

CryptoFranc Bond 2019-07
Terms and Prospectus
Bond Edition No. 9

v1.0 - June 15th, 2019



Swiss Crypto Tokens

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Overview

This document informs subscribers of the CryptoFranc Bond in accordance with article 1156 of the Swiss code of obligations and documents the terms of the bond.

The CryptoFranc Bond 2019-07 (XCHF 2019-07) is a **fixed term bond with automatic renewal / rollover clause** issued on the Ethereum blockchain by Swiss Crypto Tokens AG (SCT). One blockchain-based bond token is worth one Swiss Franc (CHF) at maturity, creating a 1:1 relationship between XCHF and CHF (1 XCHF = 1 CHF).

The main purpose of the CryptoFranc is to serve as a liquidity instrument for the Swiss crypto ecosystem. For example, a Bitcoin (BTC) trader could use it to temporarily transfer funds into CryptoFrancs or a Swiss startup could use it to raise funds in its accounting currency instead of using volatile crypto currencies. It is neither intended to be used as a long-term storage of Swiss Francs, nor to be used as a means of payment for everyday transactions.

The Bond has a term of one month. If the bondholder does not explicitly choose to redeem the bond at maturity, it converts into the subsequent CryptoFranc Bond 2019-08 (XCHF 2019-08) free of charge. In the rollover case, no action needs to be taken by the bond holders as the smart contract of the previous bond is reused with adjusted terms. The subsequent bond might again be exchanged under similar conditions, potentially creating a long chain of short-term bonds managed by the same smart contract. The terms of the subsequent bonds are announced early enough (typically about two weeks in advance) to allow the bond holder to reach an informed decision on whether he/she wishes to actively redeem or to passively convert his/her holdings into the subsequent bond. Such announcements are done on the website: www.swisscryptotokens.ch (where the prospectus is published) as well as on the blockchain by emitting an according event.

The interest rate of the CryptoFranc Bond 2019-07 is 0% p.a. Subsequent CryptoFranc Bond series might come with a negative interest rate set at the sole discretion of the issuer, within 1% below the Swiss National Banks (SNB) average rate on sight deposits. Such interests are applied by means of “melting”, which is a contractually agreed and automatically enforced, gradual destruction of a fraction of the bond that corresponds to the interest rate. SCT plans to keep the interest of at least the next three series of the bond at 0% p.a. Issuance and redemption are subject to a fee, set to 0.2% for XCHF 2019-07.

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Like other innovative financial products, the XCHF comes with various known and unknown risks. While it is designed to be much less risky than traditional crypto currencies such as Bitcoin or Ether, it is not risk-free. While SCT holds capital reserves to back the bond with real value and currently has equity worth CHF 1'000'000, it cannot be ruled out that these reserves deteriorate in value, leading to a bankruptcy of SCT and a subsequent loss for the bond holders. SCT will be audited by Grant Thornton Bank Audit Ltd., Zürich. SCT regularly publishes a report of its reserve holdings and changes therein, allowing bond holders to reassess the risks. For this issuance of the bond, the reserves will be fully held in cash only (physical bank notes in bunkers or book money in bank accounts).

Further information about the bond can be found on the websites of the issuer (www.swisscryptotokens.ch).

Summary of updates for XCHF 2019-07

Facts about CryptoFranc Bond 2019-06

- SCT issued 12'030'000 tokens on June 1st, 2019, which are currently in circulation
- Existing tokens rolled to subsequent bond without fee

Facts about updated CryptoFranc Bond 2019-07

- SCT plans to issue 12'030'000 bond units for the CryptoFranc Bond 2019-07 on July 1st
- If no tokens are redeemed until end of June 2019, a total of 12'030'000 tokens are expected to be in circulation in the following month. If tokens are redeemed, the actual number of tokens in circulation will be published in an updated prospectus and the website.
- Issuance & redemption fees: 0.2%
- No change to interest: 0.0%

The latest report on the cash and cash equivalent holdings by Grant Thornton Bank Audit Ltd. has been published on the website.

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Definitions

AML:	Anti-Money Laundering
Bond:	CryptoFranc Bond
BTC:	Cryptocurrency Bitcoin
BTCS:	Bitcoin Suisse AG
CHF:	Swiss Franc
EC:	End-Customer using token like XCHF
ETH:	Crypto Asset Ether on the Ethereum Blockchain
FINMA:	Swiss Financial Market Supervisory Authority
GAS:	Fuel to pay computation on Ethereum Blockchain paid in ETH[1]
ICO:	Initial Coin Offering
Investors:	Participants or End-Customer investing into XCHF
Issuer:	Swiss Crypto Tokens AG
KYC:	Know your Customer
Prospectus:	This document, describing the CryptoFranc Bond and its terms
SNB:	Swiss National Bank
SCT:	Swiss Crypto Tokens AG
SCT ID:	Swiss Crypto Tokens End-Customer ID Number
Website:	www.swisscryptotokens.ch
XCHF:	May refer to the current CryptoFranc Bond or also more generally to the whole series of CryptoFranc Bonds that will potentially be issued, depending on the context
XCHF 20YY-MM:	A specific CryptoFranc Bond, issued at the beginning of month MM and year 20YY. XCHF 2019-07 is described in this prospectus.

[1] https://kb.myetherwallet.com/gas/what-is-gas-ethereum.html

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Terms of the CryptoFranc Bond (XCHF 2019-07)

General: The CryptoFranc Bond 2019-07 (XCHF 2019-07) is a **fixed term bond with automatic renewal / rollover clause** in accordance with the Swiss Code of Obligations, with this prospect fulfilling the requirements of article 1156.[2] The Bond has a term of one month. If the bondholder does not explicitly choose to redeem the bond at maturity, it automatically converts into a subsequent CryptoFranc Bond 2019-08 free of charge. The token itself does not change.

Issuer: Swiss Crypto Tokens AG,
see section "Swiss Crypto Tokens AG (SCT)" for details

Currency: Swiss Franc (CHF)

Volume: 12'030'000 CHF

Denomination: 1 CHF, divisible up to 18 digits

Issuance Date: July 1st, 2019

Issuance Price: 1.00 CHF for 1.00 XCHF plus issuance fee

Participants: All Swiss residents can take part, subject to passing KYC / AML checks. Interested parties from other countries than Switzerland are requested to contact the issuer early enough to check whether they are eligible to participate.

Issuing: Eligible participants can contact SCT via website to request XCHF tokens. The subscription form and all required documents must be handed in at least 1 week before the issuance date. The funds must arrive with the issuer at least 2 days before the issuance date. The minimum subscription amount is CHF 50'000 plus Issuing Fee. The subscription of the bond is subject to passing KYC / AML checks.

Form: The bond is issued in the form of tokens on the Ethereum blockchain in a smart contract named "cryptofranc.eth", conforming to the ERC-20 standard. Legally, these tokens are designed to have similar properties as physical certificates, including de facto "good faith acquisition" and separation of "possession" and "ownership". The chosen legal setup is not without risk. See section "Legal Implementation" for further information.

