

**PROSPECTUS**  
**(in the version of the Supplement dated 8. November 2022)**

for the issue and public offer of  
up to 5,000,000 Trada Tokens

ISIN: LI1194956895

Date 4. July 2022



XDCTEQ AG

(Incorporated as a joint stock company (*Aktiengesellschaft*) under the laws of the Principality of Liechtenstein)

This prospectus was approved by the Liechtenstein Financial Market Authority on 4. July 2022 and is valid until 3. July 2023. In the event of material new developments or material errors, the Issuer must prepare a supplement to this prospectus.

However, the Issuer is not under any obligation to prepare a supplement after the expiry of the validity period of this prospectus.

## IMPORTANT NOTICE

### General

This document constitutes a prospectus (the “**Prospectus**”) and has been prepared under the laws of Liechtenstein in compliance with the requirements set out in the “Act regarding the implementation of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market” (EEA Securities Prospectus Implementing Act; EWR-Wertpapierprospekt- Durchführungsgesetz EWR-WPPDG) as well as “Regulation (EU) 2017/1129, “Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and EWR-WPPDG as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation No 809/2004/EC and Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and EWR-WPPDG with regard to regulatory technical standards on key financial information in the summary of a prospectus to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) 382/2014 and Commission Delegated Regulation (EU) 2016/301 (the “**Prospectus Regulation**”).

It comprises a summary, information regarding the Issuer and Information regarding the securities which have been issued and are offered to the public in Liechtenstein, Germany, Austria, Czech; **France**, Denmark, **Ireland**, **Italy** Luxemburg, Malta; the Netherlands, **Poland**, **Portugal**, **Spain** (together the “**Public Offer Jurisdictions**” and each, a “**Public Offer Jurisdiction**”).

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (**THE "SECURITIES ACT"**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT.

AN INVESTMENT IN THE SECURITIES DOES NOT CONSTITUTE A PARTICIPATION IN A COLLECTIVE INVESTMENT SCHEME FOR SWISS LAW PURPOSES. THEREFORE, THE SECURITIES ARE NOT SUPERVISED OR APPROVED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA AND INVESTORS MAY NOT BENEFIT FROM THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES.

This Prospectus has been prepared on the basis that any offer of Trada Tokens in any Member State of the EEA in which the Prospectus Regulation is applicable (each, a “**Member State**”), other than offers which are contemplated in this Prospectus in the Public Offer Jurisdictions once the Prospectus has been approved by the FMA and published and notified to the relevant competent authority in accordance with the Prospectus Regulation as implemented in that Member State, will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Member State, from the requirement to publish a prospectus for offers of Trada Tokens. Accordingly, any person making or intending to make an offer in that Member State of Trada Tokens which are the subject of the Offering contemplated in this Prospectus, other than the public offerings permitted under applicable law, may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant to Art. 23 of the Prospectus Regulation, in each case, in relation to such offer. The Issuer neither has authorized, nor does it authorize, the making of any offer (other than public offerings permitted under applicable law) of Trada Tokens in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

## **Tax**

Only general rudimentary comments are made on selected taxation regimes, whereby no advice is given by the Issuer in respect of taxation matters relating to the Trada Token and each prospective investor is advised to consult its own professional adviser(s).

## **Documents incorporated by reference**

Any statement contained in a document incorporated by reference into this Prospectus or contained in any supplementary information memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus.

## **Liability / Accuracy / Representation / Recommendation**

No person is authorized by the Issuer to give any information or to make any representation not contained in the Prospectus and any information or representation not contained therein must not be relied upon as having been authorized.

Persons obtaining the Prospectus or any Trada Token or any interest in such a Trada Token or any rights in respect of such a Trada Token are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the

restrictions on offers or sales of Trada Tokens and on distribution of the Prospectus and other information in relation to the Trada Tokens, the Issuer set out under “*Transfer Restrictions*” below.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Trada Tokens. Each investor contemplating to purchase Trada Tokens should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

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## I. Glossary

Words and expressions used in this Prospectus have the following meanings:

"**Aggregate Asset Amount**" means, as of any date, (i) the sum of the purchase prices paid in respect of all outstanding Assets, plus any income received by the Issuer in respect of such Assets, less any impairment or similar charges in respect of such Assets, and (ii) any other cash balance held by the Issuer in all cases as determined by the Issuer in its sole discretion in accordance with IFRS.

"**Applicable Law**" means any law or regulation in any relevant jurisdiction which could apply in the relevant context.

"**Assets**" means any receivable, receipt, loan, claim, lease or other asset in which the Issuer has acquired an interest or participation and shall include any amounts held in cash or XDC or any other cryptocurrency held by the Issuer..

"**Asset Agreement**" means any document(s) evidencing the obligations owed in relation to an Asset by an Asset Obligor.

"**Asset Distribution Amount**" means any amounts in the nature of income (including, but not limited to, collected discount, interest and fees as determined by the Calculation Agent) paid to or retained by the Issuer in accordance with the applicable Asset Agreement, Asset Transfer Agreement or Asset less (i) any fees, costs, expenses and/or charges as determined by the Issuer in its sole discretion in accordance with International Financial Reporting Standards (as issued by the International Accounting Standards Board) and (ii) any amounts corresponding to items ranking in priority in the applicable Priority of Payments, and which have not yet been allocated in accordance with the applicable Priority of Payments.

"**Asset Distribution Amount Determination Date**" means the 10<sup>th</sup> Business Day prior to a Periodic Payment Date.

"**Asset Obligor**" means the underlying obligor(s) in relation to an Asset.

"**Asset Seller**" means each person designated as a seller pursuant to an Asset Transfer Agreement.

"**Asset Transfer Agreement**" means any asset transfer agreement between, amongst others, an Asset Seller and the Issuer whereby the Issuer acquires a sub-participation or an interest in the relevant Assets.

"**Business Day**" means any day on which banks in Switzerland and Liechtenstein are open for business.

"**CHF**" means the currency of Switzerland.

"**Calculation Agent**" means Tradeteq Limited, any successor thereof or any replacement calculation agent.

"**Closing Date**" shall mean 30.09.2022.

"**Company**" means XDCTEQ AG.

"**Early Repayment Date**" has the meaning given in the Terms and Condition IV./Section 5/Section 10.2 (*Redemption at the option of the Issuer*).

**“Equanimity Platform”** means the technology platform operated by Equanimity AG which will provide the smart contracts used to issue Tokens to Subscribers and to carry out operational functions required in relation to the Tokens in accordance with the Terms and Conditions.

