

## **Risk Disclaimer**

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### **No tax advice**

Tax levels, the tax status of the Services or Products, the taxation of investors and any tax reliefs may change from time to time. Any change in the taxation legislation in any jurisdiction where the Products are registered, cross-listed, marketed or invested could affect its tax status.

### **No offer**

The information of this Website is provided for information purposes only and is not an offer to sell or solicitation of an offer to buy the securities, or engage with the Services, as described on the website.

### **RISK FACTORS**

The Issuer considers the risks disclosed in this Disclaimer to be material risk factors, about which prospective ETI Security holders should be aware.

The ETI Securities will be solely debt obligations of the Issuer. The ETI Securities will not be obligations or responsibilities of the Arranger, any Authorised Participants, or the Agents (or any affiliate of any such company). The purchase of, or investment in, any ETI Securities involves substantial risks. Each prospective purchaser of, or investor in, ETI Securities should be familiar with instruments having characteristics similar to the ETI Securities and should fully understand the terms of the ETI Securities and the nature and extent of its exposure to risk of loss.

Before making an investment decision, prospective purchasers of, or investors in, ETI Securities should conduct such independent investigation and analysis regarding the Issuer, the ETI Securities, the Underlying Securities and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the ETI Securities. However, as part of such independent investigation and analysis, prospective purchasers of or investors in ETI Securities should consider carefully all the information set forth in the Base Prospectus and in the applicable Final Terms.

### **Suitability**

Investment in the ETI Securities is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in the relevant Base Prospectus and in the applicable Final Terms and the merits and risks of an investment in the ETI Securities in the context of the investor's own financial, tax and regulatory circumstances and investment objectives.

Investment in the ETI Securities (or a participation therein) is only suitable for investors who:

- (a) are capable of bearing the economic risk of an investment in the ETI Securities (or a participation therein) for an indefinite period of time; and
- (b) recognise that it may not be possible to make any transfer of the ETI Securities (or a participation therein) for a substantial period of time, if at all.

The applicable Final Terms in connection with a Series of ETI Securities may contain sections setting out, in relation to the relevant Series, certain suitability and other investment considerations and / or risk factors relating to such Series and particular attention is drawn to those sections.

Neither the Issuer nor the Arranger has any additional duties to investors that are acquiring an interest in the ETI Securities (or a participation therein) not for their own account for investment, but with a view to resell, distribute or otherwise dispose of such interest (subject to any applicable law requiring that the resale, distribution or other disposition of the investor's property be within its control). The Issuer or the Arranger or any Authorised Participant may, in their discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

### **No investment advice**

None of the Issuer or the Arranger or any Authorised Participant provide investment advice and therefore do not make any personal recommendations to investors or their representatives regarding investments in the ETI Securities. Potential investors are also advised to seek the advice of their bank or an independent financial and/or legal and/or tax advisor and/or any other professional advisor before making any investment decision and to observe any local sales restrictions.

### **Concurrence of risks**

The risks described may have a negative impact on the performance and liquidity of the ETI Securities. Please note that several risk factors may simultaneously affect the performance of the ETI Securities without any binding statement being made about their interaction. In addition, other currently unknown or unforeseeable risks may also have a negative impact on the value.

## **Issuer Risks**

The Issuer is a “special purpose company” and has been established for the sole purpose of issuing multiple Series of ETI Securities under the Programme and the hedging of its obligations arising pursuant to such issuances.

### **No Ringfencing of the assets of the Issuer**

The Issuer will incur obligations from time to time with respect to further Series of ETI Securities. There will be no ringfencing of the assets of the Issuer and all Series of ETI Securities will have recourse to a single pool of assets of the Issuer. Accordingly, investors in one Series of ETI Securities will be exposed to the risk of the Issuer defaulting under another Series of ETI Securities or otherwise being unable to discharge its obligations in respect of any other Series of ETI Securities. In the event that there is a shortfall in the assets of the Issuer such that it is unable to discharge its obligations in respect of the ETI Securities, such shortfall may be shared on a pro rata basis by all Series of ETI Securities.

### **Creditworthiness and solvency risk of the Issuer**

In the event of the Issuer’s insolvency, investors run the risk of suffering the total loss of their investment. Capital protection is not applicable in respect of the Issuer or an investment in the ETI Securities. Investors in ETI Securities should therefore review their respective financial circumstances to determine whether they are in a position to bear the risks of loss associated with an investment in the ETI Securities, in particular a total loss risk.

### **Nature of an investment in ETI Securities**

The ETI Securities are not principal protected and are a high-risk investment. The ETI Security holders are neither assured of repayment of the capital invested nor are they assured of payment of any return on such capital. Any payments to be made on the ETI Securities depend on the value of the relevant Underlying Securities to which they are linked; and any dividends or distributions to be made in respect of the Underlying Securities depend their respective contractual terms. Should the Underlying Securities decrease in value, ETI Security holders will incur a partial or total loss of their investment.