2 Swiss Code of Obligations: https://www.admin.ch/opc/en/classified-compilation/19110009/index.html#id-ni104-ni113

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Token Classification: The CryptoFranc qualifies as an asset token according to the ICO guidelines published by FINMA.[3] It might also have some payment token characteristics, because it can be used as a means of payment, and will thus likely also qualify as a payment token. In other jurisdictions, the token might be classified differently.

Duration / Maturity: 1 month, with maturity date July 31st, 2019.

Redemption: The bond can be redeemed at maturity. The redemption form and all required documents must be handed in at least 1 week before maturity. The XCHF tokens must arrive with the issuer at least 2 days before maturity. A redemption fee of 0.2% or 100 CHF (whichever is higher) applies. The redemption of the bond is subject to passing KYC / AML checks.

Rollover / Conversion: If some bondholders do not choose to redeem their holdings on expiration, their holdings will automatically convert into the CryptoFranc Bond 2019-08 free of charge. The terms for bond XCHF 2019-08 are described in a separate prospectus, published on the website around July 15th, 2019. Along with the publication of the prospectus, SCT will call the "announceRollover" function in the smart contract, thereby setting in motion the automatic conversion at maturity. Note that SCT is not obliged to issue any other bonds after XCHF 2019-08. Whether SCT plans to do so will be announced in the prospectus of XCHF 2019-08. In case no subsequent bond is issued, all outstanding bonds must be redeemed under the terms of the most recently issued bond.

Interest rate: **0% per year for XCHF 2019-07**. Note that future series of the CryptoFranc Bond could have a negative interest rate applied by means of "melting", set at the sole discretion of the issuer. The intention for subsequent bonds is to have a cap of 0% p.a. and a floor within 1% below the average SNB rate on sight deposits.

Melting: The interest is gradually deducted in terms of the bond itself. When a negative interest is in effect, the balances of each address will continuously decline or "melt". Legally, "Melting" does not constitute a payment or any other form of transfer of value, but an agreed destruction of parts of the outstanding bond. Note that melting can be subject to rounding errors and other inaccuracies due using discrete time steps (e.g. days) or other numerical approximations. The relevant time stamps are those of the Ethereum system. See section "Technical Implementation" for details.

[3] https://www.finma.ch/en/news/2018/02/20180216-mm-ico-wegleitung/

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Trading: The XCHF is listed on crypto exchanges. Please refer to the list of exchanges on the website (https://www.swisscryptotokens.ch).

Fees: SCT charges an issuance and a redemption fee defined in section "Fees & Interest". **The issuance & redemption fees are set to 0.2%**. For transacting XCHF, the usual fees of the Ethereum Blockchain will apply (GAS). These should be expected to be somewhat higher than with plain ERC-20 tokens due to special features of the smart contract. See section "Technical Implementation" for further information.

Jurisdiction: Exclusive place of jurisdiction is Zug, Switzerland. The law applicable is Swiss law. Also, even though this document is written in English, it is written in the tradition of the Swiss legal system, where – unlike in other countries – the intent behind a legal document carries more weight than the literal interpretation.

Stamp duties: Issuance and redemption of XCHF 2019-07 are not taxed. Furthermore, the bond is exempt from other forms of stamp duties, as it is a money market instrument (Geldmarktpapier).

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Swiss Crypto Tokens AG (SCT)

Swiss Crypto Tokens AG (SCT) was founded in July 2018, with Bitcoin Suisse AG (BTCS) being its majority shareholder. SCT is registered in the Canton of Zug, Switzerland's "Crypto Valley". Its purpose is to provide comprehensive services related to the issuing of tokens, including the issuance of own such tokens. The CryptoFranc Bond as described in this prospectus is the first token issued by SCT.

The company is set up as a corporation (Aktiengesellschaft) under Swiss Law with a paid-in capital of CHF 1'000'000 (10'000 restricted registered shares with a nominal value of CHF 100 each) and is led by the CEO Armin Schmid. SCT has no participating certificates outstanding (Genussscheine) and there have never been any dividends distributed due to the recent foundation of the company. The Board of Director consists of Niklas Nikolajsen and Luzius Meisser, whereas Niklas Nikolajsen serves as Chairman.

SCT is a Member of the Swiss self-regulation organization (SRO) VQF since November 2018.

The Board of Directors (BOD) of SCT has decided on June 14th, 2019 to continue to issue the CryptoFranc Bond in general and the current XCHF 2019-07 specifically. The BOD will decide in July 2019, if subsequent CryptoFranc Bonds will be issued and under which conditions.

Website:	www.swisscryptotokens.ch
Address:	Grafenauweg 12, 6300 Zug, Switzerland
Phone:	+41 41 544 12 51
Email:	info@swisscryptotokens.ch
Registration:	CHE-130.888.331, see the commercial register of Zug (zg.chregister.ch) and Appendix A for further information.

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Financials

SCT was founded in July 2018, therefore no annual financial statement is available. The first annual audited financial statement will be published in 2020, based on the data of 2018 & 2019.

SCT is self-funded with a capital of CHF 1'000'000. The financials, based on the audited interim statement as of September 30th, 2018 can be found in "Appendix B". Apart from the CryptoFranc Bond, there is no outstanding debt.

Also, SCT commits to not issue any debt with a higher rank than the CryptoFranc Bond. Note that the shareholders of SCT (including the majority shareholder Bitcoin Suisse AG) are under no obligation whatsoever to support SCT in the case of financial distress.

Outsourcing Partner

SCT if free to work with outsourcing partners to render its services.

Currently, Bitcoin Suisse AG (BTCS, www.bitcoinsuisse.ch) serves as outsourcing partner for various services including KYC / AML process for existing and new customers. Bondholders agree, that BTCS can process their personal data and share them with SCT. BTCS is a licensed financial intermediary incorporated in Switzerland, operating under Swiss law and in accordance with Swiss AML regulations. BTCS is a member of VQF, officially recognized self-regulatory organization (SRO), in Zug, Switzerland.

Our storage partner Swiss Crypto Vault (www.swisscryptovault.ch) operates a proprietary hyper secure cold storage solution for institutional investors and HNWI applying highest standards of cryptographic, IT and physical security as well as multi-party segregation and multi-signing features.

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Signing up for and Redeeming XCHF tokens

Please contact SCT via website www.swisscryptotokens.ch to:

- Request to subscribe to XCHF tokens (Start Subscription Process)
- Request to return XCHF tokens (Start Redemption Process)

BTCS and SCT have an **agency agreement** in place, based on which BTCS acts as direct representative of SCT.

BTCS and SCT have an **outsourcing agreement** in place, based on which the Client Services of BTCS will perform the settlement of the XCHF transactions.

Subscription Process:

Based on the request received via website, SCT will exchange all needed information. The **Subscription Form** and all required documents must be handed in at least 1 week before the issuance date.