**“EEA”** shall mean the European Economic Area as constituted by the Agreement on the European Economic Area.

**“EUR”** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

**“Event of Default”** has the meaning given in the Terms and Condition IV./Section 5/15.1 (*Events of Default*).

**“FMA”** means the Financial Markets Authority in Liechtenstein.

**“IFRS”** means the International Financial Reporting Standards issued by the International Accounting Standards Board.

**“Issuer”** means XDCTEQ AG, a joint stock company (Aktiengesellschaft) having its registered office at Herrengasse 30, 9490 Vaduz, FL-0002.679.438-9, Liechtenstein, or any New Issuer.

**“Issuer Account”** means the bank account in the relevant currency administered in the name of the Issuer.

**“Issuance Costs”** means costs incurred in connection with the preparation of the Prospectus, and the subscription and issuance process related to the Trada Token.

**“KYC/AML Requirements”** mean the ‘know your client’ and ‘anti-money laundering’ processes established by the Issuer to ensure compliance with Applicable Law.

**“Liechtenstein”** means the Principality of Liechtenstein.

**“Limited Recourse and Non-Petition means”** (a) no payment of any amount whatsoever shall be made by the Issuer or any of its agents on its behalf except in accordance with the Priority of Payments and only to the extent funds are available to the credit of the Issuer Account; (b) no recourse shall be had for the payment of any amount owing hereunder, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the TRADA Token, against the Issuer to the extent claims against the Assets have been exhausted following which all obligations of the Issuer in respect of the TRADA Tokens shall be extinguished; and; (c) no recourse (whether by institution or enforcement of any legal proceeding or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Issuer arising under or in connection with the TRADA Tokens (as from time to time supplemented or modified in accordance with the provisions herein contained) by virtue of any law, statute or otherwise shall be held against any shareholder, officer, manager or corporate services provider of the Issuer in their capacity as such, save in the case of their gross negligence, wilful default or actual fraud, and any and all personal liability of every such shareholder, officer, manager of corporate services provider in their capacity as such for any breaches by the Issuer of any such duty, obligation or undertaking shall be waived and excluded to the extent permitted by law.

**“Liquidation Value”** means the aggregate amount of any proceeds recovered in respect of the Assets (less any applicable fees, charges or other costs incurred in connection with such recovery) either at their respective maturity dates or achieved by way of sale.

**“Listing”** means a listing and admission to trading in respect of the TRADA Tokens on a recognised exchange or software platform which is licensed for the trading of security tokens such as the TRADA Tokens.

**“Maturity Date”** means 30. September 2023.

**“Member State”** means a member state of the EEA.

**“New Issuer”** shall have the meaning given in Terms and Condition IV./Section 5/13 (*Substitution of the Issuer*).

**“Notice of Cancellation”** means a notice published by the Issuer announcing that the Offering is cancelled.

**“Note”** means the note underlying the Trada Tokens offered by the Company under this Prospectus.

**“Offering”** means the offering of Trada Tokens in accordance with the Prospectus and the Terms and Conditions in IV./Section 5 and the Subscription Agreement.

**“Offer Period”** means the period during which the Prospectus is valid, being a one-year period following the date of approval by the FMA.

**“PGR”** means the Liechtenstein Persons and Companies Act.

**“Post STO Offering”** has the meaning given in the Terms and Condition IV./Section 5/2.3.

**“Priority of Payment”** means all amounts of cash standing to the credit of the Issuer Account prior to 4 pm (London time) on any Early Repayment Date, the Maturity Date or any other date where a payment is due (other than an XDC Payment Date or a Periodic Payment Date) in making the following payments or provisions (the "Priority of Payments"), but only to the extent that (i) all payments or provisions of a higher priority that fall due to be paid or provided for on such date have been made in full and (ii) no payment shall be made if such payment would cause the Issuer Account to be overdrawn:

- (a) *first*, on any such date, to pay when due (or to reserve such amounts which are expected to be due in the immediately succeeding period of ninety (90) days), amounts payable in respect of Taxes (if any) by the Issuer, any tax filing fees and any annual return or exempt company status fees, applied to the TRADA Tokens *pro rata* by reference to the total amount of cash held by the Issuer corresponding to the TRADA Tokens;
- (b) *second*, on any such date, to pay *pari passu* and *pro rata* when due (or to reserve such amounts which are expected to be due in the immediately succeeding period of ninety (90) days), the Transaction Expenses and other expenses of the Issuer not already provided for elsewhere in this Priority of Payments and which are necessary for the establishment and/or maintenance of the Issuer, including all taxes (not covered under paragraph (a) above including corporate income tax, net wealth tax, any indemnity payments and municipal business tax under any Applicable Law) and any amounts due to any corporate service provider of the Issuer or any auditor appointed, or any advisor, applied to the TRADA Tokens *pro rata* by reference to the total amount of cash held by the Issuer corresponding to the TRADA Tokens;
- (c) *third*, where such date is an Early Repayment Date or the Maturity Date, to reserve an amount standing to the credit of the Issuer Account equal to the relevant repayment amount; and

(d) *fourth*, any surplus to be retained in the Issuer Account.

“**Prospectus**” means this securities prospectus.

“**Prospectus Regulation**” means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

“**Public Offer Jurisdictions**” means Liechtenstein, Germany, Austria, Belgium, Czech; Luxemburg, Malta; the Netherlands and Ireland.

“**Public Offering**” shall mean any offer made to the public in a Public Offering Jurisdiction under this Prospectus.

“**Regulatory Event**” means any event where the Issuer is notified in writing by the FMA that the TRADA Tokens are not, or will cease to be, in full compliance with Applicable Law.

“**Reserved Matter**” has the meaning given to it in the Terms and Condition IV./Section 5/16.2 (*Reserved Matter*).

“**Subscriber**” means a person who has subscribed for Trada Tokens pursuant to this Offering.

“**Subscription Price**” shall mean the price paid for TRADA Tokens in this Public Offering.

“**Subscription Agreement**” means an agreement, in the form set out at Annex I to the Prospectus, between a Subscriber and the Issuer in respect of a subscription for Trada Tokens pursuant to the Offering.

“**Smart Contract**” means a technical computer protocol that can map a contract, and review and/or support the negotiation or settlement thereof.

“**Tax Event**” is any event when (i) the Issuer has or will become obliged to pay additional amounts in respect of any payments due under the TRADA Tokens as a result of any change in, or amendment to, the laws or regulations of the Principality of Liechtenstein, or any change in the general application or official interpretation of such laws or regulations, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it

“**Terms and Conditions**” means the terms and conditions of the TRADA Tokens in IV./Section 5 of this Prospectus.

