Key Information Document

Version exclusively for the United Kingdom

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name	Bitwise Physical Ethereum ETP (**"ZETH"**)
Identifier	ISIN: DE000A3GMKD7
PRIIP manufacturer	Bitwise Europe GmbH ("Issuer"). The Issuer forms part of the Bitwise Group.
Manufacturer website	https://bitwiseinvestments.uk
Manufacturer telephone	+49 69 8088 3728
Competent authority	Financial Conduct Authority
Document creation date	06-11-2026

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

ZETHs are bearer bonds under German law that are secured by Ethereum deposited in a depositary for safekeeping.

Term

The product does not have a fixed term, subject to exercise by the investor or termination by the Issuer.

Objectives

Investors who wish to invest in the cryptocurrency Ethereum ("Ethereum") as specified in the "Underlying" field in the table below as part of their investment strategy can purchase this product, the value of which is based on the Ethereum price, on the secondary market or from an "Authorised Participant". The product is purchased through the secondary market in fiat currency. Payment of the product purchased through an Authorised Participant may be made either in Ethereum, in another cryptocurrency or in such fiat currency as the respective Authorised Participant accepts.

Ethereum received by the Issuer as consideration from the sale of the product to Authorised Participants are transferred to a designated security account as collateral. This means that for each unit of the product in circulation, a predefined Ethereum amount is available to hedge the product (the "Cryptocurrency Entitlement"). At the time of issue, this is 0.01 Ethereum and decreases continuously in value by 1.49% annually, calculated on a daily basis from the Cryptocurrency Entitlement of each unit of the product over the entire holding period of the product. This means that the Cryptocurrency Entitlement per share decreases by approximately 0.0041% every day (= 1/365 of 1.49%). Ethereum held to back ZETH are held institutionally by BitGo Europe GmbH, a regulated custodian by the Federal Financial Supervisory Authority (BaFin) (the "Depositary"). The Issuer has appointed Law Debenture Trust Corporation p.l.c. (the "Collateral Trustee") as a collateral trustee to hold the collateral rights for the Ethereum deposited with the Depositary on behalf of all current and future ZETH holders.

Voluntary Redemption by the Investor: An investor may sell the product anytime on the stock exchange. Alternatively, the product can be terminated in whole or in part, with the Issuer or an Authorised Participant (Certain terms and conditions apply) at any time. Repayment always takes place in Ethereum. The Investor's claim to repayment corresponds to the Cryptocurrency Entitlement on the repayment date less repayment fees. An Authorised Participant or the Issuer transfers this claim to the Digital Wallets specified by the investor on the repayment date. If, for legal reasons, an investor is prevented from receiving payments in Ethereum, the Investor may request repayment in US dollars ("USD") as an alternative to repayment in Ethereum. The investor will then receive an amount of money in USD equal to the amount obtained in an auction for the collateral Ethereum.

Mandatory Redemption by the Issuer: The product terms and conditions also state that, if certain events occur, the Issuer may repay the product prematurely in Ethereum or, if an investor is prevented from obtaining Ethereum for legal reasons, in USD. These events are explained in more detail in the product terms and conditions. It is likely that any return the investor receives in the event of such early repayment will be different from the scenarios described above and may be considerably less than the amount that the investor invested upon purchase. Total loss is also possible. Furthermore, investors run the risk that termination will be requested at a time that is unfavourable to them and that they will only be able to reinvest the terminated amount on worse conditions.

Underlying	Ethereum (Bloomberg: XETUSD BGN Curncy)	**Product currency**	USD
Issue Date	Feb. 23, 2021	**Trading Day**	A day on which the London Stock Exchange is open.
Cryptocurrency Entitlement per unit of security	Initially 0.01 Ethereum, reduced over time by a fee of 1.49% p.a.	**Mandatory Redemption**	The Issuer is entitled to Mandatory Redemption if certain events occur, as stated in the product conditions.
Rights of bondholders	ZETH holders may return the product for Ethereum at any time or, if a payout in Ethereum is not possible due to applicable regulatory requirements, the equivalent value in USD (the exact amount is determined in the product conditions).		

Intended retail investor

The product is intended for private investors who:

- are able to bear a total loss of the amount invested;
- are seeking a speculative investment opportunity that is accompanied by the expectation that the underlying will gain sufficient value over time to exceed any fees;
- have limited technical capabilities or lack the relevant technical expertise, and therefore want exposure to the Ethereum price through bearer bonds that track it, rather than buying and holding Ethereum themselves;
- recognise that the value of the product can change frequently due to the extremely volatile underlying and, as a result, have sufficient time to actively monitor and manage the investment;
- have advanced knowledge and/or experience with comparable financial products and understand the cost structure of the product, including the Cryptocurrency Entitlement that decreases daily.

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What are the risks and what could I get in return?

Risk Indicator

1	2	3	4	5	6	7

Lower risk — Higher risk



The risk indicator assumes you keep the product for 5 Years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the capacity to pay you.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

The summary risk indicator, which has been determined in accordance with the UK version of Commission Delegated Regulation (EU) 2017/653, being derived from the historical performance of the underlying, may understate the risk of losses you may experience in connection with this product.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

Investment Performance Information

Factors affecting the return of the product at the end of the recommended holding period

Your return on the product at the end of the recommended holding period will principally be affected by (1) the performance of the underlying over the recommended holding period and (2) the Issuer's creditworthiness, which can have a material impact on your return if, for example, the Issuer is unable to make payments that become due on the product.