The funds in CHF must arrive with the issuer at least 2 days before the issuance date. The minimum subscription amount is CHF 50'000 plus Issuing Fee. The subscription of the bond is subject to passing KYC / AML checks.

The requestor, the End-Customer (EC) will receive an unique "Swiss Crypto Tokens End-Customer Identification Number" (SCT ID), which must be added to the fiat transaction to guarantee the ownership of the funds and to track the transfer.

The transaction of XCHF will be started with a test transaction to verify public Blockchain address of the EC, followed by the full amount.

An exemplary subscription process with information required can be seen in Appendix C. Updates may apply.

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Redemption Process:

The bond can be redeemed at maturity. Based on the request received via website, SCT will exchange all needed information.

The **Redemption Form** and all required documents must be handed in at least 1 week before maturity.

The **XCHF tokens** must arrive with the issuer at least 2 days before maturity. The redemption of the bond is subject to passing KYC / AML checks. A **Redemption Fee** applies.

The unique “Swiss Crypto Tokens End-Customer Identification Number” (SCT ID) will be added to the fiat transaction to guarantee the receiving owner.

An exemplary redemption process with information required can be seen in Appendix D. Updates may apply.

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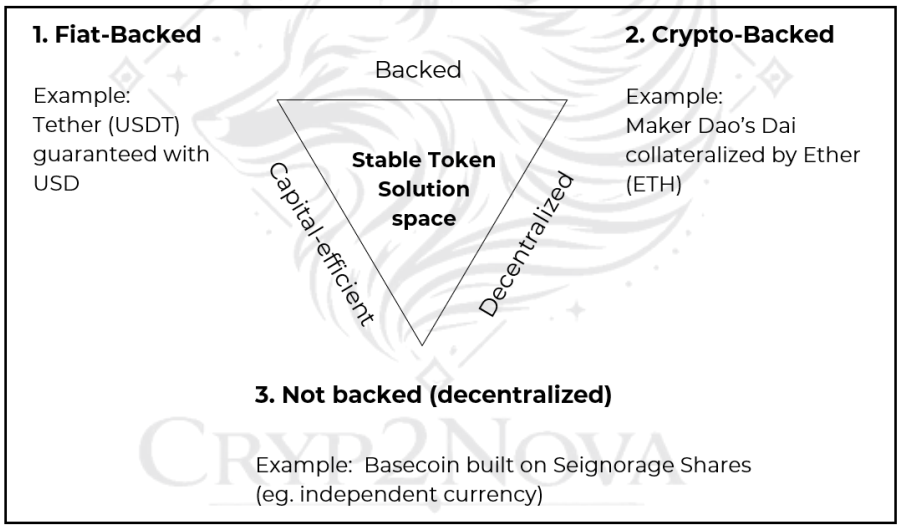
Economics

Cryptocurrencies like Bitcoin (BTC) or Ether (ETH) are very popular in the industry and gained a lot of attention also in the press for multiple reasons. One downside is the high volatility of those crypto currencies, which can fluctuate multiple percentages on a normal day.

In general, a useful currency should be a medium of exchange and a store of value. BTC and ETH are good as a medium of exchange, also accepted worldwide, but are subject to high volatility.

This is where stable tokens come in. Stable tokens (or stable coins) are price-stable crypto-currencies pegged to another stable asset, like the US Dollar (USD), Swiss Franc (CHF) or other crypto assets.

Figure 1: There are 3 basic types of stable tokens



Source: hackernoon.com

XCHF can be seen as a fiat backed stable coin. For further details, visit hackernoon.com or article published by John H. Cochrane (The Grumpy Economist) about Basecoin. The author is comparing the 3 options with its pros & cons. [4]

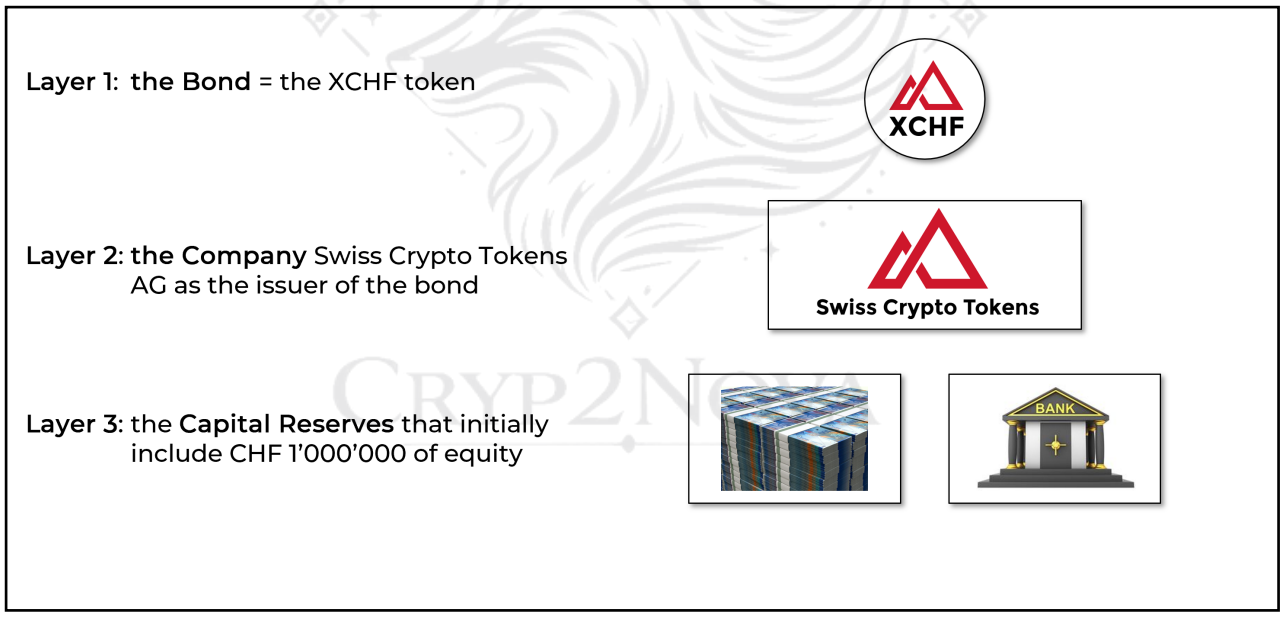
[4] https://johnhcochrane.blogspot.ch/2018/04/basecoin.html

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This prospectus is describing the setup at all levels and how they are linked between each other:

1. The **bond is the XCHF token** issued and transferrable on the Ethereum Blockchain based on the ERC-20 standard.
2. The **XCHF token** is issued **by Swiss Crypto Tokens AG** (SCT). As long as SCT stays solvent, each token is worth 1 CHF and will be paid out at maturity.
3. Swiss Crypto Tokens holds all **capital reserves of the 12'030'000 issued XCHF tokens**, 1:1 in Swiss Francs (CHF) plus CHF 1m of company equity.
   Generally, Swiss Crypto Tokens is free to deploy the **capital reserves** in any way it deems reasonable, including investing them. The reserves are held in cash or bank accounts. The structure of the reserves and notable changes in that structure are published on the website.