“**Third Country**” shall mean a state other than a member state of the EEA.

“**Tokenholder**” shall mean any person holding the private key in relation to a specific TRADA Token.

“**Token Reserve Value**” means, in respect of a TRADA Token, the Aggregate Asset Amount less any outstanding Transaction Expenses and/or any other costs and expenses that have been incurred by the Issuer, divided by the number of TRADA Tokens in issue.

“**Trada Platform**” means the technology platform developed and operated by the Issuer, which will provide the smart contracts used to issue Trada Tokens to Subscribers and to carry out operational functions required in relation to the Trada Tokens in accordance with the Terms and Conditions.

**“Trada Tokens”** means the digital security tokens representing the Note that form the subject of the Offering.

**“Transaction Documents”** mean each Asset Transfer Agreement and each Asset Agreement.

**“Transaction Expenses”** means the following fees and expenses:

- (a) a fee of 100 basis points calculated by reference to the Aggregate Asset Amount as at the Maturity Date due to the Calculation Agent;
- (b) audit fees in respect of the Issuer (plus VAT, if any);
- (c) amounts (plus VAT, if any), which are payable by the Issuer to third parties (excluding any amount payable to any Asset Sellers) that have become payable under obligations incurred in the course of the Issuer's business and not provided for payment elsewhere; and
- (d) the fees, costs and expenses reasonably and properly incurred and payable and other indemnity amounts payable by the Issuer to any third party (including, in respect of the Issuer, to the Tokenholders but excluding, in the case of the Tokenholders, any tax liabilities and excluding any amount payable to any Asset Seller) in connection with the issuance of TRADA Tokens as determined by the Issuer.

**“Tradeteq”** means Tradeteq Limited, a private limited company incorporated in England with its registered address at 15 Bishopsgate, London EC2N 3AR, United Kingdom.

**“United States dollars”** or **“USD”** means the currency of the United States of America.

**“Wallet”** means the custodial wallet application used by a Tokenholder/Subscriber to hold TRADA Tokens.

**“XDC”** means the underlying utility token of the XDC Network used to settle transactions on the XDC Network.

**“XDC Network”** means the blockchain established by XinFin Fintech Pte. Ltd.

## **II. SUMMARY OF THE PROSPECTUS**

### **A. INTRODUCTION AND WARNINGS**

#### **1. Warnings**

The summary is an introduction to the prospectus and should always be read together with the full prospectus. In particular, reading the summary does not replace the examination of the entire prospectus. Before subscribing to or otherwise acquiring any Trada Tokens, prospective investors should thoroughly examine the entire prospectus and specifically ensure that they understand the structure of, and the risk inherent to, the Trada Tokens and should specifically consider the risk factors related to the Trada Token.

The Trada Tokens issued and offered to the public under this securities prospectus (“**Prospectus**”) are novel and complex digital financial instruments. **Investors have no guarantee that they will receive the full amounts due to them at Maturity Date or at all. Under adverse circumstances they will receive less than the subscription price or suffer a complete loss of the invested capital. An investment in the Trada Tokens is suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks, and who have sufficient resources to be able to bear any losses, including a complete loss, which may result from such investment.**

The Issuer draws attention to the fact that in the event that claims are asserted before a court of law on the basis of the information contained in this Prospectus, the investor acting as claimant could, in application of national legislation of the relevant Member State, have to bear the costs for the translation of the Prospectus before the start of the proceedings.

In addition, the Issuer points out that XDCTEQ AG, which has assumed responsibility for the summary, including any translation thereof, and which assumes responsibility for its issuance, may be held liable, but only in the event that the summary is misleading, inaccurate or inconsistent or if, compared to the other parts of the Prospectus, material information that would assist investors in making an informed decision with respect to investments in the relevant securities is missing.

This Prospectus is written in English, and it requires a high proficiency of English in order to understand the information contained herein.

The Trada Tokens being offered constitute a complex financial product that may be difficult to understand.

#### **2. Introduction**

The subject of this Prospectus is the offer of XDCTEQ AG, Herrengasse 30, 9490 Vaduz, Principality of Liechtenstein, FL-0002.0002.679.438-9 for the issue of Trada Tokens (“**Issuer**”). The legal and commercial name of the Issuer is XDCTEQ AG. (LEI 529900ZSSDCI9JKKJG02). The ISIN is LI1194956895 .

The Issuer was established on 14.03.2022 by experienced finance professionals and is a wholly owned subsidiary of Tradeteq Limited, with resident at 15 Bishopsgate, London EC2N 3AR, United Kingdom (“**Tradeteq**”), is a provider of trading automation technology to investors and bank and non-bank originators, primarily in the trade and receivables finance security. The purpose of the Offering is to raise funds. The Issuer will use the proceeds of the Offering to acquire trade finance-related receivables, corporate and sovereign bonds, and/or securitized or collateralized debt instruments and other receivables from corporates and asset originators around the world.

The Issuer will issue up to 5`000`000.00 Trada Tokens with each Trada Token representing an interest in a USD an up to USD 5,000,000 note due 2023 (the “**Note**”). The Trada Tokens are subject to, and are governed by, the Terms and Conditions set out in this Prospectus, the Subscription Agreement and in particular the Terms and Conditions as stated in IV./Section 5 of this Prospectus.

Application has been made to the Liechtenstein Financial Market Authority (the “FMA”) in its capacity as competent authority of the country of origin in line with the Prospectus Regulation to approve this document as a prospectus for the purposes of offering the Trada Tokens to the public in any Member State of the European Economic Area where the publication of a prospectus in accordance with Art. 3 of the Prospectus Regulation is required. The Prospectus was approved on 4. July 2022.

The identity and contact details of the competent authority responsible for approving this Prospectus and responsible for the registration document are as follows: *Liechtenstein Financial Market Authority, Landstrasse 109, Postfach 279, FL-9490 Vaduz, phone number: 00423/236 73 73.*

The Issuer has also requested or will request the FMA in accordance with Art. 25 of the Prospectus Regulation to provide the competent authority in each of Liechtenstein, Germany, Austria, Belgium, Czech; Luxemburg, Malta; the Netherlands and Ireland (together with the Principality of Liechtenstein, the “Public Offer Jurisdictions” and each, a “Public Offer Jurisdiction”) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer reserves the right to make additional applications to the FMA for notification to competent authorities in other Member States. The publication of the Prospectus will be made at least one Business Day prior to the commencement of an offer to the public of the Trada Tokens in the relevant Public Offer Jurisdiction.