What could affect my return positively?

- An increase in the levels of the underlying

What could affect my return negatively?

- A decrease in the levels of the underlying
- A Mandatory Redemption of the product, especially at an unfavourable time.
- The Issuer's inability to make the payments due.

The factors listed above provide general guidance on how changes in the level of the underlying may affect your return if you hold the product for the recommended holding period. The precise impact will depend on the timing and magnitude of these changes, and the list above should not be viewed as guaranteeing a particular outcome. See "What is this product?" for a discussion of how the payments you may receive during the life of the product and/or at the end of the recommended holding period will be calculated.

In severely adverse market conditions, if you hold the product to the end of the recommended holding period, you may lose your entire investment. This does not take into account a situation where the Issuer is unable to pay you.

Additional factors affecting the price of the product in the secondary market

In addition to the factors discussed above, the performance of the product in the secondary market will also be affected by the volatility of the levels of the underlying, the actual and perceived ability of the manufacturer to meet its obligations, interest rates and exchange rates.

If you sell the product in severely adverse market conditions prior to maturity, your return may be lower than what you would have received if you held the product to the end of the recommended holding period and may be as low as zero. See "How long should I hold it and can I take money out early" below for additional information.

What happens if Bitwise Europe GmbH is unable to pay out?

Although ZETH is a product that is secured with Ethereum, the Investor bears the risk that the Issuer may not be able to fulfil its obligations in relation to the product, for example in the event of the Issuer's insolvency. The Issuer is a special purpose vehicle with no business activities of its own. As a result, the exclusive purpose of the Issuer is to issue this product. For example, the Issuer may only have access to the Ethereum deposited to hedge ZETH as a means of meeting all issue or payment claims relating to the product. This product grants you right to the deposited Ethereum or to the security rights held by the Collateral Trustee through the custody account and through the Issuer's securities account. The occurrence of different scenarios with regard to these Ethereum and the claims to the security rights may affect the ability of the Issuer to meet its obligations under the product conditions. Although the Issuer undertakes to deposit a sufficient amount of Ethereum with BitGo Europe GmbH to cover all ZETH claims, there is a risk that the Ethereum deposited by the Issuer to hedge ZETH will not be sufficient to meet your redemption request or payment claims. A total loss of the invested capital is possible. There is no obligation to make further contributions. The product is not a deposit and is not subject to deposit protection.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- USD 10 000 is invested.

Example Investment 10 000 USD		
Scenarios	**If you exit after 1 year**	**If you exit after 5 years (recommended holding period)**
Total costs	149 USD	4264 USD
Annual cost impact	1.5% each year	2.3% each year

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Composition of costs

This table shows the impact on return per year.

One-off costs upon entry or exit		
Entry costs*	**0.00%**	**The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.**
Exit costs**	**0.00%**	**The impact of the costs of exiting your investment when it matures.**
Ongoing costs taken each year		
Portfolio transaction costs	**0.00%**	**The impact of the costs of us buying and selling underlying investments for the product.**
Other ongoing costs	**1.49%**	**The impact of the costs that we take each year for managing your investments and the costs presented in Section II.**
Incidental costs taken under specific conditions		
Performance fees	**0.00%**	**The impact of the performance fee.**
Carried Interest	**0.00%**	**The impact of carried interests.**

On the date of updating this key information document, the Issuer had not charged any one-off costs.

* Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company.

** If an investor decides to terminate the product instead of selling it on the stock exchange or on the OTC market, they may have to pay an upfront redemption fee of EUR 50 (waived by the Issuer in certain situations) plus an exercise fee of 1%. Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company.

How long should I hold it and can I take my money out early?

Recommended holding period: 5 Years

However, since Ethereum is very volatile, investors should constantly monitor the value of the product, as sudden changes in value can occur frequently and abruptly.

Investors can sell the product on the regulated market on which it is listed. You can alternatively sell the product over the counter by submitting a redemption application to an Authorised Participant or directly to the Issuer and surrendering the product to them. You must instruct your custodian bank responsible for executing the order for the specified product accordingly. After execution, you will receive 0.0100 Ethereum less 1.49% p.a. management fee, less repayment fees (calculated from the date of issue of ZETH) as described above under “What is this product?”.

In exceptional market situations or in the event of technical problems, it may be temporarily difficult or impossible to buy or sell the product.

Stock exchange listing	London Stock Exchange – Main Market; and from time to time additional stock exchanges	**Last trading day on the stock exchange**	One exchange trading day before the early redemption date, if the Issuer redeems the investment.
Smallest tradable unit	1 unit of product	**Quotation**	Quotation per unit

How can I complain?

Complaints about the person/entity who/that advised you or sold the product to you may be lodged directly with the relevant person. Complaints regarding the product or behaviour of the Issuer of this product may be posted in writing to Bitwise Europe GmbH, Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany, or emailed to eu-office@bitwiseinvestments.com. Complaints should include the name of the product, the ISIN and the reason for the complaint.

Other relevant information

Updated and additional documents relating to the product, particularly the prospectus and any supplements, are published on the https://bitwiseinvestments.uk website in accordance with the relevant statutory provisions. We recommend that you read these documents for more information, especially about the structure of the product and the risks associated with investing in the product.