Figure 2: 3 Layer Setup



Source: Swiss Crypto Tokens AG

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Fees & Interest

All fees & the interest for subsequent CryptoFranc Bonds are subject to change. Any adjustments are published early in advance on website www.swisscryptotokens.ch. All owners of XCHF tokens can return the XCHF token via SCT, if future fees or the interest are not according to their expectations. Redemption Fees for returning XCHF tokens will apply.

Issuing Fee of the Swiss Franc Bond

This fee applies for the first time only to buy XCHF tokens from SCT (Subscription). This is to finance the cost of Issuing the XCHF token, to deploy it on the Ethereum Blockchain and to store the fiat funds in CHF.

Value of Issuing Fee of XCHF 2019-07: **0.2%**

Redemption Fee of the Swiss Franc Bond

This fee applies for selling the XCHF tokens back to SCT. This is to finance the cost of Redeeming the XCHF token, to remove it from the Ethereum blockchain and to pay out the fiat fund in CHF.

Value of Redemption Fee of XCHF 2019-07: **0.2% or 100 CHF** (whichever is higher) applies

The Interest of the Swiss Franc Bond

The **interest rate of the CryptoFranc Bond 2019-07 is 0% p.a.**
Subsequent CryptoFranc Bond series might come with a negative interest rate set at the sole discretion of the issuer. The intention is to have a **cap of 0% p.a** and a **floor as low as 1% below the SNB rate on sight deposits**.[5]

Such interests are applied by means of "melting", which is a contractually agreed and automatically enforced, gradual destruction of a fraction of the bond that corresponds to the interest rate.

For transacting XCHF tokens, the usual fees of the Ethereum Blockchain will apply. These should be expected to be somewhat higher than with plain ERC-20 tokens due to special features of the smart contract. See section "Technical Implementation" for further information.

[5] https://www.snb.ch/en/iabout/stat/statrep/id/current_interest_exchange_rates#t2

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Legal Implementation

The XCHF token is designed to have similar legal properties as physical bond certificates. However, due to the novelty of blockchain-backed securities, there is no proven legal way, yet, of attaining these properties.

In particular, **four properties are essential**:

1. **Uncertificated securities:** The bond qualifies as uncertificated security in the sense of Art. 973c Swiss Code of Obligations. The book of the uncertificated securities is kept on the blockchain by Swiss Crypto Tokens AG. The book of uncertificated securities contains information about the number and denomination as well as the holders of the uncertificated securities, whereas the holders are not identified by their names, but by their Ethereum addresses. The existence, the scope and content of the related rights exist only to the extent they are entered into the book of uncertificated securities. The book is updated as holders transfer their tokens through according transactions. The initial distribution, as well as all transfers can be retraced by replaying the relevant transactions archived in the blockchain.
2. **Indivisible unity between bond and token:** It must neither be possible to transfer the token without transferring the bond nor to transfer the bond without transferring the token. The latter is ruled out by disallowing the transfer by cession (Abtretung), which we hereby do. Thus, the only way to legally transfer the bond is through a transfer agreement (Übertragungsvereinbarung), which is a form of transfer that requires the consent of the issuer. SCT hereby explicitly agrees with all transfers of the bond that follow the transfer of the token. Furthermore, by taking part in this system, you implicitly agree that each transfer of the token constitutes a transfer of the bond.[6] As expected and usual with cryptocurrencies, the transfer of a token / bond is considered “abstract” and not “causal”. This means, for example, that even an accidental transfer of the token constitutes a transfer of the bond along with it. Thus, if you accidentally transfer a token or if a token is stolen, you need to take the appropriate legal actions to get it back.

6 Hans Caspar von der Crone, Franz J. Kessler, Luca Angstmann, Token in der Blockchain – privatrechtliche Aspekte der Distributed Ledger Technologie, SJZ 114/2018 S. 337

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3. **Good-faith acquisition:** When buying physical goods in good faith, the buyer becomes the rightful owner even if it later turns out that they were stolen. This should also apply to tokens. For example, when SCT repays a bond in good faith, it is freed from all obligations associated with that bond. If it later turns out that the redeemed tokens were stolen, only the thief and not SCT is liable for the associated losses. The same principle applies to all other buyers of the token / bond.
4. **Separation from the bankruptcy-estate:** when a physical bond certificate is stored with a third party and that third party goes bankrupt, it does not fall into the bankruptcy estate and it is returned to the rightful owner. Under Swiss law, the same applies to Bitcoin and other cryptographic tokens, as long as the tokens are cleanly segregated and the contract between the depositor and the third party makes it clear that the ownership remains with the depositor.[7]

In case of legal uncertainty, we will always adhere to the interpretation of the law that treats the bond tokens the most similar to how physical bond certificates are treated.

For example, the case of a theft of the token is treated similar to the theft of a physical certificate. The theft of a physical certificate transfers possession from the rightful owner to the thief, but it does not transfer ownership. This enables the owner to take legal action to get the certificate back. However, if someone buys the certificate from the thief in good faith (i.e. without reason to be suspicious), the buyer becomes the new rightful owner. In such a case, the original owner cannot demand the certificate back any more, but he can still demand damages from the thief.

Note that while we are confident that this legal setup is in line with Swiss law, it is novel and not proven in court. Thus, there is a certain risk that a court would interpret the relevant sections of the law differently than we do.

7 Christian Meisser / Luzius Meisser / Ronald Kogens, Verfügungsmacht und Verfügungsrecht an Bitcoins im Konkurs, in: Jusletter IT 24. Mai 2018

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Technical Implementation

The XCHF token is issued on the Ethereum blockchain and adheres to the ERC-20 standard.[8]

The smart contract is named “cryptofranc.eth” in the Ethereum name system. Its current state – including individual balances and the total supply - and its source code can be inspected with the usual tools, most notably etherscan.[9] All wallets that support ERC-20 tokens can be used to hold and transact with the token.

In fact, the smart contract is split into two smart contracts, the main cryptofranc.eth contract and a second smart contract that specifies the current terms, in particular the interest rate. Whenever the bond is rolled over into the subsequent vintage, the term contract is replaced with a pre-announced new terms contract containing the latest terms. That way, the terms can only be changed in a predictable manner and the smart contract at cryptofranc.eth can be reused for subsequent vintages of the bond.

Any transactions performed on the Ethereum Blockchain are subject to the usual transaction fees of the Ethereum network. However, due to having additional features, the transaction fees associated with the transfer of CryptoFrancs should be expected to be somewhat higher than those of plain ERC-20 token. When melting is enabled, the transaction fee can be a multiple of what can be usually expected from ERC-20 standard tokens.

In order to avoid dust (accounts with negligible remaining balances), transfers of amounts that leave less than 0.01 XCHF on the sender address are increased to include the full amount residing on that sender address. E.g. when sending 7.5 XCHF from an address containing 7.507 XCHF, the whole balance will be transferred, so no dust is left behind on the sending address.