## **B. KEY INFORMATION ON THE ISSUER**

### **Who is the Issuer of the securities?**

#### **1. Domicile and legal form**

The Issuer (LEI: 529900ZSSDCI9JKKJG02) with the commercial name XDCTEQ AG is a stock company established in Liechtenstein under the laws of the Principality of Liechtenstein and is subject to the laws of the Principality of Liechtenstein. The company's headquarters is Herrengasse 30, 9490 Vaduz, Liechtenstein (FL-0002.679.438-9).

#### **2. Main activities**

The principal activities of the Issuer are the acquisition of trade finance-related receivables, corporate and sovereign bonds, and/or securitised or collateralized debt instruments. The Issuer can enter into any transaction that are related to the scope of activities or which are directly or indirectly related to the activities.

#### **3. Main shareholder(s)**

The Issuer itself is a wholly owned subsidiary of Tradeteq. The main shareholder of Tradeteq are Accelerated Digital Ventures Limited (19.05%), Nils Behling (11.65%) and Christoph Gugelmann (11.05%). The other shareholders each hold an interest of less than 10%. However, there is no group of companies in the strict sense.

#### **4. Directors**

The members of the board of directors of XDCTEQ AG are Christoph Gugelmann and Nils Behling.

#### **5. Statutory auditors**

The Issuer's auditor is Tihanyi Wirtschaftsprüfung und Beratung, with its registered offices at Industriering 14, 9491 Ruggell, Liechtenstein.

## What is the key financial information regarding the Issuer?

### 6. Profit forecasts and estimates

There are no profit forecasts or estimates yet, as the business has only been started recently.

### 7. Historic key financial information

As the Issuer was established on 14.03.2022 and is therefore a newly established company, no comparative data are available regarding historical financial information. Nor are there any data or indications of a significant deterioration in the prospects of the Issuer or of significant changes in the Issuer's financial position or trading positions.

### 8. Solvency

The Issuer has a fully paid-up share capital of CHF 50'000.00. In addition, the Issuer currently has no assets. The Issuer has no business other than as contemplated in this Prospectus and currently does not plan to have any other business.

## C. KEY RISK FACTORS

### What are the key risks that are specific to the Issuer?

#### 1. Risk of failing to achieve and total loss (risk: "medium" to "high")

The Assets that the Issuer proposes to purchase with the proceeds of the Offering are not known as at the date of the Offering. Potential investors are therefore not able to analyse any proposed portfolio of assets in order to model potential returns. There can be no assurances that the Issuer will be able to conduct its business as planned, is able to acquire Assets and generate returns on the Assets that it purchases. There is significant competition for high-quality trade finance assets, and there is no guarantee that the Issuer will be able to compete with more established investors. All of this may adversely affect the Issuer's net assets, financial position and results of operations and thereby affect its ability to redeem Token and/or pay any Asset Distribution Amount due under the Trada Tokens.

**Please note, that Issuer may not be able to satisfy any claim of the Subscribers and the Subscriber may lose all or part of his investment.**

#### 2. Limitation on recourse in the event of a shortfall (risk: "medium" to "high")

Any payments to be made by the Issuer in respect of the Trada Tokens will be made only from and to the extent of the amounts received or recovered from time to time by or on behalf of the Issuer in respect of the Assets. To the extent that such amounts are less than the amounts which the Subscribers may have expected to receive (the difference being referred to herein as a "shortfall"), such shortfall will be borne by the Subscribers.

Each Subscriber, by subscribing for or purchasing Trada Tokens, will be deemed to accept and acknowledge that it is fully aware that it shall look solely to the Assets (**the "Relevant Sums"**) for payments to be made by the Issuer in respect of the Trada Tokens. The obligations of the Issuer to make payments in respect of the Trada Tokens will be limited to the Relevant Sums available as at an Early Repayment Date or the Maturity Date, as applicable. The Issuer will not be obliged to make any further payment in excess of amounts received upon the realisation of the Assets as at an Early Repayment Date or the Maturity Date, as applicable, and the Subscribers shall have no further recourse to the Issuer in respect of the Trada Tokens. Without prejudice to the foregoing, any right of the Subscribers to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished. The Subscribers shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall agree not to seize any assets or property of the Issuer or take any similar action. The shareholders of the Issuer do



not have any obligation to any Subscriber for payment of any amounts due by the Issuer in respect of the Trada Tokens.

There is therefore a risk that the Subscriber will receive less or nothing in repayment (**Total loss**).

### **3. Risk of illiquidity and insolvency of the Issuer (risk: “medium”)**

The Issuer will use the proceeds of this Offering to acquire and hold trade finance-related receivables, corporate and sovereign bonds and/or securitised or collateralised debt instruments. Negative developments in these assets or an economic downturn could negatively affect the Issuer’s liquidity. It cannot be excluding the risk of illiquidity and a subsequent insolvency. Such scenarios may require the immediate disposal of substantial Assets or the liquidation or sale of the Issuer.

There is therefore a risk that the Subscriber will loses partially or all his claims against the Issuer and there is the risk that the Subscriber receive less or nothing in repayment (**Total loss**).

## **D. KEY INFORMATION ON THE SECURITY**

### **What are the main features of the Security?**

#### **1. Description and Security**

The subject of this Prospectus is the offer of digital security tokens (the “Trada Tokens”), with each Trada Token representing a derivative security. The Trada Tokens will be XRC-20 compliant (not to be confused with ERC-20) and will be issued in the form of book-entry securities (Wertrechte).

The Trada Tokens constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank pari passu among themselves with all other unsecured, unsubordinated obligations of the Issuer, without prejudice to any such liabilities which may be given priority by law. Payments to certain creditors of the Issuer will rank ahead of payments being made to the Subscribers.

The Issuer shall issue up to USD 5,000,000 of Trada Tokens on the basis of this Prospectus.

The Trada Tokens will have a minimum denomination of USD 100 and integral multiples of USD 1 in excess thereof. The minimum subscription amount per investor is USD 100 or the equivalent of USD 100 in the cryptocurrency accepted in this prospectus or by the issuer upon written consent. There is no maximum subscription limit per investor. The base currency is USD.

#### **2. Asset Distribution Amounts, maturity, redemption, repayment of principal and payment dates**

**The Trada Tokens will not accrue interest and the Issuer is not obliged to pay any cash interest to the Subscriber.**

However, any Asset Distribution Amounts may be payable to Subscribers if the Token Reserve Value of the Trada Tokens is greater than 1 on an Asset Distribution Amount Determination Date (subject to the Priority of Payments and Limited Recourse and Non-Petition Condition). Any Asset Distribution Amounts payable would be paid on December 31, 2022, March 31, 2023, June 30, 2023, and the Maturity Date and would be payable in newly minted Trada Tokens.