### **Ability of the Issuer to meet its obligations in respect of the ETI Securities**

Holders of the ETI Securities will be exposed to the risk that the Issuer will have insufficient assets to meet its obligations under the ETI Securities. While the return payable by the Issuer on a redemption of the ETI Securities of each Series will be linked to the performance of the Underlying Securities to which that Series is linked, there can be no assurance that the Issuer will have sufficient assets to pay this amount. The Issuer does not have substantial assets other than the proceeds of the ETI Securities and accordingly the ability of the Issuer to meet its obligations under the ETI Securities will depend upon the performance of any investments acquired by the Issuer with the proceeds of the ETI Securities. The Issuer has discretion as to how the proceeds of each Series of ETI Securities are used and if the Issuer was to invest in assets that did not perform as well as the Underlying Securities, it is likely that the Issuer would not have sufficient assets to discharge its obligations in respect of the ETI Securities. To mitigate this risk the Issuer is subject to an obligation to comply with a maximum Risk Capital Ratio which will limit the ability of the Issuer to invest in assets other than the Underlying Securities.

## **Limited recourse nature of the ETI Securities**

In respect of any claim against the Issuer in relation to the ETI Securities, the Series Parties (other than the Issuing and Principal Paying Agents) and the ETI Security holders shall have recourse only to the assets of the Issuer.

## **Liquidity**

Upon issuance of each Series of ETI Securities issued by the Issuer under the Programme, no secondary market for such Series will exist. Prospective purchasers of the ETI Securities should therefore recognise that they may not be able to make any transfer of the ETI Securities for a substantial period of time, if at all. Investment in the ETI Securities is therefore only suitable for investors who are capable of bearing the economic risk of an investment in the ETI Securities for extended periods.

## **Suspension of Redemptions**

The Issuer may suspend the right to request redemptions of ETI Securities at any time while the redemption of the Underlying Securities has been suspended by the Underlying Issuer. Unless terminated earlier by the Issuer in its sole and absolute discretion, such suspension shall continue until such time as the suspension of the Underlying Securities terminates.

## **Issuer call option**

The Issuer may at any time, in its sole and absolute discretion, elect to redeem all or some of the ETI Securities of a Series. In exercising such discretion, the Issuer will have no regard to the interests of the ETI Security holders, and ETI Security holders may receive less, or substantially less, than their initial investment.

## **ETI Security holders' resolutions**

The ETI Security holders may pass a resolution (whether at a ETI Security holders' meeting by way of vote or by written resolution) in respect of (among any other matters) amendments to the Conditions of the ETI Securities and / or any other agreements relating to the ETI Securities. The quorum requirements for the holding of ETI Security holders' meetings shall be 75% and the voting thresholds required to pass resolutions at such meetings (or through written resolutions) to pass a resolution other than an Extraordinary Resolution is a clear majority of the votes cast at the meeting. The voting threshold at any ETI Security holders' meeting in respect of an Extraordinary Resolution is at least 75 per cent. of the votes cast at the meeting (and, in the case of a written resolution, ETI Security holders holding 75 per cent of the aggregate number of ETI Securities outstanding who at such time are entitled to receive notice of a meeting). ETI Security holders should be aware that any resolution (including an Extraordinary Resolution) duly passed by ETI Security holders of a Series will bind all the ETI Security holders.

## **Tracking error**

While the amount which an ETI Security holders will be entitled to receive from the Issuer upon a redemption of its ETI Securities will be dependent upon the value of the relevant Underlying Securities, the amount received by an ETI Security holders may be less than they would have received had they invested directly in the relevant Underlying Securities. Such a difference in the

performance of the ETI Securities of a Series and the relevant Underlying Securities will arise due to the Margin factor which may be considered in the calculation of the Redemption Amount. Clearing Systems ETI Securities under the Programme must be held through Clearstream Banking AG, Frankfurt ("Clearstream") or Euroclear France SA ("Euroclear") or Euroclear Bank SA/NV ("Euroclear Bank") and investors will not be entitled to receive individual certificates and will be able to trade their beneficial interests only through Clearstream, Euroclear and/or Euroclear Bank. Holders of bearer ETI Securities have to rely on the procedures of Clearstream, Euroclear or Euroclear Bank for the transfer, payment and communication with the Issuer.

### **Not a bank deposit**

Any investment in the ETI Securities does not have the status of a bank deposit in Liechtenstein and is not within the scope of any deposit protection scheme. The Issuer is not regulated by the Liechtenstein Financial Market Authority by virtue of the issue of the ETI Securities.

### **Risks relating to the Underlying Securities**

The return payable by the Issuer in respect of the ETI Securities of each Series will be linked to the performance of Underlying Securities issued by an Underlying Issuer, and to the dividends or distributions in respect of the Underlying Securities and their respective contractual terms, which are specified as being applicable in the relevant Final Terms for that Series. Furthermore, the Issuer may in its discretion use the proceeds of the ETI Securities to purchase Underlying Securities to which a Series is linked. The value of such Underlying Securities may decrease and accordingly an investor in the ETI Securities may receive less than the amount initially invested or even zero.