The smart contract has been audited, analyzed under different aspects, with a variety of tools for automated security analysis of Ethereum smart contracts by Chain Security AG (www. chainsecurity.com). They found no critical issues and their recommendations have been successfully mitigated before deployment of the smart contract.

The summary report is available for download on the website www.swisscryptotokens.ch

8 https://github.com/ethereum/EIPs/blob/master/EIPS/eip-20.md

9 https://etherscan.io/enslookup?q=cryptofranc.eth

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Closing Statement

This prospectus for the current CryptoFranc Bond was done with highest care to content and details.

The terms of the subsequent bonds are announced on: www.swisscryptotokens.ch, where an updated version of the prospectus is available.

Zug, June 15th, 2019

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Risk Factors related to CryptoFranc Bond

General statement about risk factors

Before investing in the Bond, prospective Investors should carefully consider risk factors associated with any investment in the Bond, the business of the Issuer and the industry(ies) in which it operates together with all information contained in this Prospectus. Prospective Investors should consider especially, but not only, the risks described below. Words and expressions defined in the "Terms of CryptoFranc Bond" or elsewhere in this Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which Investors may face when investing in the Bond and should therefore be used as guidance only. Additional risks and uncertainties relating to the Bond, the business of the Issuer and the industry(ies) in which it operates that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and / or financial position of the Issuer and, if any such risk should occur, the price of the Bond may decline and Investors could lose all or part of their investment. Mother or sister companies of SCT have no obligation to help SCT in case of a bankruptcy.

Prospective Investors should also consider carefully whether an investment in the Bond is suitable considering the information contained in this Prospectus with regard to their personal circumstances.

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Risks related to business operations

Are risks related to a failure of the Issuer to comply with applicable law, rules and regulations or a change in law, rules or regulations regardless of the nature of the issuing authority. The most significant areas of legislation and regulation for the Issuer refer especially, but not only, to the financial market, securities, and personal data protection.

Political risks

The authorities of countries where the Issuer operates may take political decisions or put in place administrative or bureaucratic provisions that may make it difficult, expensive or

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impossible for the Issuer to continue its operation. The Issuer predominantly operates in countries where political risk is currently considered acceptable, nevertheless it remains possible that political decisions or administrative or bureaucratic provisions could have an adverse effect on the Issuer's business, its operational results, financial condition and the general performance of the Issuer.

Risks related to the prohibition of distribution and dissemination in restricted jurisdictions

The distribution or dissemination of the Bond or any part thereof may be prohibited or restricted by the laws, rules and regulations of any jurisdiction. In case any restriction applies, each Investor is responsible to inform themselves about, and to observe, any restriction which is applicable to the Investor's possession of the Bond or any part thereof (as the case may be) at its own expenses and without liability to the Issuer. Persons to whom a copy of this Prospectus has been distributed or disseminated, provided access to or who otherwise have this Prospectus in their possession shall neither circulate it to any other persons, reproduce or otherwise distribute this Prospectus or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

"Security" under U.S. Federal Securities Laws and EU Prospectus Regulation

The Issuer does not assess the bond towards US or EU law. Resale of the bond happens at the sole risk of the seller.

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Risks related to intellectual property rights

The success of the Issuer's business is, among other things, dependent on the Issuer being able to protect its intellectual property rights, including, but not limited to, confidential information and trade secrets. There can however be no assurance that the Issuer will be able to protect its patents or other intellectual property rights from infringement in the future. In addition, there is the risk that the Issuer may unknowingly infringe other companies' intellectual property rights. Failure to protect the intellectual property rights of the Issuer and the consequences of the Issuer's unknowing infringement of the intellectual property rights of third parties could have an adverse effect on the Issuer's business, opera-

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tional results, financial condition and the general performance of the Issuer.

Risks related to sensitive information

The Issuer's operations rely on confidential, strategic and other sensitive information and there is a risk that such information relating to the Issuer may be revealed to unauthorized persons. If this were to occur, it could have a negative impact on the Issuer's business, operational results, financial condition and the general performance of the Issuer.

Risks related to reputation

The Issuer's reputation is important for its ability to market its services and to secure new customers. The Issuer's success is largely attributable to its reputation as a leading and reliable provider of a broad range of products and services. Although the Issuer closely monitors the quality of its services, there can be no assurances that the Issuer will be able to protect its business against damages to its reputation especially, but not only, vis-à-vis customers, potential customers. Failure to protect and build the Issuer's reputation or brand could have an adverse effect on the Issuer's business, operational results, financial condition and the general performance of the Issuer.

Risks related to catastrophic events, disasters and business interruption

The Issuer's operations could be negatively affected in several ways by various catastrophic events and disasters including terrorist acts, acts of war, armed conflicts, widespread outbreaks of infectious disease, major natural disasters (such as earthquakes, hurricanes, tornados, flooding), and other events (such as power loss, loss of water supply, internet and telecommunications failures, cyber-crimes, fire and chemical biological release). Any of these events could also result in increased volatility in or damage to the Swiss, the European and worldwide financial markets and economy.

The occurrence of catastrophic events, disasters which, among other things, could cause business interruption, could have an adverse effect on the Issuer's business, operational results and financial condition and the general performance of the Issuer.

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Information Technology (IT) risks

The Issuer is dependent on a limited number of strategic partners for its IT-systems. As with all large systems, the Issuer's information systems may be vulnerable to a variety of interruptions, including, but not limited to, those caused by natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers, data theft, espionage and other security issues and cyber-crimes. In addition, IT-system failures could adversely affect the Issuer's ability to produce or deliver on time. Such IT-system related operational disruption or security failures therefore expose the Issuer to a significant level of operational, reputational and financial loss risk, which could have a negative impact on the Issuer's business, operational results, financial condition and the general performance of the Issuer. This includes any failure or delays caused by the Ethereum Blockchain and its functionality.

Risks related to Hard Forks

A fork happens when a blockchain is irrecoverably split into two separate blockchains that have a common past. For Ethereum, this has happened when "Ethereum Classic" and "Ethereum" split. In such cases, issuers of security tokens must specify which of the two chains is the binding one and there may be confusion about who owns which tokens, in particular, when the software and services used to interact with the blockchain follow the "wrong" chain. Forks pose extraordinary risks and Issuer recommends refraining from transacting with the blockchain while a fork is in progress.

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Insurance risks

The Issuer may incur costs due to inadequate insurance cover especially, but not only, in relation to property, business interruption, liability (including prospectus liability), transportation, life and pensions. There can be no assurances that the Issuer in the future will be able to maintain adequate insurance coverage at acceptable terms. Furthermore, there can be no assurance that the insurance coverage obtained will always prove to be sufficient. In addition, there is generally no or limited insurance coverage for certain risks such as war, strike, terrorism, explosions and consequential loss liability. If the level of insurance coverage is not sufficient in relation to a significant claim or loss then this could have a negative impact on the Issuer's business, operational results, financial condition and the general

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performance of the Issuer.