The Calculation Agent will determine in its sole and absolute discretion whether an Asset Distribution Amount is payable by calculating the Token Reserve Value on an Asset Distribution Amount Determination Date. The Token Reserve Value is in respect of a Trada Token, the Aggregate Asset Amount less any outstanding Transaction Expenses and any other costs and expenses that have been incurred by the Issuer as well as the Issuance costs, divided by the number of TRADA Tokens in issue.

Maturity:

The Trada Tokens will mature on 30. September 2023. Payment of the principal Liquidation Value (less fees and expenses) of the Trada Tokens would be made on the Maturity Date.

Redemption:

**Redemption at the option of the Subscriber:** Subscribers do not have the right to require the Issuer to redeem any Trada Tokens, except for at Maturity Date.

**Redemption at the option of the Issuer**

On January the 4<sup>th</sup> 2023, the Issuer may elect, at its sole discretion, to redeem the TRADA Tokens in whole (but not in part) at their Liquidation Value (subject to the Priority of Payments and Limited Recourse and Non-Petition Condition), by giving not less than 45 days' notice to Tokenholders and notifying Tokenholders of the Early Repayment Date.

In addition, the Issuer may redeem the Trada Tokens prior to the Maturity Date in certain limited circumstances.

The rights of Subscribers to receive any amounts due and payable under the Trada Tokens are limited to the net proceeds generated by the liquidation and/or winding-down of the Assets as at an Early Repayment Date or the Maturity Date, as applicable.

**3. Rights attached to the Trada Tokens**

The rights attached with the Trada Token are the Payments of XDC and an Asset Distribution Amounts if certain conditions occur. The rights attached with the Trada Token are in detail the following:

*(a) Payments of XDC:*

On each of December 31, 2022, March 31, 2023, and June 30, 2023, and the Maturity Date (each an "XDC Payment Date"), the Issuer may pay to the Tokenholder in respect of each Trada Token an amount in XDC equal to USD 0.00125. The Issuer shall determine the USD to XDC exchange rate on the fifth Business Day prior to an XDC Payment Date in its sole and absolute discretion on a best execution basis using data from a number of leading cryptocurrency exchanges. The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole and absolute discretion. Payments of XDC will be delivered to each Tokenholder's Wallet on the relevant XDC Payment Date.

*(b) Payment of Asset Distribution Amount:*

On each Periodic Payment Date, the Issuer shall pay to Tokenholders in respect of each Trada Token an amount equal to such Trada Token's pro rata share of the applicable Asset Distribution Amount (if any) corresponding to the Trada Tokens. Any Asset Distribution Amounts due and payable shall be paid quarterly in arrears on December 31, 2022, March 31, 2023, June 30, 2023, and the Maturity Date (each, a "Periodic Payment Date"). Payments of Asset Distribution Amounts will be made in newly minted Trada Tokens (with uneven amounts rounded up in favour of the Tokenholder) delivered to each Tokenholder's Wallet on the relevant Periodic Payment Date.

**4. Currency**

The base currency of the Trada Tokens will be USD. However, subscribers can also subscribe for the Trada Tokens for the following Cryptocurrency: XDC, USDT, USDC and every other cryptocurrency accepted by the issuer upon written consent.

## 5. Transfer restrictions

The Trada Tokens can be sold on a bilateral basis. The Trada Tokens will not be admitted to trading on a regulated market or any other exchange and the Issuer does not intend to apply for a Listing or any admission to trading on any exchange.

### **Where will the Trada Token be traded?**

Transfers of Trada Tokens from one Subscriber to another Subscriber may occur on a bilateral (OTC) basis. Transfers will need to be registered through the Trada Platform in order for a Subscriber to be able to receive any Asset Distribution Amounts, payments of amounts due and payable on an Early Repayment Date, the Maturity Date or any other payment due and payable to Subscribers in accordance with the Prospectus and the Terms and Conditions in IV./Section 5.

## 6. Admission to trade

The Note is not traded on a regulated market and an application for admission to trading on a regulated market is not planned.

### **Key risks regarding the securities**

#### **What are the key risks that are specific to the securities?**

##### **1. Certain Secured Creditors will rank ahead of payments to the Subscribers (risk: “medium”)**

Payments to certain creditors of the Issuer will rank ahead of payments being made to the Subscribers.

##### **2. The Liquidation Value payable may be less than the subscription price paid by a Subscriber (“medium”)**

In the event of a redemption of Trada Tokens on an Early Repayment Date or on the Maturity Date, the Liquidation Value payable will be dependent on the performance of the Assets that have matured and/or the ability of the Issuer to sell any Assets that have not yet matured. If there are any defaults or the Issuer sells the Assets for less than their face value, the Liquidation Value paid to Subscribers may be less than the subscription price of the Trada Tokens. **The Subscriber may also not be refunded at all (Total Loss).**

##### **3. The Assets may not generate sufficient returns for Asset Distribution Amounts to be payable (risk: “high”)**

The quantum of any Asset Distribution Amounts payable is subject (i) to the performance of the Assets and (ii) the Issuer’s ability to purchase sufficient Assets. In the event that there are material levels of defaults affecting the Assets, or the levels of returns on the Assets are less than originally anticipated, the Token Reserve Value of the Trada Tokens may be reduced or will be less than 1, which means that the Subscriber receives no Asset Distribution Amount at all.

In addition, there can be no assurances that the Issuer will be able to source sufficient Assets with the proceeds of the Trada Tokens. Any shortfall of suitable assets could have a negative impact on the Token Reserve Value of the Trada Tokens and the Asset Distribution Amounts (if any) payable to the Subscribers. Asset Distribution Amounts are only payable if the Token Reserve Value of the Trada Token on an Asset Distribution Amount Determination Date is greater than 1. **In the event that the Token Reserve Value is less than 1, no Asset Distribution Amounts will be payable. This could in turn have a negative impact on the market price of the Trada Tokens.**

## **E. BASIC INFORMATION ON THE OFFERING**

### **Under which conditions and timetable can I invest in this security?**

The Offering will start in the Principality of Liechtenstein on 4. July 2022. During the Offer Period, the Issuer will offer and sell Trada Tokens at the subscription price, which is USD 1.00 per Trada Token (the "Subscription Price").

The Issuer reserves the right to cancel the Offering at any time before the Closing Date. In this event, the Issuer shall publish a notice of cancellation (a "Notice of Cancellation") on its website and on the date that it makes such a decision and shall repay to Subscribers all amounts that the Issuer has received from the Subscribers in payment for the Trada Tokens not later than two months after the date of the Notice of Cancellation.

