Property, plant and equipment, net	104,570	53,737	-	61,021	219,328
Defined benefits liabilities, net	(358,931)	(46,932)	96,418	8	(309,437)
Short-term and long-term investment assets and others	92,238	(87,618)	-	-	4,620
Employee benefits	90,834	30,382	-	-	121,216
Provisions	5,173	(28,523)	-	(1,762)	(25,112)
Other assets and other liabilities	26,162	35,902	-	(700)	61,364
Accrued expenses	115,618	142,465	-	-	258,083
Other financial liabilities	258,670	77,024	(779)	997	335,912
Others	36,325	26,995	-	27,058	90,378
Deferred tax assets for temporary differences, net	969,078	(63,179)	95,639	87,310	1,088,848
Tax loss carryforwards recognized	1,270,086	(1,228,632)	-	1,327	42,781
Tax credit carryforwards recognized and others	635,912	825,481	-	685	1,462,078
Deferred tax assets recognized, net	₩ 2,875,076	(466,330)	95,639	89,322	₩ 2,593,707

20. Deferred Income Tax, Continued

(2) As of December 31, 2025 and 2024, the temporary differences and etc., for which no deferred tax assets (liabilities) were recognized are as follows:

(In millions of Korean won)		December 31, 2025		December 31, 2024
Investments in subsidiaries, associates, and joint ventures and others:				
Deductible temporary differences	₩	10,861,746	₩	11,642,857
Taxable temporary differences		(4,276,726)		(2,427,114)
Other deductible temporary differences		3,633,879		3,800,846
		10,218,899		13,016,589
Tax losses and others[1]	₩	3,488,375	₩	4,712,492

[1] As of December 31, 2025 and 2024, the amount and maturity of tax loss carryforwards and tax credit carryforwards that are not recognized as deferred tax assets are as follows:

(In millions of Korean won)		December 31, 2025			December 31, 2024	
		Amount	Maturity		Amount	Maturity
Tax losses	₩	847,567	2026~2030	₩	678,443	2025~2030
		8,093	2031~2036		9,095	2031~2036
		417,707	2037~2045		432,927	2037~2043
		2,100,709	Indefinite		3,479,716	Indefinite
Tax credits		6,121	2026~2030		4,688	2025~2030
		8,716	2031~2039		3,003	2031~2034
		51,012	2042~2044		65,350	2042~2044
		48,450	Indefinite		39,270	Indefinite

(3) Details of period when the deferred income tax assets (liabilities) are expected to be recovered (settled) as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025		December 31, 2024
Deferred income tax assets to be recovered after more than 12 months	₩	6,165,228	₩	2,973,435
Deferred income tax assets to be recovered within 12 months		2,594,722		2,096,919
Deferred income tax assets recognized		8,759,950		5,070,354
Deferred income tax liabilities to be settled after more than 12 months		(5,307,021)		(2,472,027)
Deferred income tax liabilities to be settled within 12 months		(40,831)		(4,620)
Deferred income tax liabilities recognized	₩	(5,347,852)	₩	(2,476,647)
Net income deferred tax assets recognized	₩	3,412,098	₩	2,593,707

21. Derivative Financial Instruments

(1) Currency and interest rate swap

(a) Details of derivative financial instruments applying cash flow hedge accounting as of December 31, 2025 are as follows:

(In millions of Korean won and thousands of foreign currencies)

Hedged items			Hedging instruments		
Borrowing date	Financial instrument	Hedged risk	Type of contract	Financial institution	Contract period
2019.10.02	Foreign currency denominated borrowing for equipment with floating rate (Par value: USD 125,000)	Foreign currency risk and interest rate risk	Floating-to-fixed cross currency interest rate swap	Korea Development Bank	2019.10.02 ~ 2026.10.02
2025.10.02	Foreign currency denominated borrowing for equipment with floating rate (Par value: USD 14,000)	Foreign currency risk and interest rate risk	Floating-to-fixed cross currency interest rate swap	Shinhan Bank	2025.10.02 ~ 2029.10.02
2023.01.17	Foreign currency denominated bond with fixed rate (Par value: USD 750,000)	Foreign currency risk	Fixed-to-fixed cross currency swap	Kookmin Bank and others	2023.01.17 ~ 2026.01.17
2023.04.04	Borrowing for equipment with floating rate (Par value: KRW 100,000)	Interest rate risk	Interest rate swap	Woori Bank	2023.04.04 ~ 2028.04.04
2024.03.07	Borrowing for equipment with floating rate (Par value: KRW 248,800)	Interest rate risk	Interest rate swap	Shinhan Bank	2024.03.07 ~ 2027.10.18

(b) The fair value of derivative financial assets and derivative financial liabilities held by the Group are presented in other financial assets and other financial liabilities in the consolidated financial statements of financial position as of December 31, 2025, and the details are as follows:

(In millions of Korean won and thousands of foreign currencies)

Type of contract	Hedged items		Cash flow hedge		Fair value
Fixed-to-fixed cross currency swap	Foreign currency denominated bond with fixed rate (Par value: USD 750,000)	₩	162,969	₩	162,969
Floating-to-fixed cross currency interest rate swap	Foreign currency denominated borrowing for equipment with floating rate (Par value: USD 139,000)		32,898		32,898
Derivative financial assets				₩	195,867
Interest rate swap	Borrowing for equipment with floating rate (Par value: KRW 348,800)	₩	2,826	₩	2,826
Derivative financial liabilities				₩	2,826

As of December 31, 2025, changes of fair value of the derivative are recognized in other comprehensive income or loss as all of designated hedging instruments are all effective against risks. And reclassified from other comprehensive income to profit and loss is amounting to ₩11,254 million (2024: ₩249,435 million) for the year ended December 31, 2025.

21. Derivative Financial Instruments, Continued

(2) Embedded Derivatives

The details of the embedded derivatives held by the Group presented in other financial liabilities in the consolidated financial statements of financial position as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

Derivative financial liabilities		December 31, 2025		December 31, 2024		Fair value
Embedded Derivatives[1]	₩	4,911,677	₩	1,738,962	₩	4,911,677

[1] Embedded derivatives are conversion right, call option, and put options granted on exchangeable bonds issued by the Group on April 11, 2023 (see note 16).

(3) Option Contract

The Group had a call option to purchase shares of Skyhigh Memory Ltd., held by Cypress at book value through a contract with Cypress, a non-controlling shareholder as of December 31, 2024. Due to the exercise of the call option, there are no call options as of December 31, 2025.

(In millions of Korean won)

Derivative financial assets		December 31, 2025		December 31, 2024		Fair value
Call options	₩	-	₩	8,692	₩	-

(4) Currency Forward Contracts

The Group enters into currency forward contracts to minimize accounting profits and losses arising from the remeasurement of monetary assets and liabilities denominated in foreign currencies other than USD, but hedge accounting is not applied. The details of the derivatives related to currency forward contracts held by the Group presented in other financial assets and other financial liabilities in the consolidated financial statements of financial position as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	December 31, 2025			December 31, 2024		
	Assets		Liabilities	Assets		Liabilities
Current derivatives:						
Currency forwards	₩	62	₩ 277	₩	-	₩ -

22. Capital Stock, Capital Surplus, Other Equity and Accumulated Other Comprehensive Income

(1) The Parent Company has 9,000,000,000 authorized shares and the face value per share is ₩5,000 as of December 31, 2025. The number of shares issued, common stock, capital surplus and other equity as of December 31, 2025 and 2024, are as follows:

(In millions of Korean won and shares)		December 31, 2025		December 31, 2024
Issued shares[1]		728,002,365		728,002,365
Capital stock:				
Common stock	₩	3,657,652	₩	3,657,652
Capital surplus:				
Additional paid-in capital	₩	3,625,797	₩	3,625,797
Others[2]		5,327,917		861,326
	₩	8,953,714	₩	4,487,123
Other equity:				
Acquisition cost of treasury shares[2]	₩	(1,499,954)	₩	(2,221,277)
Share options		64,018		48,760
Others		87,338		(19,032)
	₩	(1,348,598)	₩	(2,191,549)
Accumulated other comprehensive income:				
Equity-accounted investees – share of other comprehensive income	₩	252,064	₩	278,804
Foreign operations – foreign currency translation differences		2,416,253		2,246,876
Gain on valuation of derivatives		8,545		6,427
	₩	2,676,862	₩	2,532,107
Number of treasury shares:				
Number of treasury shares[2]		26,310,845		38,963,634

[1] The number of issued shares decreased due to share retirement from the past.
[2] The Group disposed 12,652,789 treasury shares and, accordingly, gained on disposal of treasury shares of ₩4,313,106 million occurred.