Risks related to unethical conduct by employees

The ethical behavior of companies and their employees is increasingly becoming a focus of attention, with stricter laws and possible sanctions being introduced worldwide in areas such as anti-corruption, personal data protection law and anti-trust law. Unethical or illegal conduct or failure to comply with internal compliance policies by the Issuer's employees could cause considerable damage to the Issuer's reputation and result in substantial financial sanctions which could have a negative impact on the Issuer's business, operational results, financial condition and the general performance of the Issuer.

Risks related to human capital

The success of the Issuer's business is dependent on the Issuer's abilities to retain the competence of its key employees and attract talented employees. There are, however, no guarantees that the Issuer will be able to retain its key employees or attract new talent with adequate expertise in the future. Any inability to attract or retain skilled employees could have a negative impact on the Issuer's business, operational results, financial condition and the general performance of the Issuer.

Risks related to financial instruments

The Issuer may from time to time use several financial instruments, especially, but not only, cash and bank deposits, trade receivables, bank loans, trade payables and a limited number of derivative instruments. Derivatives will be used primarily to hedge currency rates or interest rates. The Issuer's holdings of financial instruments are a factor in the Issuer's exposure to cash flow risk, currency risk, interest risk, liquidity risk, refinancing risk, counterparty risk and market risk.

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Cash flow risk: The risk that the Issuer's available cash will not be sufficient to meet its financial obligations.

Currency risk: The risk that arises from the change in price of one currency in relation to another.

Interest risk: Changes in interest rates affect the net financial position of the Issuer and how the value of financial instruments varies due to changes in market interest rates.

Liquidity risk: The risk that stems from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.

Refinancing risk: The risk that the Issuer is unable to replace an existing loan with a new one at a critical time.

Counterparty risk: The risk to each party of a contract that the counterparty will not live up to its contractual obligations.

Market risk: The risk of an Investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved.

Legal risks:

Laws and regulations

There can be no assurance that there will not occur in the future – or have not occurred in the past - any inadvertent or accidental breach of international or local laws or regulations by the Issuer. Furthermore, changes in laws or regulations, including but not limited to those concerning regulatory requirements, taxes or trade barriers, could have a negative impact on the Issuer's business, operational results, financial condition and the general performance of the Issuer.

Risks related to competition law and litigation

The Issuer is subject to competition laws and regulations at national and supranational level. In general, these laws are designed to preserve free and open competition in the marketplace to enhance competitiveness and economic efficiency.

There can be no assurance that the Issuer will not become subject to investigations and

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proceedings by national and supranational competition and antitrust authorities, as well as claims from private third parties, for alleged infringements of competition or antitrust laws in the future. The Issuer may also incur costs for the management of litigation, including, but not limited to, costs in connection with settlements or imposed penalties. Such investigation claims and costs could have an adverse effect on the Issuer's business, operational results, financial condition and the general performance of the Issuer.

Risks related to the Bond

Security

There is no guarantee that the proceeds arising out of a hypothetical bankruptcy are available for distributions in accordance with the order of priority will be enough to pay all amounts due to Investors in respect of the Bond.

There is no active trading market for the Bond

The Bond issued under the Prospectus will be a new security which may not be widely distributed and for which there is currently no active trading market. If the Bond is traded after its initial issuance, it may be traded at a lower price than its offering price, depending on prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for the Bond. The Bond is unlisted, and the transferability of the Bond is limited.

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The Bond may be redeemed prior to maturity

In the event that the Issuer should be obliged to increase the amounts payable in respect of the Bond due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Swiss government or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with the Terms of the Bond.

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The Bond may not be a suitable investment for all Investors

Some Bonds are complex financial instruments. Sophisticated institutional Investors generally do not purchase complex financial instruments as stand-alone investments. They rather purchase complex financial instruments in order to reduce risks or enhance yield with an understood, measured, appropriate addition of risks to their overall portfolios. A potential Investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential Investor's overall investment portfolio.

Each potential Investor in any Bond must determine the suitability of the investment considering its own personal circumstances. In particular, each potential Investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bond, the merits and risks of investing in the relevant Bond and the information contained or incorporated by reference in the Prospectus or any applicable supplement;

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

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bond, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's currency;

(iv) understand thoroughly the terms of the relevant Bond and be familiar with the behavior of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than prices for conventional

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interest-bearing securities do. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Change of law

The conditions of the Bond are based on Swiss law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice or the applications thereof after the date of this Prospectus.

The Issuer's obligations under the Bonds

The Issuer's obligations under the Bond shall rank *pari passu* and without preference among themselves. However, as secured obligations, the Bond will, on winding-up or liquidation of the Issuer, rank senior in priority to any unsecured obligations of the Issuer. In case the Issuer is insolvent an Investor may lose all or some of his or her investment.

The Bond may not be widely adopted and may have limited Investors

It is possible that the Bond will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed ecosystems (as developed by the Issuer) more generally. Such a lack of use or interest could negatively impact the Issuer and the utility of the Bond.

Investors may lack information for monitoring their holdings

The Investors may not be able to obtain all information it wants regarding the Issuer and the Bond in time or at all. It is possible that the Investors may not become aware in time about changes that have occurred with respect to the bond itself or the Issuer. Even if the Issuer made efforts to use open-source software solutions, this information may be highly technical by nature. As a result of these difficulties, as well as of other uncertainties, the Investors may not have accurate or accessible information about the Bond or the Issuer.

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The Bond has no history

The Bond will be a newly formed token and has no history. Each Bond should be evaluated considering that the Issuer or any third party's assessment of the prospects of the protocol of the Bonds may not prove accurate, and that the Issuer may not achieve its business objective.

Risks related to the Issuer

The acquisition of the Bond may involve a high degree of risk.

Financial and operating risks confronting startups are significant. The startup market in which the Issuer competes is highly competitive and the percentage of companies that survive and prosper is small. Startups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved. In addition, startups may require substantial amounts of financing, which may not be available through private placements, public markets or otherwise.

Risks related to dissolution

It is possible that, due to any reason, including, but not limited to, an unfavorable fluctuation in the value of cryptographic currencies, the inability by the Issuer to establish the Bond's utility, the failure of commercial relationships, or intellectual property ownership challenges, the Issuer may no longer be viable to operate, and the Issuer may dissolve or take actions that result in a dissolution.

Malicious cyberattacks or exploitable flaws

The Issuer's structural foundation, the software application and other interfaces or applications built upon the Bond and its services are still at an early development stage and are unproven, and there are no assurances that the Bond and the creation, transfer or storage of the Bond will be uninterrupted or fully secure, which may result in a complete loss of the Investors or an unwillingness of users to access, adopt, utilize and build upon the Bond or its protocol. Further, the Issuer may also be the target of malicious attacks seeking to

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identify and exploit weaknesses in the software or the Issuer, which may result in the loss or theft of the Bond. For example, if the Issuer is subject to unknown and known security attacks (such as double-spend attacks, 51% attacks, or other malicious attacks), this may materially and adversely affect the Issuer. In any such event, if the launching of the Bond is not widely adopted, the Bond would have no utility.