The minimum amount to be subscribed by each Subscriber is USD 100 or the equivalent of USD 100 in the cryptocurrency accepted in this prospectus or by the Issuer upon written consent.

The Issuer will issue Trada Tokens to Subscribers within 14 days of receipt of subscription monies and will credit the Trada Tokens to the custodial wallet designated by the Subscriber. Subscribers shall arrange for payment of the Subscription Price in USD, or XDC, USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent. Payments in USD shall be made to the relevant bank account of the Issuer as notified to the Subscriber by the Issuer. Payments in XDC or XDC, USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent shall be made to the custodial wallet of the Issuer as notified to the Subscriber by the Issuer. The Issuer may refuse acceptance of a payment without any further justification or explanation. All payments received in XDC, USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent will be converted into USD at prevailing market rates. Payments received in XDC, USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent will be collected and converted at regular intervals of up to ten days provided that amounts exceeding a corresponding value of USD 50,000 have been received and are waiting to be exchanged. Exchange rates are determined by a broker selected by the Issuer at its sole and absolute discretion on a best execution basis, using data of a number of leading cryptocurrency exchanges. The Issuer reserves the right to amend the method for determining exchange rates or the source of data used to determine exchange rates at its sole and absolute discretion during the Offer Period.

### **Why is this Prospectus being produced?**

#### **1. Reasons for the Offering and use of proceeds**

The proceed of the issue will be used for acquiring and holding of trade finance-related receivables, corporate and sovereign bonds, and/or securitised or collateralized debt instruments. It may invest its funds in any form of investment anywhere in the world.

There are no conflicts of interest in respect of the Offer.

**END OF SUMMARY**

### **III. Registration form**

#### **SECTION 1. RESPONSIBLE PERSON(S), EXPERT REPORTS AND APPROVAL OF THE COMPETENT AUTHORITY**

##### **1. Responsible person(s)**

The Issuer is responsible for the content of this Prospectus.

The executive body of XDCTEQ AG is the board of directors. Members of the board of directors are Christoph Gugelmann and Nils Behling.

It is expressly pointed out and accentuated that following the date of the Prospectus, events and changes may occur, which render the information contained in the Prospectus incorrect or incomplete. Supplemental information will only be published as required by and in a manner stipulated by applicable law.

##### **2. Approval**

This Prospectus was approved by the Financial Markets Authority in Liechtenstein (the “FMA”) as the securities supervisory authority of the Principality of Liechtenstein in accordance with Regulation (EU) 2017/1129 and EWR-WPPDG on 4. July 2022.

The FMA approves securities prospectuses after completing a completeness check of the prospectus, including a check of consistency and comprehensibility of the information submitted in accordance with Regulation (EU) 2017/1129 and EWR-WPPDG.

**Such an approval shall not be construed as an endorsement of the Issuer or the Trada Tokens.**

#### **SECTION 2. STATUTORY AUDITOR AND ADVISOR**

The auditor of the Issuer is Tihanyi Wirtschaftsprüfung und Beratung, with its registered offices at Industriering 14, 9491 Ruggell.

Tihanyi Wirtschaftsprüfung und Beratung ist a member of the Liechtenstein Association of Auditors (*Wirtschaftsprüfungsvereinigung*).

#### **SECTION 3. RISK FACTORS**

The following is a disclosure of risk factors relating to the Issuer. These factors include risks relating to the Issuer and its business.

Prospective Subscribers of the Trada Tokens should consider these risk factors and consult with their own professional advisers before deciding to invest in Trada Tokens. The risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the individual requirements, objectives, experience, knowledge and circumstances of each prospective Subscriber. **If any of the risks described in the following materializes, the market price of the Trada Tokens may be materially**

**adversely affected, and an investor could lose all or part of its original investment. There is a risk that the Subscriber will receive less or nothing in repayment (Total Loss).**

The risk information below does not purport to be an extensive and comprehensive list of all possible risks associated with an investment in Trada Tokens. The risk factors discussed below are focused on risks which are specific to the Issuer and the Trada Tokens; thus, risks affecting financial instruments or the economy in general are not specifically discussed. Nor are risks being discussed which may affect any business operation, including operational risks and fraud. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences. Additional risks currently not known or currently not deemed to be material may also impair the Issuer's business operations.

## **1. General Risks**

### **a. Regulatory risk; Risk of lack of necessary permits**

The Issuer does not require any FMA approval for the business model set out in this Prospectus. Regardless of this, there is a risk that the Issuer will not receive any necessary approvals or will only receive them under certain conditions. This could delay, endanger, make impossible the implementation of the business model planned by the Issuer or make extensive adjustments necessary.

There is a risk that the Issuer's business activities may be prohibited. This may be due to decisions by a supervisory authority, a change in the legal situation or other reasons. If the Issuer is unable to operate its business as planned, it may have a material adverse effect on the Issuer's results of operations and thereby negatively affect its ability to fulfil the obligations set out in the Prospectus; in particular to make any payments of principal due under the Trada Tokens.

## **2. Risks relating to the Issuer and its business**

### **a. Risk of failing to achieve and total loss (risk: "medium" to "high")**

The Issuer has not yet commenced operations and does not have any historical financial information. The assets that the Issuer proposes to purchase with the proceeds of the Offering are not known as at the date of this Prospectus. Potential investors are therefore not able to analyse any proposed portfolio of assets in order to model potential returns. There can be no assurances that the Issuer will be able to conduct its business as planned and generate returns on the Assets that it purchases. There is significant competition for high-quality trade finance assets, and there is no guarantee that the Issuer will be able to compete with more established investors. All of this may adversely affect the Issuer's net assets, financial position and results of operations and thereby affect its ability to pay Asset Distribution Amounts and/or pay any amounts to Subscribers on an Early Repayment Date or the Maturity Date, as applicable. **Please note, that Issuer may not be able to satisfy any claims of the Subscribers and the Subscriber may lose all or part of his investment.**

### **b. Limitation on recourse in the event of a shortfall (risk: "medium" to "high")**

Any payments to be made by the Issuer in respect of the Trada Tokens will be made only from and to the extent of the amounts received or recovered from time to time by or on behalf of the Issuer in respect of the Assets (and subject to the Priority of Payments set out in IV./Section 5/Condition 9.2 of the Terms and

Conditions and defined in the Glossary (Priority of Payments)). To the extent that such amounts are less than the amounts which the Subscribers may have expected to receive (the difference being referred to herein as a “shortfall”), such shortfall will be borne by Subscribers in accordance with the inverse of the order set forth in the provisions of Condition 9.2 of the Terms and Conditions (Priority of Payments).