(2) The number of outstanding shares, which deducted treasury shares held by the Parent Company from listed issued shares, as of December 31, 2025 and 2024, are as follows:

(In shares)

	December 31, 2025		
	Listed Shares	Treasury Shares	Outstanding Shares
The number of issued shares	728,002,365	26,310,845	701,691,520

(In shares)

	December 31, 2024		
	Listed Shares	Treasury Shares	Outstanding Shares
The number of issued shares	728,002,365	38,963,634	689,038,731

23. Retained Earnings and Dividends

(1) Retained earnings as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025		December 31, 2024
Legal reserve[1]	₩	845,040	₩	693,015
Discretionary reserve[2]		235,507		235,507
Unappropriated retained earnings[3]		105,496,001		64,489,539
	₩	106,576,548	₩	65,418,061

[1] The Commercial Code of the Republic of Korea requires the Parent Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital stock. The reserve is not available for cash dividends payment but may be transferred to capital stock or used to reduce accumulated deficit.

[2] Discretionary reserve is the reserve for technology development.

[3] Dividends amounting to ₩900,209 million, which were approved at shareholders' meeting held on March 27, 2025, ₩258,905 million, which were approved at board of directors' meeting held on April 23, 2025, ₩258,921 million, which were approved at board of directors' meeting held on July 23, 2025, and ₩263,132 million, which were approved at board of directors' meeting held on October 29, 2025 were distributed as of December 31, 2025.

23. Retained Earnings and Dividends, Continued

(2) Dividends

(a) Details of dividends for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won and in thousands of shares)

	2025	2024
Type of dividends	Cash Dividends	Cash Dividends
Outstanding ordinary shares	708,077	690,345
Par value (in won)	₩ 5,000	₩ 5,000
Dividend rate	60.00%	44.08%
Total dividends	₩ 2,108,601	₩ 1,520,090

(b) Dividend payout ratio for the years ended December 31, 2025 and 2024 is as follows:

(In millions of Korean won)

	2025	2024
Dividends	₩ 2,108,601	₩ 1,520,090
Profit attributable to owners of the Parent Company	42,919,287	19,788,681
Dividend payout ratio	4.91%	7.68%

(c) Dividend yield ratio for the years ended December 31, 2025 and 2024 is as follows:

(In Korean won)

	2025	2024
Dividends per share	₩ 3,000	₩ 2,204
Closing stock price	651,000	173,900
Dividend yield ratio	0.46%	1.27%

24. Revenue

(1) Details of the Group's revenue for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Sale of goods and other products	₩	97,024,278	₩	66,100,890
Providing services		122,397		92,070
	₩	97,146,675	₩	66,192,960

(2) Details of the Group's revenue by product and service types for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
DRAM	₩	74,904,134	₩	44,731,664
NAND Flash		20,690,084		19,274,112
Others		1,552,457		2,187,184
	₩	97,146,675	₩	66,192,960

(3) The Group's revenue information by region based on the location of selling entities for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Korea	₩	1,932,342	₩	1,904,112
U.S.A.		66,885,115		41,961,072
China		19,136,237		15,533,563
Asia (other than China)		7,215,598		5,381,439
Europe		1,977,383		1,412,774
	₩	97,146,675	₩	66,192,960

(4) Details of the Group's revenue by the timing of revenue recognition during the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Performance obligations satisfied at a point in time	₩	97,024,278	₩	66,100,890
Performance obligations satisfied over time		122,397		92,070
	₩	97,146,675	₩	66,192,960

25. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Selling and Administrative Expenses:		
Salaries	₩ 1,859,324	₩ 1,257,824
Defined benefit plan	47,250	41,440
Employee benefits	279,156	234,562
Commission	786,867	773,853
Depreciation	295,423	302,775
Amortization	483,516	256,853
Freight and custody charges	62,890	54,473
Taxes and dues	137,546	100,974
Advertising	147,962	123,462
Supplies	124,620	112,233
Sales promotion expenses	298,690	216,473
Quality control costs	(4,265)	48,465
Training	96,104	73,775
Others	403,751	327,324
	5,018,834	3,924,486
Research and development:		
Expenditure on research and development	6,732,527	4,854,065
Development cost capitalized	(266,890)	(417,724)
	6,465,637	4,436,341
	₩ 11,484,471	₩ 8,360,827

26. Expenses by Nature

Nature of expenses for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Changes in finished goods, work-in-process, and others	₩ (475,883)	₩ 19,983
Raw materials, supplies and consumables	12,097,207	10,574,809
Employee benefit	12,176,694	8,215,773
Depreciation and amortization	13,889,639	12,544,767
Commission	4,068,126	3,536,261
Utilities	3,053,958	2,817,646
Repair	2,937,517	2,366,654
Outsourcing	2,192,002	1,865,024
Others	397,872	1,240,758
Transfer: capitalized development cost and others	(396,776)	(456,034)
Total[1]	₩ 49,940,356	₩ 42,725,641

[1] Total expenses consist of cost of sales and selling and administrative expenses.

27. Finance Income and Expenses

Finance income and expenses for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Finance Income:		
Interest income	₩ 494,327	₩ 344,814
Dividend income	940,739	29,313
Foreign exchange differences[1]	2,738,019	4,220,985
Gain on valuation of financial instruments	12,012,137	89,254
Gain on disposal of financial instruments	187,868	162,023
Gain on derivatives	390	8,693
	16,373,480	4,855,082
Finance Expenses:		
Interest expense	923,703	1,345,239
Foreign exchange differences[1]	3,186,451	3,952,159
Loss on valuation of financial instruments	27,913	293,719
Loss on derivatives	8,365,976	103,229
Others	955	13,651
	12,504,998	5,707,997
Net finance income (expenses)	₩ 3,868,482	₩ (852,915)

[1] The foreign exchange differences loss from long-term investment assets amounting to ₩247,087 million (2024: The foreign exchange differences gain ₩94,839 million) are included for the year ended December 31, 2025.

28. Other Income and Expenses

(1) Other income for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Gain on disposal of property, plant and equipment	₩ 97,688	₩ 70,082
Gain on disposal of intangible assets	1,037	13,265
Gain on disposal of non-current assets held for sale	29,456	1,316,592
Gain on disposal of subsidiaries	295	35,861
Others	204,801	40,779
	₩ 333,277	₩ 1,476,579

(2) Other expenses for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Donation	₩ 84,884	₩ 82,954
Loss on impairment of property, plant and equipment	45,157	-
Loss on disposal of property, plant and equipment	43,813	17,686
Loss on impairment of intangible assets	38,072	281
Loss on disposal of intangible assets	38,663	9,366
Depreciation expenses on assets not in use	40,491	36,769
Others	86,893	20,332
	₩ 377,973	₩ 167,388

29. Income Tax Expense

(1) Income tax expense for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Current tax:				
Current tax on profits for the year	₩	8,262,910	₩	3,736,506
Adjustments for income tax expense attributable to prior year, but recognized in current year		(23,873)		(115,414)
Pillar 2 tax		-		1,026
		8,239,037		3,622,118
Deferred tax:				
Changes in net deferred tax assets, tax loss carryforwards and others		(721,387)		466,330
Income tax expense	₩	7,517,650	₩	4,088,448

(2) The relationship between income tax expense and accounting profit for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Profit before income tax	₩	50,465,552	₩	23,885,350
Tax calculated at domestic tax rates applicable to profits in the respective countries		13,738,957		6,009,019
Tax effects of:				
Tax-exempt income		(977,567)		(103,356)
Non-deductible expenses		516,293		212,291
Change in unrecognized deferred tax assets		(259,556)		63,865
Tax credits		(5,262,773)		(1,868,839)
Adjustments for income tax expense attributable to prior year, but recognized in current year		(23,873)		(115,414)
Others		(213,831)		(109,118)
Income tax expense	₩	7,517,650	₩	4,088,448

(3) Income taxes recognized in other comprehensive income (loss) for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		2025		2024
Remeasurements of defined benefit liabilities	₩	28,071	₩	96,418
Loss on valuation of derivatives		(809)		(779)
Gain on disposal of treasury stock		(1,547,092)		(27,259)
Equity-settled share-based payment		112,700		-
	₩	(1,407,130)	₩	68,380

29. Income Tax Expense, Continued

(4) Impact of introduction of the International Tax Reform—Pillar Two Model Rules

Under the International Tax Reform(Pillar Two Model Rules) legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction of the Parent Company and its subsidiaries, and the 15% minimum rate from 2024.

Based on the relevant detailed regulations, all companies within the consolidated entity have a GloBE effective tax rate of higher than 15% in the relevant country, and there is no Pillar 2 income tax expense is recognized for the year ended December 31, 2025.

30. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Parent Company by the weighted average number of outstanding ordinary shares for the years ended December 31, 2025 and 2024.