Conflict of Interest

There may be occasions when certain individuals involved in the development of the Bond encounter potential conflicts of interest in connection with the sale of the Bond, and that therefore said individual may avoid a loss, or even realize a gain, while other Investors are suffering losses. Investors may also have conflicting tax, and other interests related to the Bond, which may arise from the terms of the Bond, the timing of the launch of the Bond, or other factors. Decisions made by the key employees of the Issuer on such matters may be more beneficial for some Investors than for others.

If the Issuer is unable to satisfy data protection, security, privacy, and other government-and industry-specific requirements, its growth could be harmed.

There are several data protection, security, privacy and other government- and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm the Issuer's reputation, erode user confidence in the effectiveness of its security measures negatively impact its ability to attract new users, or cause existing users to stop using the Bond.

Further development and acceptance of blockchain networks

The growth of the blockchain industry in general, as well as the blockchain networks on which the Issuer will rely and with which it will interact, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth in the adoption and use of ETH, and other blockchain technologies;

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- Government and quasi-government regulation of ETH, and other blockchain assets and their use, or restrictions on or regulation of access to and operation of block-chain networks or similar systems;
- The maintenance and development of the open-source software protocol of the ETH networks;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks; or
- General economic conditions and the regulatory environment relating to cryptocur-rencies.

A decline in the popularity or acceptance of ETH or other blockchain-based tokens would adversely affect the Issuer's results of operations.

The slowing or stopping of the development, general acceptance and adoption and us-age of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the Bond.

The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect the Issuer's business.

The prices of blockchain assets such as ETH have historically been subject to dramatic fluctuations and are highly volatile. Several factors may influence the utility of the Bond, including, but not limited to:

- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like crypto-currencies as payment for goods and services, the security of online blockchain asset exchanges and digital wallets that hold blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restric-tions on their use;
- Investors' expectations with respect to the rate of inflation;
- Changes in the software, software requirements or hardware requirements underly-

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ing the protocol of the Bond;

- Changes in the rights, obligations, incentives, or rewards for the various participants in the protocol of the Bond;
- Interest rates;
- Currency exchange rates, including the rates at which digital assets may be exchanged for fiat currencies;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets such as the Bond;
- The maintenance and development of the open-source software protocol of the Bonds; or global or regional political, economic or financial events and situations.

A decrease in the price of a single blockchain assets may cause volatility in the entire blockchain asset industry and may affect other blockchain assets, including the Bond. For example, a security breach that affects the Bond Investor's confidence in ETH may affect the industry as a whole and may also cause the utility of the Bond and other blockchain assets to be uncertain.

Loss of private key and risks associated with the wallet

The Bond can only be accessed by using an Ethereum wallet with a combination of the Investor's account information and private key or password. The Bond can be lost or stolen if the private key or password gets lost or stolen. The Issuer and any of its employees, bodies, or contractors are not responsible for the wallet to which the Bond is transferred to and they are not responsible for the access and security of a wallet, for any security breach, any loss resulting from a service wallet provider, including any termination of service by the wallet provider and/or bankruptcy of the wallet provider. Anyone investing in the Bond confirms that they understand the working of a wallet and the related risks.

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Lack of consensus of miners

The network of miners is ultimately in control of the Issuer and there is no warranty or assurance that the network of miners will allocate the Bond to the Investor as proposed by any terms. The network of miners could agree at any time to make changes to the Bond and to run a new version of the smart contract. A group of people may take the software and modify it in order to accept a different set of tokens, or no tokens at all, and therefore might devalue the Bond.

Risks related to the security

Lack of enforceability and validity of the security

Although the Issuer shows its best effort in order to enter into a valid and enforceable pledge that secures the Bond, the Issuer does not guarantee that such pledge is actually valid and enforceable.

Risks related to blockchain technologies and digital assets

The regulatory regime governing the blockchain technologies

Regulation of tokens (such as the Bond) and token offerings (such as the offering of the Bond), cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Bond and the adoption and utility of the Bond. Failure by the Issuer or certain Investors of the Bond to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

Blockchain networks also face an uncertain regulatory landscape in many non-U.S. jurisdictions such as the European Union, China and Russia. Various non-U.S. jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Issuer. Such laws, regulations or directives may conflict with those of the U.S. or may directly and negatively

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impact the Issuer's business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the Issuer and the adoption and utility of Bond.

New or changing laws and regulations or interpretations of existing laws and regulations, in the U.S. and other jurisdictions, may materially and adversely impact the value of the ETH virtual currency used to acquire the Bond and otherwise materially and adversely affect the structure of the Bond and the rights of the Investors of Bonds.

FATCA

FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate Investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate Investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate Investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Bond are discharged once it has paid the common depositary or common safe-keeper for the ICSDs (as bearer / registered holder of the Bond) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

Risks related to the market generally

The secondary market generally

The Bond may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, Investors may not be able to

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sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of Investors. These types of Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Bonds.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulator.

Cautionary note on Forward Looking Statements

These risk disclaimers in this Prospectus may contain forward-looking statements including, but not limited to, statements as to future operating results and plans that involve risks and uncertainties. The words such as “expects”, “anticipates”, “believes”, “estimates”, the negative of these terms and similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Bonds to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

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Appendix A: SCT Trade Register Confirmation

Swiss Crypto Tokens AG was founded in July 2018 and registered in Zug, Switzerland. The authorized managers are published below.

Kanton Zug

Handelsregisteramt des Kantons Zug

Firmennummer	Rechtsnatur	Eintragung	Löschung	Übertrag CH-170.3.042.656-1 von: auf:	1
CHE-130.888.331	**Aktiengesellschaft**	25.07.2018			

Alle Eintragungen

Ei	Lö	Firma	Ref	Sitz
1		**Swiss Crypto Tokens AG**	1	Zug
1		(Swiss Crypto Tokens SA) (Swiss Crypto Tokens Inc.) (Swiss Crypto Tokens Ltd.)		