Each Subscriber, by subscribing for or purchasing Trada Tokens, will be deemed to accept and acknowledge that it is fully aware that it shall look solely to the Assets (as applied in accordance with Condition 9.2 (Priority of Payments) (the “Relevant Sums”)) for payments to be made by the Issuer in respect of the Trada Tokens. The obligations of the Issuer to make payments in respect of the Trada Tokens will be limited to the Relevant Sums available as at an Early Repayment Date or the Maturity Date, as applicable. The Issuer will not be obliged to make any further payment in excess of amounts received upon the realisation of the Assets as at an Early Repayment Date or the Maturity Date, as applicable, and the Subscribers shall have no further recourse to the Issuer in respect of the Trada Tokens. Without prejudice to the foregoing, any right of the Subscribers to claim assets of any amount exceeding the Relevant Sums shall be automatically extinguished. The Subscribers shall not be able to petition for the bankruptcy, liquidation or winding-up of the Issuer as a consequence of any such shortfall agree not to seize any assets or property of the Issuer or take any similar action. The shareholders of the Issuer do not have any obligation to any Subscriber for payment of any amounts due by the Issuer in respect of the Trada Tokens.

There is a risk that the Subscriber will receive less or nothing in repayment (**Total Loss**).

**c. Insolvency risk (risk: “medium”)**

In the event that insolvency proceedings are opened against the assets of the Issuer, the Issuer will be temporarily or permanently limited in dispositions of its assets or dispositions of assets of the Issuer are taken over by a court-appointed insolvency administrator. Since the investors have no ownership rights to the assets, the assets fall into the bankruptcy estate in the event of bankruptcy.

The commencement of such proceedings may result in the Issuer’s assets (including the Assets) being realised and applied to pay the fees and costs of the liquidator, debts preferred by law and debts payable in insolvency before any surplus or assets are distributed to the Subscribers. In the event of proceedings being commenced, the Issuer may not be able to pay the full amount due at Maturity Date or deliver the full amount of assets due, as applicable, and any other or alternative amounts anticipated in this Prospectus and especially by the Terms and Conditions.

There is therefore a risk that the Subscriber will lose the whole investment and all its claims against the Issuer (Total Loss).

**d. Breach of contract by the Seller of the Asset (risk: “medium”)**

The Issuer plans to acquire Assets (as defined above in the Glossary and in the Terms and Conditions). It cannot be excluded that Sellers of Assets may fraudulently sell the Assets to third parties or otherwise breach the terms of their agreements with the Issuer with the result that title to the Assets pass to a third party.

There is therefore a risk that some or all the Assets will no longer be available to the Issuer. In this case, the Issuer would use its reasonable efforts to pursue claims against any such asset Sellers to seek compensation for any losses. If the Issuer is not able to receive the amounts due in full or in part, it will adversely affect the Issuer’s net assets, financial position and results of operations and thereby affect its ability to pay Asset Distribution Amounts and/or pay amounts to Subscribers on an Early Repayment Date or the Maturity Date, as applicable.

There is therefore a risk that the Subscriber will receive less or nothing in repayment (**Total Loss**).

**3. Related to the financial situation of the Issuer**

**a. Risk of additional and increased costs (risk: “medium”)**

The business purpose of the Issuer is to raise funds for the acquisition and holding of finance-related receivables, corporate and sovereign bonds and/or securitised or collateralised debt instruments. The Issuer’s statutory capital (equity) is limited to CHF 50,000, which is only the minimum capital required under Liechtenstein law. The Issuer currently has no active sources of income and no business proceeds.

The Subscriber is aware that the XDCTEQ AG does not yet have any source of income and is only funded with the minimum capital. There is a risk that the costs to acquire and the costs to maintain the Assets as well as regulatory and other costs and any costs of asserting claims will be higher than the start-up capital (e.g., as a consequence of unexpected changes) and that the Issuer will become over-indebted.

**b. The Issuer may assume additional debt (risk: “low”)**

The Terms and Conditions of the Trada Tokens do not limit the amount of additional indebtedness that the Issuer can create, incur, assume or guarantee. There is the risk that the that the Issuer will become over-indebted (see Consequences lit 2c and 3c) .

**c. Risk of illiquidity and insolvency of the Issuer (risk: “medium”)**

The Issuer will use the proceeds of this Offering to acquire and hold trade finance-related receivables, corporate and sovereign bonds and/or securitised or collateralised debt instruments. Negative developments in these assets, an economic downturn or increased interest rates could negatively affect the Issuer’s liquidity. It cannot be excluding the risk of illiquidity and a subsequent insolvency. Such scenarios may require the immediate disposal of substantial assets or the liquidation or sale of the Issuer.

A severe crisis in markets and/or sharply increased interest rates may lead to a substantial impairment of the value of the assets. It cannot be excluded the risk of losing all of its assets.



## **SECTION 4. INFORMATION ABOUT THE ISSUER**

### **Business history and business development of the Issuer**

As the Issuer was established on 14.03.2022 and is therefore a newly established company, no comparative data are available regarding historical financial information. Nor are there any data or indications of a significant deterioration in the prospects of the Issuer or of significant changes in the Issuer's financial position or trading positions.

### **Place of registration and register number, capital/reserves**

XDCTEQ AG is registered in the commercial registry of Liechtenstein under register number FL-0002.679.438-9-9. The incorporation capital for XDCTEQ AG (LEI 529900ZSSDCI9JKKJG02 ) in the amount of CHF 50,000 has been fully paid up.

### **Legal Form and date of incorporation**

XDCTEQ AG was established in the legal form of a stock company. The company was incorporated on 14.03.2022

The website of the Issuer is: [www.XDCteq.io](http://www.XDCteq.io). The information on the Issuer's website should not be construed as part of the information contained in this Prospectus.

### **Registered office and address**

The registered office of the Issuer is at **Herrengasse 30, Liechtenstein (phone number: [00423 797 86 81](tel:004237978681))**. **The management is available at [nils@xdcteq.io](mailto:nils@xdcteq.io) and [info@xdcteq.io](mailto:info@xdcteq.io)**. The website of the Issuer is: [www.XDCteq.io](http://www.XDCteq.io). The information on the issuer's website should not be construed as part of the information in this Prospectus. The company was founded in the legal form of a stock company (AG), in accordance with the law of the Principality of Liechtenstein, which is the applicable law for the Issuer.

### **Recent events which are of particular importance for the Issuer, and which are highly relevant for an assessment of the Issuer's solvency**

Since the incorporation of the Issuer there have been no known negative changes with regard to the business activities and business prospects of the Issuer.