(1) Basic earnings per share for the years ended December 31, 2025 and 2024 are as follows:

(In millions of won, except for shares and per share information)

		2025		2024
Profit attributable to ordinary shareholders of the Parent Company	₩	42,919,287	₩	19,788,681
Weighted average number of outstanding ordinary shares[1]		691,755,200		688,730,603
Basic earnings per share (in Korean won)	₩	62,044	₩	28,732

[1] Weighted average number of outstanding ordinary shares is calculated as follows:

(In shares)

	2025	2024
Issued ordinary shares	728,002,365	728,002,365
Acquisition of treasury shares	(36,247,165)	(39,271,762)
Weighted average number of outstanding ordinary shares	691,755,200	688,730,603

(2) Diluted earnings per share for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won, except for shares and per share information)

		2025		2024
Profit attributable to ordinary shareholders of the Parent Company	₩	42,919,287	₩	19,788,681
Adjustment:				
Changes in profit attributable to ordinary shareholders of the Parent Company due to the exercise of Restricted Stock Units (RSUs) related to subsidiaries		(21,231)		(29,846)
Interest expense(After-tax)		83,069		82,364
Loss (Gain) on foreign currency translation(After-tax)		(36,415)		331,349
Diluted profit attributable to ordinary shareholders of the Parent Company		42,944,710		20,172,548
Weighted average number of diluted outstanding ordinary shares[1]		711,266,733		709,834,641
Diluted earnings per share (in Korean won)	₩	60,378	₩	28,419

[1] Weighted average number of diluted outstanding ordinary shares is calculated as follows:

(In shares)

	2025	2024
Weighted average number of outstanding ordinary shares	691,755,200	688,730,603
Share options	912,230	957,919
Exchangeable bond	18,599,303	20,146,119
Weighted average number of diluted outstanding ordinary shares	711,266,733	709,834,641

31. Transactions with Related Parties and Others

(1) Details of related parties as of December 31, 2025 are as follows:

Type	Name of related parties
Associates	Stratio, Inc., SK China Company Limited, Gemini Partners Pte. Ltd., TCL Fund, SK South East Asia Investment Pte. Ltd., Hushan Xinju (Chengdu) Venture Investment Center (Smartsource), Prume Social Farm, Co., Ltd., Wuxi xinfa IC industry park., Ltd., Mirae Asset Committee Semiconductor No.1 Startup Venture Private Equity Investment Co., Ltd., L&S (No.10) Early Stage Ⅲ Investment Association, SiFive Inc., YD-SK-KDB Social Value, Ningbo Zhongxin Venture Capital Partnership (Limited Partnership), Jiangsu KVTS Semiconductor science and Technology Co., Ltd., SAPEON Inc., SK Japan Inc., SK Americas, Inc.
Joint ventures	HITECH Semiconductor (Wuxi) Co., Ltd., SK hynix system ic (Wuxi) Co., Ltd., and its subsidiaries, Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor, Specialized Investment-type Private Equity Investment Trust For Win-win System Semiconductor, Semiconductor Ecosystem Fund
Other related parties	SK Square Co., Ltd., which has significant influence over the Group, and its subsidiaries, SK Holdings Co., Ltd., which has control over SK Square Co., Ltd., and its subsidiaries

31. Transactions with Related Parties and Others, Continued

(2) Significant transactions with related parties for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		For the year ended December 31, 2025		
	Company	Sales and others	Purchase and others	Asset acquisition
Associates	SK China Company Limited	₩ 13	₩ 11,041	₩ -
	Prume Social Farm, Co., Ltd.	-	70	-
	SK Japan Inc. (formerly, SK telecom Japan Inc.)	11	3,251	-
Joint ventures	HITECH Semiconductor (Wuxi) Co., Ltd.	14,053	789,250	225,459
	SK hynix system ic (Wuxi) Co., Ltd.	8,672	-	-
	SK hynix system ic Wuxi solutions Inc.	19,013	271	-
	Wuxi xinfa IC industry park., Ltd	-	101	-
Other related parties	SK Telecom Co., Ltd.	62,791	56,253	12,177
	SK Holdings Co., Ltd.[1]	23,589	369,430	337,143
	ESSENCORE Limited	2,726,387	-	-
	SK Ecoplant Co., Ltd.	57,967	215	4,707,561
	SK Energy Co., Ltd.	47,921	132,546	-
	SK Networks Co., Ltd.	4,287	5,155	249
	SK enpulse Co., Ltd.	807	28,977	-
	Chungcheong energy service Co., Ltd.	164	45,877	71
	SK Specialty Co., Ltd.	1,017	26,810	-
	SK Siltron Co., Ltd.	39,232	502,707	-
	SK Airplus Inc. (formerly, SK Materials Airplus Inc.)	5,283	110,780	75,832
	Techdream Co., Ltd.	-	148,938	-
	SK Tri Chem Co., Ltd.	889	147,021	-
	SK Shieldus Co., Ltd.	893	116,142	32,067
	SK Innovation Co., Ltd.	6,796	86,171	-
	SK Square Co., Ltd.	75	-	-
	SK REIT Co., Ltd.	-	6,025	284
	Clean Industrial REIT Co., Ltd.	-	27,318	1,903
	FSK L&S Co., Ltd.	70	40,293	2,898
	PRISM Energy International Pte. Ltd.	-	818,419	-
	Others	142,907	313,515	97,867
		₩ 3,162,837	₩ 3,786,576	₩ 5,493,511

[1] Royalty expense for the use of the SK brand for the year ended December 31, 2025 is included.

31. Transactions with Related Parties and Others, Continued

(2) Significant transactions with related parties for the years ended December 31, 2025 and 2024 are as follows, Continued:

(In millions of Korean won)

		For the year ended December 31, 2024		
	Company	Sales and others	Purchase and others	Asset acquisition
Associates	SK China Company Limited	₩ 3	₩ 11,964	₩ -
	Prume Social Farm, Co., Ltd.	-	101	-
	SK Japan Inc. (formerly, SK telecom Japan Inc.)	-	3,496	-
Joint ventures	HITECH Semiconductor (Wuxi) Co., Ltd.	11,307	697,217	26,445
	SK hynix system ic (Wuxi) Co., Ltd.[1]	2,271	-	-
	SK hynix system ic Wuxi solutions Inc.[2]	4,505	-	-
	Hystars Semiconductor (Wuxi) Co., Ltd.[3]	-	11,725	40,415
Other related parties	SK Telecom Co., Ltd.	111,225	51,816	5,474
	SK Holdings Co., Ltd.[4]	19,611	281,501	100,051
	ESSENCORE Limited	643,886	-	-
	SK Ecoplant Co., Ltd.	29,913	5	1,067,550
	SK Energy Co., Ltd.	45,687	100,100	-
	SK Networks Co., Ltd.	7,045	4,756	1,477
	SK enpulse Co., Ltd. (formerly, SKC Solmics Co., Ltd.)	405	62,439	1,496
	Chungcheong energy service Co., Ltd.	43	46,805	61
	SK Specialty Co., Ltd. (formerly, SK Materials Co., Ltd.)	5,173	109,967	-
	SK Siltron Co., Ltd.	37,248	440,230	-
	SK Airplus Inc. (formerly, SK Materials Airplus Inc.)	811	104,504	145,563
	Techdream Co., Ltd.	-	113,651	-
	SK Tri Chem Co., Ltd.	1,079	151,943	-
	SK Shieldus Co., Ltd.	833	106,561	19,998
	SK Innovation Co., Ltd.	10,650	57,720	78
	SK Square Co., Ltd.	50	-	-
	SK REIT Co., Ltd.	-	6,833	11,165
	Clean Industrial REIT Co., Ltd.	-	29,300	8,985
	FSK L&S Co., Ltd.	73	48,337	4,198
	SK E&S Co., Ltd.	111	27,263	1,455
	SK LNG Trading Pte., Ltd.	-	591,128	37,826
	Others	182,052	277,656	257,649
		₩ 1,113,981	₩ 3,337,018	₩ 1,729,886

[1] Including transactions only after classification as a joint venture.
[2] Subsidiary of SK hynix system ic (Wuxi) Co., Ltd., which was incorporated as a joint venture during the year ended December 31, 2024.
[3] Hystars Semiconductor (Wuxi) Co., Ltd. was incorporated as a subsidiary of SK hynix system ic (Wuxi) Co., Ltd., during the year ended December 31, 2024.
[4] Royalty expense for the use of the SK brand for the year ended December 31, 2024 is included.

The above related party transactions include transactions executed based on agreements executed in the course of the Group's business activities such as purchase or construction of property, plant and equipment, procurements of steam, gas and raw materials, and system developments and maintenance services.