### **No interest in the Underlying Securities**

For the avoidance of doubt, the ETI Securities issued under the Programme will not convey any interest in the Underlying Securities nor confer on the holders of such ETI Securities any right (whether in respect of voting, dividend or other distribution) which the holder of any of the Underlying Securities may have. The Issuer will not be an agent of the holders of the ETI Securities for any purpose.

### **Nature of an investment in the Underlying Securities**

The Underlying Securities are not principal protected. Any payments to be made on the Underlying Securities depend on the value of the related asset or the portfolio of assets maintained by the relevant Underlying Issuer, and any distribution in respect of the Underlying Securities depend on their respective contractual terms. Should the related asset or the portfolio of assets decrease in value, the value of the Underlying Securities will correspondingly decrease which could result in holders of the ETI Securities incurring a partial or total loss of their investment.

### **Risk of the Underlying Issuer**

By acquiring ETI Securities, investors will be exposed to the credit risk of the relevant Underlying Issuer specified in the Final Terms. The Issuer will similarly be exposed to the credit risk of the relevant Underlying Issuer if it directly acquires the Underlying Securities.

### **Provision of information**

None of the Series Parties (i) has provided or will provide prospective purchasers of ETI Securities with any information or advice with respect to the Underlying Securities, or (ii) makes any representation as to the quality of the Underlying Securities. The Series Parties may have acquired, or during the term of the ETI Securities may acquire, non-public information with respect to the Underlying Securities which will not be disclosed to investors. The timing and limited scope of the information provided to investors regarding the Underlying Securities may affect the liquidity of the ETI Securities and the ability to obtain valuations accordingly. None of the Series Parties is under any obligation to make such information, whether or not confidential, available to investors.

### **Regulatory risk**

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance 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 any such regulatory authority could have an adverse impact on the Issuer or the holders of ETI Securities. Prospective investors should note that because the Issuer and the ETI Securities will not be licensed, registered, authorised or otherwise approved by any regulatory or supervisory body or authority, many of the requirements attendant to such licensing, registration, authorisation or approval (which may be viewed as providing additional investor protection) will not apply.

### **Risks relating to Conflicts of Interest**

One (1) or more individuals may hold shares in and/or may be appointed to the board of directors (whether as executive or non-executive directors) of the Issuer, any Underlying Issuer, the Arranger, the Calculation Agent, any Authorised Participants, and/or the Corporate Services Provider. Such person may have an interest in securing maximum profits for the entities in which he holds shares or of which he is a director to the detriment of the Issuer and ETI Security holders. To manage this risk, the Altarius Group has a Conflicts of Interest Policy in place available upon request free of charge.

### **No restrictions on activities**

Any of the Series Parties and any affiliate of any of them or other person on their behalf may have existing or future business relationships (including depository, lending, advisory or any other kind of commercial or investment management activities or other business) with any of the other Series Parties and any affiliate of any of them or other person on their behalf and may purchase, sell or otherwise deal in any assets or obligations of, or relating to, any such party. Any of the Series Parties and any affiliate of any of them or other person on their behalf may act with respect to any such business, assets or obligations without regard to any possible consequences for the Issuer, the ETI Securities or any ETI Security holders (or the impact of any such dealing on the interests of any ETI Security holders) or otherwise.

### **Credit risk in respect of the Agents**

The ability of the Issuer to meet its obligations under the ETI Securities will be dependent upon the Issuing and Principal Paying Agents making the relevant payments when due. Accordingly, ETI Security holders are exposed, inter alia, to the creditworthiness of the Issuing and Principal Paying Agents.

## **Currency risk**

ETI Security holders may be exposed to currency risks, because (i) the Underlying Securities may be denominated in a currency other than the applicable currency of the ETI Securities; (ii) the ETI Securities are denominated in a currency other than that of the country in which the ETI Security holders is a resident; or (iii) the assets comprised in the portfolio to which the Underlying Securities are linked are denominated in a currency other than the applicable currency of the ETI Securities. The value of the ETI Securities may therefore increase or decrease, based on currency fluctuations.

## **Independent review and advice**

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

## **No reliance**

Other than the Issuer disclosing these risk factors, the Series Parties and all affiliates of any of them cannot and do not have any duty to advise purchasers of the ETI Securities of suitability and investment considerations for such purchasers associated with the purchase of the ETI Securities as they may exist at the date hereof or from time to time hereafter. Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment.

## **Liquidity**

ETI Securities issued by the Issuer under its Programme may be illiquid investments the purchase of which involves substantial risks. None of the Issuer or the Arranger or any Authorised Participant will undertake to make a market in the ETI Securities of any Series