Ei	Lö	Aktienkapital (CHF)	Liberierung (CHF)	Aktien-Stückelung
1	3	~~500'000.00~~	~~500'000.00~~	~~5'000 vinkulierte Namenaktien zu CHF 100.00~~
3		1'000'000.00	1'000'000.00	10'000 vinkulierte Namenaktien zu CHF 100.00

Ei	Lö	Domiziladresse
1		Grafenauweg 12 6300 Zug

Ei	Lö	Zweck
1		Erbringung von umfassenden Dienstleistungen aller Art, insbesondere im Zusammenhang mit der Herausgabe von Crypto-Tokens; vollständige Zweckumschreibung gemäss Statuten

Ei	Lö	weitere Adressen

Ei	Lö	Bemerkungen	Ref	Statutendatum
1		Die Übertragbarkeit der Namenaktien ist nach Massgabe der Statuten beschränkt.	1	18.07.2018
1		Mitteilungen an die Aktionäre erfolgen durch Brief, E-Mail oder Telefax an die im Aktienbuch verzeichneten Adressen.	3	25.10.2018
1	2	~~Mit Erklärung vom 18.07.2018 wurde auf die eingeschränkte Revision verzichtet.~~		
3		Ordentliche Kapitalerhöhung		

Ei	Lö	Besondere Tatbestände	Ref	Publikationsorgan
			1	SHAB

Zei	Ref	TR-Nr	TR-Datum	SHAB	SHAB-Dat.	Seite / Id
	1	10854	25.07.2018	145	30.07.2018	4388077
	2	13383	19.09.2018	184	24.09.2018	1004461123
	3	15553	02.11.2018		(Genehmigung EHRA)	

Zei	Ref	TR-Nr	TR-Datum	SHAB	SHAB-Dat.	Seite / Id

Ei	Ae	Lö	Personalangaben	Funktion	Zeichnungsart
1		2m	~~Nikolajsen, Niels Niklas Bang, dänischer Staatsangehöriger, in Zug~~	~~Mitglied des Verwaltungsrates~~	~~Einzelunterschrift~~
1			Schmid, Armin Eduard, von Schüpfheim, in Horgen	Geschäftsführer	Kollektivunterschrift zu zweien
	2	3m	~~Nikolajsen, Niels Niklas Bang, dänischer Staatsangehöriger, in Zug~~	~~Präsident des Verwaltungsrates~~	~~Einzelunterschrift~~
2			Meisser, Luzius, von Klosters-Serneus, in Erlenbach (ZH)	Mitglied des Verwaltungsrates	Kollektivunterschrift zu zweien
2			Grant Thornton Bankrevision AG (CHE-107.841.337), in Zürich	Revisionsstelle	
	3		Nikolajsen, Niels Niklas Bang, dänischer Staatsangehöriger, in Zug	Präsident des Verwaltungsrates	Kollektivunterschrift zu zweien

Zug, 05.11.2018 15:05 LUE

BEGLAUBIGTER AUSZUG
Zug, - 5. Nov. 2018
HANDELSREGISTERAMT ZUG

Dieser Auszug aus dem kantonalen Handelsregister hat ohne die nebenstehende Originalbeglaubigung keine Gültigkeit. Er enthält alle gegenwärtig für diese Firma aktuellen Eintragungen sowie allfällig gestrichene Eintragungen. Auf besonderes Verlangen kann auch ein Auszug erstellt werden, der lediglich alle gegenwärtig aktuellen Eintragungen enthält. Bezüglich der letzten, noch nicht publizierten Eintragung liegt die Ermächtigung des Eidgenössischen Amtes für das Handelsregister im Sinne von Art. 11 Abs. 2 HRegV vor.

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Appendix B: SCT Financials

The first annual fully audited financial statement will be published in 2020, based on the data of 2018 & 2019.

The financials, based on the audited interim statement as of September 30th, 2018

Balance Sheet as of September 30th, 2018

Assets:	CHF 500'000
Liabilities:	
Equity	CHF 500'000[10]
Other liabilities	CHF 14'386

Profit & Loss statement as of September 30th, 2018

No Revenues, due to newly started business

Other cost (admin, web hosting, etc.)	CHF 14'386

Planned cost items for Q4 2018 and 2019 are at approx. CHF 30k – 50k p.mt.:

Employees: 1 – 2 (dependent on business needs)

Outsourcing cost (Customer Service, Administration, IT, Audit, etc.)

Interest cost for cash on bank account or storage in bunker

Audit company: Grant Thornton Bank Audit Ltd. (GT)

GT will audit the company on an annual basis. The audit report will be published on the website.

GT will perform assurance services according to the Swiss Audit Standard 920 – Engagements to Perform agreed-upon procedures regarding financial information on funds related to the Swiss Franc Bond on a monthly basis. The reports will be published on the website and in future prospectus of subsequent versions.

[10] Equity increase to CHF 1'000'000 was performed on October 25th 2018

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Appendix C: Subscription Form (exemplary only)

Step 1: Simple form to signal intent to subscribe XCHF (on the website):

- Name, country of residence, Email
- Subscription amount XCHF (> CHF 50'000)
- Choice:
  Option 1: I already am a registered subscriber to Swiss Crypto Tokens AG
  Option 2: I am a customer of BTCS and allow SCT to access my KYC / AML data
- Option 3: I want to register as a new subscriber (subject to KYC / AMLchecks)

Step 2: Onboard customer and / or collect all Information for transaction

- First & Last Name, Address, ZIP Code, City, Country of residence, Email
- KYC / AML Documentation (if needed)
- Bank Account Details of Subscriber
- Wallet on Ethereum Blockchain of Subscriber
- SCT ID

Step 3: Signing Subscription Form

- Details about SCT: Address, SCT Bank Account, SCT Ethereum Wallet
- Allocated SCT ID
- Issuing Fee for requested amount
- Subscription deadline
- Acknowledgment: SCT can store KYC / AML data
- Agreement to share KYC / AML data between SCT & BTCS (outsourcing partner)
- Agreement to share subscribed volume of XCHF with BTCS to Bitcoin Suisse Online
- Acknowledgment to send fiat only from agreed account incl. "SCT ID" in subject line
- Agreement to send signed form back to SCT
- Agreement disclaimer / terms of CryptoFranc Bond
- Signature line (Place, Date, Name)

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Appendix D: Redemption Form (exemplary only)

Step 1: Simple form to signal intent to redeem XCHF (on the website):

- Name, country of residence, Email
- Redemption amount XCHF
- Choice:
  Option 1: I already am a registered subscriber to Swiss Crypto Tokens AG
  Option 2: I am a customer of BTCS and allow SCT to access my KYC / AML data
- Option 3: I want to register as a new subscriber (subject to KYC checks)

Step 2: Onboard customer and / or collect all Information for transaction

- First & Last Name, Address, ZIP Code, City, Country of residence, Email
- KYC / AML Documentation (if needed)
- Bank Account Details of Subscriber
- Wallet on Ethereum Blockchain of Subscriber
- SCT ID

Step 3: Signing Redemption Form

- Details about SCT: Address, SCT Bank Account, SCT Ethereum Wallet
- Allocated “SCT Customer ID Number” (SCT ID)
- Redemption Fee for requested amount
- Redemption deadline
- Acknowledgment: SCT can store KYC / AML data
- Agreement to share KYC / AML data between SCT & BTCS (outsourcing partner)
- Agreement to share redeemed volume of XCHF with BTCS to Bitcoin Suisse Online
- Acknowledgment to send XCHF only from agreed wallet
- Agreement to send signed form back to SCT
- Agreement disclaimer / terms of Swiss Franc Bond
- Note: SCT will send CHF at bond maturity. The redemption form and all required documents must be handed in at least 1 week before maturity
- Signature line (Place, Date, Name)

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