31. Transactions with Related Parties and Others, Continued

(3) The balances from significant transactions as of December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		December 31, 2025	
	Company	Trade receivables and others	Other payables and others
Associates	SK China Company Limited	₩ 5	₩ 9,372
	Prume Social Farm, Co., Ltd.	-	8
	SK Japan Inc. (formerly, SK telecom Japan Inc.)	620	3,242
	TCL Fund	7,809	-
Joint ventures	HITECH Semiconductor (Wuxi) Co., Ltd.	664	374,408
	SK hynix system ic (Wuxi) Co., Ltd.	261,110	-
	SK hynix system ic Wuxi solutions Inc.	1,814	156
	Hystars Semiconductor (Wuxi) Co., Ltd.	-	46,410
Other related parties	SK Telecom Co., Ltd.	845	23,483
	SK Holdings Co., Ltd.	2,322	328,169
	ESSENCORE Limited	1,012,569	-
	SK Ecoplant Co., Ltd.	11,819	2,792,416
	SK Energy Co., Ltd.	2,781	25,495
	SK Networks Co., Ltd.	90	2,659
	SK enpulse Co., Ltd.	-	705
	Chungcheong energy service Co., Ltd.	7	6,330
	SK Siltron Co., Ltd.	107,300	44,478
	SK Airplus Inc. (formerly, SK Materials Airplus Inc.)	326	698,786
	Techdream Co., Ltd.	-	4,918
	SK Tri Chem Co., Ltd.	117	12,267
	SK Shieldus Co., Ltd.	79	18,026
	SK Innovation Co., Ltd.	917	4,142
	SK Square Co., Ltd.	198	-
	SK REIT Co., Ltd.	17,330	140,571
	Clean Industrial REIT Co., Ltd	-	524,661
	FSK L&S Co., Ltd.	4	5,382
	PRISM Energy International Pte. Ltd.	-	215,472
	Others	31,688	173,308
		₩ 1,460,414	₩ 5,454,864

31. Transactions with Related Parties and Others, Continued

(3) The balances from significant transactions as of December 31, 2025 and 2024 are as follows, Continued:

(In millions of Korean won)

		December 31, 2024	
	Company	Trade receivables and others	Other payables and others
Associates	SK China Company Limited	₩ -	₩ 13,101
	Prume Social Farm, Co., Ltd.	-	5
	SK Japan Inc. (formerly, SK telecom Japan Inc.)	640	2,670
Joint ventures	HITECH Semiconductor (Wuxi) Co., Ltd.	457	401,028
	SK hynix system ic (Wuxi) Co., Ltd.	129,832	-
	SK hynix system ic Wuxi solutions Inc.[1]	14,448	-
	Hystars Semiconductor(Wuxi) Co., Ltd.[2, 3]	-	195,422
Other related parties	SK Telecom Co., Ltd.	14,851	17,334
	SK Holdings Co., Ltd.	2,270	171,624
	ESSENCORE Limited	113,691	-
	SK Ecoplant Co., Ltd.	5,917	719,843
	SK Energy Co., Ltd.	3,836	26,851
	SK Networks Co., Ltd.	204	5,744
	SK enpulse Co., Ltd. (formerly, SKC Solmics Co., Ltd.)	46	14,861
	Chungcheong energy service Co., Ltd.	7	6,997
	SK Specialty Co., Ltd. (formerly, SK Materials Co., Ltd.)	619	10,165
	SK Siltron Co., Ltd.	142,071	49,192
	SK Airplus Inc. (formerly, SK Materials Airplus Inc.)	134	648,325
	Techdream Co., Ltd.	-	2,629
	SK Tri Chem Co., Ltd.	174	13,143
	SK Shieldus Co., Ltd.	74	15,426
	SK Innovation Co., Ltd.	1,382	3,468
	SK Square Co., Ltd.	166	-
	SK REIT Co., Ltd.	17,330	157,728
	Clean Industrial REIT Co., Ltd	-	570,704
	FSK L&S Co., Ltd.	11	5,416
	SK LNG Trading Pte., Ltd.	-	87,931
	Others	34,390	137,565
		₩ 482,550	₩ 3,277,172

[1] Subsidiary of SK hynix system ic (Wuxi) Co., Ltd., which was incorporated as a joint venture during the year ended December 31, 2024.
[2] Hystars Semiconductor (Wuxi) Co., Ltd. was incorporated as a subsidiary of SK hynix system ic (Wuxi) Co., Ltd., during the year ended December 31, 2024.
[3] Other payables and others include ₩163,897 million of borrowings.

31. Transactions with Related Parties and Others, Continued

(4) Key management compensation

The Group considers registered directors who have authority and responsibility for planning, directing and controlling the activities of the Group as key management. The compensation paid to key management for employee services for the years ended December 31, 2025 and 2024 is as follows:

(In millions of Korean won)

Details	2025	2024
Salaries	₩ 8,458	₩ 7,410
Defined benefit plan related expenses	815	907
Share-based payments	9,436	2,733
	₩ 18,709	₩ 11,050

(5) The significant transactions between the Group and the companies that are in the same conglomerate group according to '*Fair Trade Law*' for the years ended December 31, 2025 and 2024 are as follows. These entities are not related parties according to Korean IFRS 1024 *Related Party Disclosures*.

(In millions of Korean won)

	2025		
Name of entity	Sales and others	Purchase and others	Asset acquisition
SK Chemicals Co., Ltd.	₩ 8,523	₩ -	₩ -
SK Bioscience Co., Ltd.	1,726	136	-
UNA Digital Inc.	-	4,886	-
SMCore.Inc	630	1,777	4,331
Korea Nexlene Company	5,381	-	-
Others	2,006	-	-
	₩ 18,266	₩ 6,799	₩ 4,331

(In millions of Korean won)

	2024		
Name of entity	Sales and others	Purchase and others	Asset acquisition
SK Chemicals Co., Ltd.	₩ 7,891	₩ -	₩ -
SK Bioscience Co., Ltd.	1,972	5	-
UNA Digital Inc.(formerly, ANTS Co., Ltd.)	6	13,556	-
SMCore.Inc	111	1,151	2,912
Korea Nexlene Company	5,007	-	-
Others	1,975	-	-
	₩ 16,962	₩ 14,712	₩ 2,912

31. Transactions with Related Parties and Others, Continued

(6) The balances of significant transactions between the Group and the companies that are in the same conglomerate group designated by '*Fair Trade Law'* as of December 31, 2025 and 2024 are as follows. These entities are not related parties according to Korean IFRS 1024 *Related Party Disclosures*.

(In millions of Korean won)	December 31, 2025	
Name of entity	Trade receivables and others	Other payables and others
SK Chemicals Co., Ltd.	₩ 707	₩ -
SK Bioscience Co., Ltd.	245	-
SMCore.Inc	18	5,637
Korea Nexlene Company	122	-
Others	178	-
	₩ 1,270	₩ 5,637

(In millions of Korean won)	December 31, 2024	
Name of entity	Trade receivables and others	Other payables and others
SK Chemicals Co., Ltd.	₩ 717	₩ -
SK Bioscience Co., Ltd.	195	-
UNA Digital Inc.(formerly, ANTS Co., Ltd.)	-	187
SMCore.Inc	3	2,710
Korea Nexlene Company	277	-
Others	443	3
	₩ 1,635	₩ 2,900

(7) The right-of-use assets and lease liabilities recognized regarding the lease agreements with HITECH Semiconductor (Wuxi) Co., Ltd. and Hystars Semiconductor (Wuxi) Co., Ltd., a joint venture for the year ended December 31, 2025 increased by ₩8,947 million (2024: ₩68,623 million increased) and increased by ₩8,947 million(2024: ₩68,996 million increased), respectively, and lease payments to HITECH Semiconductor (Wuxi) Co., Ltd., and Hystars Semiconductor (Wuxi) Co., Ltd., a joint venture for the year ended December 31, 2025 amount to ₩66,235 million(2024: ₩84,155 million). The right-of-use assets and lease liabilities recognized regarding the lease agreements with other related parties including SK Airplus Inc. (formerly, SK Materials Airplus Inc.) for the year ended December 31, 2025, increased by ₩110,681 million(2024: ₩174,063 million increased) and increased by ₩110,681 million (2024: ₩174,063 million increased), respectively, and lease payments to the other related parties including SK Airplus Inc. (formerly, SK Materials Airplus Inc.) for the year ended December 31, 2025 amount to ₩174,716 million (2024: ₩166,381 million).

(8) The Group provides a payment guarantee amounting to RMB 701 million to Wuxi Xinfa Group Co., Ltd. on behalf of Hystars Semiconductor (Wuxi) Co., Ltd., a joint venture.

(9) The establishment of the subsidiary is explained in Note 1, and the acquisitions and additional investments of associates are explained in Note 11.

31. Transactions with Related Parties and Others, Continued

(10) Financial transactions with related parties for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

		For the year ended December 31, 2025	
	Company	Dividend received	Dividend paid
Joint ventures	Hystars Semiconductor (Wuxi) Co., Ltd.	₩ 18,472	₩ -
	Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor,	591	-
Other related parties	SK Square Co., Ltd.	-	354,877
		₩ 19,063	₩ 354,877

(In millions of Korean won)

		For the year ended December 31, 2024		
	Company	Proceeds from borrowings	Dividend received	Dividend paid
Associates	Mirae Asset Committee Semiconductor No.1 Startup Venture Private Equity Investment Co., Ltd.	₩ -	₩ 94	₩ -
Joint ventures	Hystars Semiconductor (Wuxi) Co., Ltd.	120,084	-	-
	HITECH Semiconductor (Wuxi) Co., Ltd. [1]	-	17,064	-
	Specialized Investment-type Private Equity Investment Trust For Growth Of Semiconductor,	-	3,107	-
Other related parties	SK Square Co., Ltd.	-	-	175,320
		₩ 120,084	₩ 20,265	₩ 175,320

[1] Hystars Semiconductor (Wuxi) Co., Ltd. was incorporated as a subsidiary of SK hynix system ic (Wuxi) Co., Ltd., during the year ended December 31, 2024.

32. Commitments and Contingencies

(1) Significant pending litigations and claims of the Group as of December 31, 2025 are as follows:

(a) The antitrust investigation in China
The State Administration for Market Regulation of China initiated to investigate the violation of the antitrust law regarding major DRAM companies' sales in China in May 2018. The pending case currently is under investigation. As of December 31, 2025, the Group cannot predict the outcome of this investigation.

(b) Other patent infringement claims and litigation
In addition to the above litigations, the Group has responded to various disputes related to intellectual property rights and recognizes a liability when it represents a present obligation as a result of past event and it is probable that an outflow of resources will arise and a loss can be reliably estimated.

(2) Back-end process service contract with HITECH Semiconductor (Wuxi) Co., Ltd. (HITECH)
The Group has entered into an agreement with HITECH to be provided with back-end process service by HITECH. The conditions of the service provided include package, package test, modules and others. According to the agreement, the Group has paid a certain level of guaranteed margin to HITECH as the Group has priority to use HITECH's equipment.

32. Commitments and Contingencies, Continued

(3) Assets provided as collateral

Details of assets provided as collateral as of December 31, 2025 are as follows:

(In millions of Korean won and millions of foreign currencies)

	Book value		Pledged amount			
Category		Amount	Currency	Amount in USD	Amount in KRW	Remark
Land and buildings	₩	26,261	KRW	-	14,854	Borrowings for equipment and others
Machinery			USD	600	860,940	
		1,036,725	KRW	-	1,480,000	
			USD	600	860,940	
	₩	1,062,986	KRW	-	1,494,854	

(In millions of Korean won and millions of foreign currencies)

	Book value		Collateral liabilities amount			
Category		Amount	Currency	Amount in USD	Amount in KRW	Remark
Land and buildings	₩	26,261	KRW	-	1,393	Borrowings for equipment and others
Machinery			USD	125	179,363	
		1,036,725	KRW	-	1,000,000	
			USD	125	179,363	
	₩	1,062,986	KRW	-	1,001,393	

32. Commitments and Contingencies, Continued

(4) Financing agreements

Details of credit lines with financial institutions as of December 31, 2025 are as follows:

(In millions of Korean won and millions of foreign currencies)

	Financial Institution	Commitment	Currency	Amount
The Parent Company	Hana Bank and others	Import finance and others including usance	USD	330
		Comprehensive limit contract for import and export including usance	USD	1,690
		Overdrafts with banks	KRW	20,000
		Accounts receivable factoring contracts which have no right to recourse	KRW	30,000
SK hynix Semiconductor (China) Ltd.	Agricultural Bank of China and others	Import finance and others including usance	RMB	950
			USD	490
SK hynix America Inc. and other sales entities	Citibank and others	Accounts receivable factoring contracts which have no right to recourse	USD	837
Domestic subsidiaries	Hana Bank and others	Import finance and others	KRW	29,500
		Import finance and others including usance	USD	15

(5) The Group's commitments in relation to future capital expenditures on property, plant and equipment that have not been recognized as of December 31, 2025 are ₩6,667,863 million (as of December 31, 2024: ₩8,837,748 million).

(6) Investment in KIOXIA Holdings Corporation ("KIOXIA")

In regard to the Group's interests in KIOXIA through its investments in BCPE Pangea Intermediate Holdings Cayman, L.P. and BCPE Pangea Cayman2 Limited, the equity interests in KIOXIA that the Group may hold, directly or indirectly, are subject to restrictions for a specified period following the acquisition. During the same restricted period, the Group is also prohibited from appointing directors to KIOXIA and, as a result, is unable to exercise significant influence over KIOXIA's operations or management.

32. Commitments and Contingencies, Continued

(7) Acquisition of the Intel NAND business

The Group entered into a master purchase agreement with Intel Corporation (“Intel”) to acquire the entire NAND business of Intel excluding the Optane division of Non-Volatile Memory Solutions Group during the year ended December 31, 2020. The business was transferred in two separate processes through overseas subsidiaries, with a total transaction amount of USD 8,844 million. The Group paid USD 6,609 million at the first deal closing, and the remaining USD 2,235 million was paid in March 2025.

In the process of obtaining a conditional business combination approval for the Intel NAND business acquisition from the Chinese competition authority (Chinese State Administration for Market Regulation) in connection with the first closing of the Intel NAND business completed during the year ended December 31, 2021, the Group was imposed with certain conditions, mainly including the obligation to maintain a reasonable pricing policy, increase production and to support the entry of third-party competitors into the Chinese eSSD market over the next five years. Therefore, the Group must comply with these obligations for the next five years and may apply to waive them after five years. If the Group makes such an application, the Chinese competition authority will decide whether to accept the application in consideration of the competition in the Chinese eSSD market.

(8) The Group entered into supplier finance arrangements. In accordance with the arrangements, when the finance providers pay the payables related to the Group’s trade and other payables to the suppliers, the Group pays the finance providers on the payment due date. The finance providers pay the receivables after the Group has received the goods or services and approved the invoices.

If suppliers choose early payment, the finance providers pay the amount before the payment due date. The Group settles the trade and other payables with the finance providers on the payment due date. All trade and other payables subject to the supplier finance arrangements are included in trade and other payables in the Group’s consolidated balance sheet. As of December 31, 2025, the amount paid to suppliers under the supplier finance arrangements is KRW 1,743,555 million. Meanwhile, the amount of the Group’s trade and other payables related to supplier finance arrangements does not have a significant effect on non-cash transactions of cash and cash equivalents.

33. Cash Flows

(1) Reconciliations between profit for the years and cash generated from operations for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Profit for the year	₩ 42,947,902	₩ 19,796,902
Adjustment		
Income tax expense	7,517,650	4,088,448
Interest expense	923,703	1,345,239
Interest income	(494,327)	(344,814)
Depreciation	13,099,311	11,985,337
Amortization	830,819	596,200
Defined benefit plan	231,904	170,659
Loss on foreign currency translation	946,742	2,244,407
Gain on foreign currency translation	(437,292)	(1,892,306)
Gain on disposal of financial instruments	(187,868)	(162,023)
Loss on disposal of property, plant and equipment	43,813	17,686
Gain on disposal of property, plant and equipment	(97,688)	(70,082)
Share of loss	93,545	13,507
Loss on impairment of intangible assets	38,072	281
Gain on valuation of financial instruments	(12,011,484)	(89,254)
Loss on valuation of financial instruments	27,260	293,719
Loss on derivatives	8,365,586	94,538
Dividend income	(940,739)	(29,313)
Loss on impairment of investments in associates	471,006	24,738
Share-based payments	414,114	104,110
Gain on disposal of non-current assets held for sale	(29,456)	(1,316,592)
Others	32,836	(20,722)
Changes in operating assets and liabilities		
Increase in trade receivables	(5,584,225)	(5,098,005)
Decrease (increase) in inventories	(1,059,484)	166,722
Decrease (increase) in other assets	31,776	(370,258)
Decrease in loans and other receivables	188,989	13,717
Increase in trade payables	863,996	274,980
Increase (decrease) in other payables	116,326	(1,378,294)
Increase in other non-trade payables	2,336,757	2,228,576
Increase (decrease) in provisions	(40,021)	5,397
Increase (decrease) in other liabilities	1,009,154	(1,160,573)
Payment of defined benefit liabilities	(7,717)	(12,645)
Contributions to plan assets	(736,528)	(269,436)
Cash generated from operations	₩ 58,904,432	₩ 31,250,846

(2) Details of significant transactions without inflows and outflows of cash for the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Increase in other payables related to property, plant and equipment	₩ 2,456,765	₩ 1,807,294
Excluded from subsidiaries and transferred to investments in joint ventures	-	483,721
Decrease in derivative liabilities and exchangeable bonds due to the exercise of exchange rights	2,077,966	65,732

33. Cash Flows, Continued

(3) Changes in liabilities arising from financing activities during the years ended December 31, 2025 and 2024 are as follows:

(In millions of Korean won)

	2025	2024
Beginning balance	₩ 25,452,109	₩ 32,498,506
Cash flows from financing activities		
- Proceeds from borrowings	8,183,735	8,717,964
- Repayments of borrowings	(7,416,131)	(16,093,620)
- Repayments of lease liabilities	(596,465)	(601,821)
Increase of lease liabilities	290,133	266,528
Foreign currency differences and others	(1,307,157)	1,850,514
Present value discount (interest expense)	205,160	213,830
Interest paid	(52,300)	(34,132)
Reclassified as liabilities held for sale	(1,236)	(1,365,660)
Ending balance	₩ 24,757,848	₩ 25,452,109

(4) The Group presented the inflow and outflow of cash from short-term investment assets, etc. which are frequently traded and have a large total amount and mature in a short period of time, as net increases and decreases.

34. Share-based Payment

(1) Details of the granted share-based payment

(a) The Parent Company accounts for share-based payment, with options granted to employees to choose either cash-settled or equity-settled share-based payment, in accordance with the substance of transactions and the details of the share options as of December 31, 2025 are as follows:

(In shares)

	Total numbers of share option granted	Forfeited or Cancelled	Exercised	Outstanding at December 31, 2025
10th [1]	54,020	10,764	10,504	32,752
12th [1]	6,469	-	3,469	3,000
13th [1]	75,163	29,851	23,657	21,655
14th [1]	195,460	59,167	19,622	116,671
	331,112	99,782	57,252	174,078

	Grant date	Service Period for Vesting	Exercisable Period		Exercise price (in Korean won)
10th [1]	March 20, 2020	March 20, 2020 - March 20, 2023	March 21, 2023 - March 20, 2027	₩	84,730
12th [1]	March 30, 2021	March 30, 2021 - March 30, 2023	March 31, 2023 - March 30, 2026		136,060
13th [1]	March 30, 2021	March 30, 2021 - March 30, 2023	March 31, 2023 - March 30, 2026		136,060
14th [1]	March 30, 2022	March 30, 2022 - March 30, 2024	March 31, 2024 - March 30, 2027		121,610

[1] During the year ended December 31, 2025, the share options were exercised with cash settlement.

34. Share-based Payment, Continued

(1) Details of the Share-based Payment Granted, Continued

(b) Details of equity-settled share-based payment granted by the Group are as follows:

	1-1st	1-2nd	2nd	3rd
Grant date	2022-03-17	2022-04-27	2023-06-28	2024-04-30
Types of shares to be issued	Registered common shares	Registered common shares	Registered common shares	Registered common shares
Grant method	Reissue of treasury shares	Reissue of treasury shares	Reissue of treasury shares	Reissue of treasury shares
Number of shares	Initial grant size * TSR * Adjustment ratio / Stock price on exercise date [1,3]	Initial grant size * TSR * Adjustment ratio / Stock price on exercise date [1,3]	Initial grant size * (Adjustment ratio + increase rate of stock price - increase rate of KOSPI200)[2,3]	Initial grant size * (Adjustment ratio + increase rate of stock price - increase rate of KOSPI200)[2]
Base stock price	₩ 124,000	₩ 108,500	₩ 79,975	₩ 135,975
Exercisable period	March 17, 2025 ~ March 17, 2029 [4]	April 27, 2025 ~ April 27, 2029	January 1, 2026 lump sum payment	January 1, 2027 lump sum payment
Service period for vesting	2 years' service from the grant date	2 years' service from the grant date	3 years' service from January 1, 2023[5]	3 years' service from January 1, 2024[5]

[1] TSR (Total shareholder return) is calculated as "(Stock price on exercise notification date - Base stock price + company's total dividends per share from grant date to exercise notification date)/base stock price", and the adjustment ratio considers the Group's TSR compared to the TSR of its industry peers.
[2] The adjustment ratio considers increase rate of stock price, and the maximum adjusted shares is 2 times of initial grant shares. If the increase rate of stock price rises by 100% or higher and exceeds the increase rate of KOSPI200 by 50% points, additional shares equal to the initial grant will be paid.
[3] Some of the 1-1 and 1-2 share-based payments were cancelled and a replacement amount was granted in the 2nd share-based payment.
[4] A portion of the stock options was exercised and settled during the year ended December 31, 2025.
[5] When employed for more than 2 years but less than 3 years, the granted amount is adjusted in proportion to the period of service.

(c) In addition to above share options granted by the Parent Company, restricted stock units (RSUs) for the Parent Company's subsidiary, SK hynix NAND product Solutions Corp., are also granted to the subsidiary and its employees.

(In shares)

Grant cycle	Total numbers of share option granted	Forfeited or Cancelled	Exercised
Quarterly	173,451,396	50,576,962	42,623,861

34. Share-based Payment, Continued

(2) Details of liabilities recognized for stock appreciation rights as of December 31, 2025 are as follows:

(In millions of Korean won)

	December 31, 2025
Stock appreciation rights liabilities[1]	₩ 71,423

[1] As of December 31, 2025, the intrinsic value of the vested share-based compensation related to the above stock appreciation right liabilities is ₩93,007 million.

(3) Measurement of fair value

(a) The compensation cost is calculated by applying a binomial option-pricing model in estimating the fair value of the option as of December 31, 2025. The inputs used are as follows:

	10th	12th	13th	14th
Share price (Closing stock price on valuation date, in Korean won)	₩ 530,000	₩ 530,000	₩ 530,000	₩ 530,000
Expected volatility	46.40%	46.40%	46.40%	46.40%
Estimated fair value of share option (in Korean won)	₩ 445,270	₩ 393,940	₩ 393,940	₩ 408,492
Dividend yield ratio	0.42%	0.42%	0.42%	0.42%
Risk free ratio	2.70%	2.47%	2.47%	2.71%

(b) The compensation cost regarding the equity-settled share-based payment granted by the Group is calculated by applying a binomial option-pricing model in estimating the fair value of the option. The inputs used to measure the fair value of the share-based payment as of the grant date are as follows.

	1-1st	1-2nd	2nd	3rd
Expected volatility	33.92%	34.22%	34.81%	36.85%
Per-share fair value of the option (in Korean won)	₩ 52,729	₩ 42,064	₩ 155,443	₩ 224,203
Dividend yield ratio[1]	-	-	1.50%	1.10%
Risk-free interest rate (Government bonds yield)	2.65%	3.19%	3.60%	3.53%

[1] Payout ratio was not taken into consideration as it was assumed that the stock price decline due to dividends would be compensated as the dividend amount until the exercise period is added in the calculation of 1-1st and 1-2nd TSR.

(4) The compensation expense for the year ended December 31, 2025 is ₩215,713 million (2024: ₩118,867 million).

35. Events after the reporting period

(1) The subsidiary SK hynix NAND Product Solutions Corp. resolved at the board of directors' meeting held on January 28, 2026 to transfer its business to the newly formed entity, Solidigm Inc. as part of a restructuring of its business structure. On March 1, 2026, SK hynix NAND Product Solutions Corp. transferred to Solidigm Inc. its business relating to the sale and research and development of Nand Flash Memory and SSD, including all related assets, contracts, rights and personnel, as well as the assets and liabilities contracted between the transferee and the transferor under their agreement. Accordingly, SK hynix NAND Product Solutions Corp. acquired from Solidigm Inc. shares issued by Solidigm inc. equivalent in value to the transfer consideration.

(2) The Group resolved at the board of directors' meeting held on January 28, 2026 to cancel its treasury shares and cancelled all 15,300,000 treasury shares previously acquired on February 9, 2026,. As a result of this cancellation, the total number of issued ordinary shares decreased from 728,002,365 shares before the cancellation to 712,702,365 shares upon completion of the cancellation, while the capital stock does not decrease

KPMG SAMJONG

KPMG SAMJONG Accounting Corp.
152, Teheran-ro, Gangnam-gu, Seoul 06236
(Yeoksam-dong, Gangnam Finance Center 27th Floor)
Republic of Korea

Tel +82 (2) 2112 0100
Fax +82 (2) 2112 0101
www.kr.kpmg.com

Independent Auditors' Report on Internal Control over Financial Reporting for Consolidation Purposes

Based on a report originally issued in Korean

To the Shareholders and Board of Directors
SK hynix Inc.:

Opinion on Internal Control over Financial Reporting for Consolidation Purposes

We have audited SK hynix Inc. and its subsidiaries' (the "Group") internal control over financial reporting for consolidated purposes as of December 31, 2025, based on the criteria established in Conceptual Framework for Designing and Operating ICFR ("ICFR Design and Operation Framework") issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea (the "ICFR Committee").

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting for consolidation purposes as of December 31, 2025, based on the ICFR Design and Operation Framework issued by the ICFR Committee.

We also have audited, in accordance with Korean Standards on Auditing ("KSAs"), the consolidated statements of financial position of the Group as of December 31, 2025, the related consolidated statements of comprehensive income(loss), changes in equity, and cash flows for the years then ended and notes comprising material accounting policy information and other explanatory information, and our report dated March 4, 2026 expressed an unmodified opinion on those consolidated financial statements.

Basis for Opinion on Internal Control over Financial Reporting for Consolidation Purposes

We conducted our audit in accordance with KSAs. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting for Consolidation Purposes* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the internal control over financial reporting in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Internal Control over Financial Reporting for Consolidation Purposes

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting for consolidation purposes, and for its assessment about the effectiveness of internal control over financial reporting for consolidation purposes, included in the accompanying Report on the Operation of Internal Control over Financial Reporting for Consolidation Purposes.

Those charged with governance are responsible for overseeing the Company's internal control over financial reporting for consolidation purposes.

Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting for Consolidation Purposes

Our responsibility is to express an opinion on the Company's internal control over financial reporting for consolidation purposes based on our audit. We conducted our audit in accordance with KSAs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting for consolidation purposes was maintained in all material respects.

Our audit of internal control over financial reporting for consolidation purposes included obtaining an understanding of internal control over financial reporting for consolidation purposes, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting for Consolidation Purposes

A company's internal control over financial reporting for consolidation purposes is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable consolidated financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS"). A company's internal control over financial reporting for consolidation purposes includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with K-IFRS, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and those charged with governance of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting for consolidation purposes may not prevent, or detect and correct misstatements in the consolidated financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditors' report is Joo Hun Yoon.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 4, 2026

This report is effective as of March 4, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Report on the Operation of Internal Control over Financial Reporting for consolidation purpose

Management's Report on the Effectiveness of the Internal Control over Financial Reporting for consolidation purposes

To the Shareholders, Board of Directors and Audit Committee of SK Hynix INC.

We, as the Chief Executive Officer and the Internal Accounting Manager of SK Hynix INC. and its subsidiaries' ("the Group"), assessed operating status of the Group's Internal Control over Financial Reporting for consolidation purposes ("ICFR") for the year ending December 31, 2025.

Design and operation of ICFR is the responsibility of the Group's management, including the Chief Executive Officer and the Internal Accounting Manager. We evaluated whether the Group effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in the consolidated financial statements to ensure preparation and disclosure of reliable consolidated financial information.

We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee")' as the criteria for design and operation of the Group's ICFR. And we conducted an evaluation of ICFR based on Appendix 6: Standards for Evaluation and Reporting Standards of Internal Control over Financial Reporting of 'Enforcement Rules of the Act on External Audit and Accounting'.

Based on our assessment, we concluded that the Group's ICFR is designed and operated effectively as of December 31, 2025, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.

(Attachment)

- Internal control activities performed by the Group to address treasury-related fraud risks

Feb 13, 2026

Noh Jung Kwak Chief Executive Officer

Woo Hyun Kim, Internal Accounting Manager

(Attachment)

- Internal control activities performed by the Group to address fraud risks

Category	Control activities performed by the Company	Applicable Companies	Evaluation results of design and operating status
Entity Level Controls	**<Operation of anti-fraud system>** In order to prevent fraud, including embezzlement, management has established and operates a whistleblowing system that enables stakeholders to report concerns anonymously. Furthermore, management communicates its commitment to the anti-fraud system to all employees through company-wide announcements.	SK HYNIX Inc. and 1 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 1 other company, in July 2025, November 2025 and January 2026)
	<Fraud risk assessment> Management regularly assesses fraud risks to achieve the objectives of internal control over financial reporting.	SK HYNIX Inc. and 1 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 1 other company, in July 2025, November 2025 and January 2026)
	<Management of Segregation of Duties> Management considers segregation of duties and access rights (restricted access) in accordance with the 'Internal Control Regulations' when designing control activities. In addition, management conducts regular monitoring to ensure that the segregation of duties is kept up to date and operates appropriately.	SK HYNIX Inc. and 1 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 1 other company, in July 2025, November 2025 and January 2026)
	<Assessment of the effectiveness of the ICFR> Management establishes a plan for assessing the operating effectiveness of the ICFR and reports the assessment results to the Board of Directors and the Audit Committee. The Audit Committee assesses the results and reports its assessment to the Board of Directors.	SK HYNIX Inc.	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc., in July 2025, November 2025 and January 2026)
	<Monitoring of unusual transactions> Management has established and operates an 'ongoing monitoring system' designed to automatically review transactions that appear	SK HYNIX Inc. and 3 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team

	unusual or inconsistent with normal business activities.		of SK HYNIX Inc. and 1 other company, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
Treasury Process Controls	**<Approval of bank account opening and closure>** The Treasury team manager reviews and approves the rationale for account openings and closures.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi)Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Bank account status management> The Treasury team manager performs a periodic review and approval of all bank accounts registered under the Company's name in the ERP system to confirm their designated purpose and the need for closure. Additionally, the Treasury team manager and the Accounting team manager conduct regular and ad-hoc reconciliations of bank balance confirmation statements obtained from financial institutions to the corresponding general ledger balances and approve the results of such reconciliations.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Authorization of physical asset usage> The Treasury team manager reviews key information related to the issuance of promissory notes and checks, and approves the application of the corporate seal as well as the issuance and receipt log for such instruments.	SK HYNIX Inc. and 3 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 1 other company, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Management for physical inspections of assets for cash disbursements> The Treasury team manager performs periodic physical inspections of assets for cash	SK HYNIX Inc. and 3 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team

	disbursements, including corporate seals and checks, and provides approval of the results. In addition, the General affairs team manager periodically reviews and approves the authorization procedures and storage conditions related to the financial seal.		of SK HYNIX Inc. and 1 other company, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Restriction on cash disbursement> The system is configured to allow disbursement only to vendors and bank accounts that have been registered in the ERP system.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Review and approval on cash disbursement> The Treasury team manager reviews and approves key information related to cash disbursement transactions by comparing the disbursement details against the supporting documentation.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Segregation of Duties for cash disbursement> The requester of cash disbursement and the approver are segregated, and any cash disbursement that has not obtained the required approval cannot be processed or transferred through the bank system.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Daily cash inflow and outflow management> Bank transaction data is synchronized with the ERP system in real time, and the Treasury team manager performs a daily review and approval	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2

	to verify that the balances reported by each financial institution agree with the corresponding ERP balances.		other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Review of financing> The CEO and the Board of Directors review and approve the supporting documents related to the issuance of corporate bonds.	SK HYNIX Inc.	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc., in July 2025, November 2025 and January 2026)
	<Sales adjustment review> For sales adjustment, the Accounting team manager reviews and approves the appropriateness of the reasons in the supporting documents that have been authorized by the Sales team.	SK HYNIX Inc. and 3 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales, in July 2025, November 2025 and January 2026)
	<Review of Vendor Master creation and modification> The Treasury team manager reviews and approves requests for bank account creation and modification of Vendor Master by verifying that the key information provided in the request form agrees with the supporting documentation.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
Other Transaction Level Controls	**<Review of Customer Master creation and modification>** The Sales team manager reviews and approves Customer Master creation and modification requests by verifying that the key information provided in the request form agrees with the supporting documentation.	SK HYNIX Inc. and 3 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 1 other company, Finance team of SK hynix (Wuxi) Semiconductor Sales, in July 2025, November 2025 and January 2026)

	<Confirmation of inventory quantities through physical count> The Cost accounting team manager receives the report of the inventory physical count plan and result, reviews the appropriateness of the reasons for any differences between the counted quantities and the book quantities, and approves the corresponding inventory adjustments.	SK HYNIX Inc. and 4 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales and 1 other company, in July 2025, November 2025 and January 2026)
	<Restriction on inventory shipment for sales> The authority to create sales orders is segregated from the authority to inventory shipment, and sales orders can be generated only for customers that are registered in the Customer Master.	SK HYNIX Inc. and 3 other companies	As a result of the test, no material weaknesses were identified. (The Internal control management team of SK HYNIX Inc. and 2 other companies, Finance team of SK hynix (Wuxi) Semiconductor Sales, in July 2025, November 2025 and January 2026)

APPENDIX 4

ALCHIP INDEPENDENT AUDITORS' REPORTS

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110421 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110421, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Alchip Technologies, Limited

Opinion

We have audited the accompanying consolidated financial statements of Alchip Technologies, Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

Valuation of Inventory

The Group is mainly engaged in providing silicon design services, producing and selling customized chips. Due to the rapid upgrading of process technology in the semiconductor industry, products may suffer from value decline or obsolescence resulting from the shortening of the product life cycle. With respect to those value-declined or obsolete inventories, a loss reserve is provided in accordance with the Group's inventory impairment policy, furthermore, the inventory turnover, the demand for future orders, and the changes in the external industrial environment policies and regulations are taken into consideration by the management when determining the value of inventory. As such considerations involve the management's subjective judgments with uncertainties, the valuation of inventory is identified as a key audit matter.

As of December 31, 2025, the Group's inventory balance was NT$6,945,450 thousand (US$220,982 thousand), accounting for 12% of the total assets in the consolidated balance sheet. Refer to Notes 4, 5 and 11 to the consolidated financial statements for the relative accounting policy and information.

The main audit procedures that we performed in respect of the above area included the following, among others:

1. We obtained an understanding of the management's assessment process of inventory impairment or obsolescence.

2. We evaluated the reasonableness of the Group's inventory impairment policy on the basis of the Group's inventory turnover and actual obsolescence situation.

3. We obtained the inventory aging report and verified the accuracy and completeness of the report, as well as the correctness of the classification for each aging interval. Furthermore, we recalculated the provision of the impairment loss in accordance with the inventory impairment policy.

4. We performed a retrospective review of the prior year's inventory impairment or obsolescent losses estimated by the management, compared and analyzed them with the current year's estimations to evaluate the reasonableness of the assumptions and judgments made by the management.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Liang Liu and Li-Chun Chang.

Chien-Liang Liu Li-chun Chang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

APPENDIX 5

WINBOND INDEPENDENT AUDITORS' REPORTS

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110421 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110421, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Winbond Electronics Corporation

Opinion

We have audited the accompanying consolidated financial statements of Winbond Electronics Corporation (the "Company") and its subsidiaries (collectively referred as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Occurrence of Sales Revenue from Specific Series of Flash Memory Products

The sales revenue of Winbond Electronics Corporation and its subsidiaries is mainly derived from the sale of Customized Memory Solution products, Flash Memory products and Logic IC products. As the gross profit and the proportion of sales revenue from the specific series of Flash Memory products are higher than those of other product series, and given that the net income of the specific series is significant to the net income for the year ended December 31, 2025, we considered the occurrence of sales revenue from the specific series of products a key audit matter of the Company's consolidated financial statements for the year ended December 31, 2025.

The audit procedures that we have performed in response to the above-mentioned key audit matter included evaluating the design and implementation of internal controls of the specific series of Flash Memory products and testing their operating effectiveness. In addition, we have performed test of details of the specific series of Flash Memory products by selecting samples to examine customer orders, shipping documents, and payment records. We also assessed whether any significant subsequent returns of the specific series of Flash Memory products had occurred to verify the occurrence of revenue.

Other Matter

We have also audited the parent company only financial statements of Winbond Electronics Corporation as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuo-Tyan Hong and Wen-Yea Shyu.



Deloitte & Touche
Taipei, Taiwan
Republic of China

February 11, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

APPENDIX 6

KIOXIA INDEPENDENT AUDITORS' REPORTS

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Independent Auditor's Report

To the Board of Directors of Kioxia Holdings Corporation

THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Kioxia Holdings Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers Japan LLC
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, www.pwc.com/jp/assurance

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Evaluation of the reasonableness of the business plan in assessing goodwill impairment and recoverability of deferred tax assets (Notes 12 and 13 to the Consolidated Financial Statements)	
Key audit matter description	How our audit addressed the key audit matter
Goodwill of 395,256 million yen (14% of total assets) was recognized on the consolidated statement of financial position as of March 31, 2025, primarily in conjunction with the acquisition of the predecessor entity, Toshiba Memory Corporation, on June 1, 2018. Further, deferred tax assets of 319,163 million yen (11% of total assets) were recognized for the fiscal year. The related disclosures are in Note 12 and Note 13, respectively. The Company uses a management-approved five-year business plan as a basis in recognizing deferred tax assets and in determining the value in use for goodwill impairment testing. The business plan is primarily influenced by the shipment growth rate, the future average selling price, and the future cost reduction rates. These involve management's subjective judgements and are subject to uncertainty; therefore, it is necessary to carefully consider the reasonableness of future business plans. In addition, given the material nature of the balance of goodwill and deferred tax assets, we have determined that the assessments of the reasonableness of the business plan in the valuation of goodwill and deferred tax assets is a "Key Audit Matter" in our audit of the Company's consolidated financial statements for the current fiscal year.	In evaluating the reasonableness of the business plan in assessing goodwill impairment and deferred tax assets, we mainly performed the following audit procedures: ➢ Understood and evaluated the design and operating effectiveness of internal controls in regards to the determination and approvals of the business plan. ➢ Compared historical business plans to actual performance to assess the complexity and uncertainty of management's estimates. ➢ Compared the Company's results for the current period with those of competitors in the same industry to understand and evaluate market conditions. ➢ The following procedures were performed over the shipment growth rate, the future average selling price and the future cost reduction rates, included in the business plan: • Analyzed the shipment growth rate by comparing to forecast information from multiple external research companies and considered the Company's past market share performance. • Analyzed the future average selling price by comparing to forecast information from multiple external research companies and past actual selling price trends. • Analyzed the future cost reduction rates by comparing to historical cost reductions to assess reasonableness. • Performed procedures to ensure that the business plan reflects relevant capital investments necessary to achieve shipment growth rate and cost reductions. • Performed procedures to ensure the shipment growth rate, the future average selling price and the future cost reduction rates are consistent with each other and appropriate in light of current market conditions.

Evaluation of the reasonableness of the business plan in assessing goodwill impairment and recoverability of deferred tax assets (Notes 12 and 13 to the Consolidated Financial Statements)	
Key audit matter description	How our audit addressed the key audit matter
	➢ Reviewed the company's financial information after year-end, and noted no events that cast doubt on the feasibility of the business plan.

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be



expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FEE-RELATED INFORMATION

In connection with our audit of the consolidated financial statements for the year ended March 31, 2025, the amounts of fees for the audit and the other services charged to Kioxia Holdings Corporation and its controlled entities by PricewaterhouseCoopers Japan LLC and other PwC Network firms are ¥503 million and ¥86 million, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

澤山宏行

Hiroyuki Sawayama
Designated Engagement Partner
Certified Public Accountant

臼杵大樹

Taiju Usuki
Designated Engagement Partner
Certified Public Accountant

小川雅嗣

Masashi Ogawa
Designated Engagement Partner
Certified Public Accountant

PricewaterhouseCoopers Japan LLC
Tokyo, Japan

June 26, 2025

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Independent Auditor's Report

To the Board of Directors of Kioxia Holdings Corporation

THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Kioxia Holdings Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to audits of financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the Notes 34 subsequent events to the consolidated financial statements, which describes that on May 25, 2026, Kioxia Holdings Corporation repaid the remaining term loans under the Senior Facility Agreement with financial covenants concluded on July 17, 2025, and terminated the agreement.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers Japan LLC
Otemachi Park Building,
1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
Tel: +81 (3) 6212 6800 Fax: +81 (3) 6212 6801

www.pwc.com/jp

Goodwill Impairment Assessment (Notes to Consolidated Financial Statements, Note 12)	
Key audit matter description	How our audit addressed the key audit matter
Goodwill of 395,585 million yen (11% of total assets) was recognized on the consolidated statement of financial position as at March 31, 2026, primarily in conjunction with the acquisition of the predecessor entity, Toshiba Memory Corporation, on June 1, 2018. The related disclosures are in Note 12. The Company conducts a goodwill impairment test by using valuation experts based on the value in use, which is calculated by discounting estimated future cash flows to present value. The future cash flows are estimated based on the five-year business plan approved by management. The business plan is primarily influenced by the shipment growth rate, the future average selling price, and the future cost reduction rates, and these involve management's subjective judgements and are subject to uncertainty. In addition, since goodwill impairment assessment constitutes important information for users of the financial statements and the goodwill balance is materially significant, we have determined that the goodwill impairment assessment is a "Key Audit Matter" in our audit of the Company's consolidated financial statements for the current fiscal year.	In reviewing the goodwill impairment assessment, we mainly performed the following audit procedures: ➢ Understood internal controls in regards to the goodwill impairment test. ➢ Compared historical business plans to actual performance. ➢ The following procedures were performed over the shipment growth rate, the future average selling price and the future cost reduction rates, included in the business plan: • Analyzed the shipment growth rate by comparing to forecast information from multiple external research companies and considered the Company's past market share performance. • Analyzed the future average selling price by comparing to forecast information from multiple external research companies and past actual selling price trends. • Analyzed the future cost reduction rates by comparing to historical cost reductions to assess reasonableness. • Performed procedures to ensure the shipment growth rate, the future average selling price and the future cost reduction rates are consistent with each other and appropriate in light of current market conditions. ➢ Involving the experts in reviewing the discount rate. ➢ Evaluated that the disclosures comply with the requirements of IFRS Accounting Standards including IAS 36 "*Impairment of Assets*".

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FEE-RELATED INFORMATION

In connection with our audit of the consolidated financial statements for the year ended March 31, 2026, the amounts of fees for the audit and the other services charged to Kioxia Holdings Corporation and its controlled entities by PricewaterhouseCoopers Japan LLC and other PwC Network firms are ¥506 million and ¥69 million, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

澤山宏行

Hiroyuki Sawayama

Designated Engagement Partner
Certified Public Accountant

小川雅嗣

Masashi Ogawa

Designated Engagement Partner
Certified Public Accountant

PricewaterhouseCoopers Japan LLC
Tokyo, Japan

June 24, 2026