The Issuer has no knowledge of any trends, uncertainties or other events that could materially affect the Issuer's business prospects in the current fiscal year. There have been no material changes in the financial position or trading position of the Issuer since the end of the last financial year.

### **Details of ratings which are of particular importance for an Issuer, and which are highly relevant for an assessment of the Issuer's solvency.**

No ratings have been sought in respect of the Issuer or the Trada Token.

### **Information on significant changes in the debt and financing structure of the issuer since the last financial year**

There have been no material changes in the debt and financing structure of the Issuer since the last financial year.

## **Financing of the Issuer's activities**

The activities of the Issuer are carried out on the basis of the equity capital contributed and the proceeds of the issuance of the Trada Tokens.

## **SECTION 5. OVERVIEW OF THE ISSUER'S BUSINESS ACTIVITIES**

### **Main activities**

The Issuer has been established in particular to acquire trade finance-related receivables from bank and non-bank asset originators using the proceeds of the Offering, in order to provide Subscribers with the opportunity to participate in trade finance investments. **In the event that there are insufficient trade finance-related assets to acquire at any time, the Issuer may purchase fixed income securities (including corporate and sovereign bonds), securitised or collateralised debt instruments and money market instruments until such time as the Issuer is able to source trade finance-related assets of sufficient quality.** The Issuer expects that it will be able to deploy all of the proceeds of the Offering into the purchase of trade finance-related assets within six months of the closing of the Offering and that thereafter at least 80% of the Issuer's overall portfolio will consist of trade finance-related assets (excluding amounts of cash or other instruments held to meet any redemption requests received), with up to 20% invested in other types of fixed-income securities and money market instruments.

### ***What is trade finance?***

Trade finance supports the flow of goods and services around the world. Trade finance products are used by manufacturers, sellers, and purchasers of goods to finance the buying and selling of these goods by monetising payables and receivables generated in the ordinary course of their business. This facilitates global trade, enabling exporters and importers to reduce risk, and improve their working capital positions, while at the same time providing stable returns for investors.

### ***How will the Issuer source assets for purchase?***

The Issuer plans to purchase Assets from a number of banks and other finance providers. The Issuer intends to acquire from providers, who have an established track record of originating high-quality assets. The Issuer will assess additional asset originators and the assets that they propose to sell for suitability.

### ***How will the Issuer monitor the performance of the Assets?***

The Issuer has entered into a services agreement with Tradeteq to enable the transformation of trade finance products and other illiquid financial assets into Trada Tokens. Tradeteq is the official technology provider to the TFDI, the largest network of trade finance banks and non-bank institutional investors. Tradeteq software integrates with asset originators' systems to automatically select assets for distribution, based on pre-determined eligibility criteria. Additionally, the software monitors the assets at key lifecycle stages, such as extensions, credit events and repayments. The software also provides automatic reporting on the assets in real-time, including valuation, ensuring quality information for all stakeholders. Reports on the Assets will be provided to Subscribers either via the Issuer's website or directly to Subscribers on a regular basis. The reports will include the Token Reserve Value of the Trada Tokens as well as information on the performance of the Assets, the types of assets that have been acquired, the sectors/geographies in

which the Assets are located and the percentage of the overall portfolio that is held in cash and non-trade finance-related assets.

Respective the target percentages mentioned above due to various factors and in particular over the period of the portfolio construction of the Issuer. **The above- mentioned allocation and percentages are a mere target and starting point but can vary over time and experience.**

**1. Important type of distributed products and/or provided services**

The Issuer is XDCTEQ AG. The business purpose of XDCTEQ AG is to issue the Trada Tokens and any further Trada Tokens and to use the proceeds of the Offering in accordance with this Prospectus. See *“Reasons for the Offering and use of proceeds.”*

**2. Principal Markets**

The Issuer will use the proceeds of the Offering to acquire receivables and other trade finance-related receivables, corporate and sovereign bonds, securitised or collateralised debt instruments and other receivables from corporates and asset originators around the world.

**3. Competitive Position**

Not applicable.

**SECTION 6. ORGANISATIONAL STRUCTURE**

**Shareholders and group structure**

**Position of the Issuer within the group**

XDCTEQ AG is a stock company and was founded on 14.03.2022. XDCTEQ AG will be the Issuer of the Trada Tokens.

XDCTEQ AG is a fully owned subsidiary of Tradeteq and was incorporated on 14.03.2022, with the purpose of acquiring, holding, managing and exploiting assets such as participations, receivables, copyrights, patents, trademarks, designs or models. Tradeteq is a privately held company. The main shareholder of Tradeteq are Accelerated Digital Ventures Limited (19.05%), Nils Behling (11.65%) and Christoph Gugelmann (11.05%). The other shareholders each hold a percentage of shares of less than 10%. Tradeteq Limited is also the 100 % shareholder of two subsidiaries, Tradeteq (Services) Limited and Tradeteq (Germany) GmbH.

### **Dependence of the Issuer on other companies within the group**

There is a dependency of the Issuer on another group company, Tradeteq, which provides software to the Issuer. Tradeteq will not only provide software but also will perform maintenance and updating of the software which will be used by the Issuer.

XDCTEQ AG has a policy for conflicts of interest. Furthermore, XDCTEQ AG has a corporate governance policy that regulates conflicts of interest at the level of the board of directors.

Tradeteq holds 100% of the share capital and voting rights in XDCTEQ AG. Therefore, also in all shareholder-related issues, the Issuer is dependent on Tradeteq.

### **SECTION 7. TREND INFORMATION**

Since the date of incorporation of the Issuer, there have been no known negative changes with regard to the business activities and business prospects of the Issuer.

The Issuer has no knowledge of any trends, uncertainties or other events that could materially affect the Issuer's business prospects in the current fiscal year. There have been no material changes in the financial position or trading position of the Issuer since the end of the last financial year.

### **SECTION 8. PROFIT FORECAST OR ESTIMATE**

The Issuer does not provide any profit forecast or profit estimates.

### **SECTION 9. BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISORY BODY**

#### **Board of Directors**

The board of directors will define the strategic guidelines for the Issuer's business and be responsible for the oversight of the operational and financial management of the Issuer.

As at date of this Prospectus the board of directors consists of the following members:

Christoph Gugelmann, member of the board of directors, Swiss citizen, domiciled in London, United Kingdom.

Nils Behling, member of the board of directors, German citizen, domiciled in London, United Kingdom

The board of directors has not yet made use of the authority granted to it by the Articles of Association to delegate the management of the Company to individual members or third parties. The Issuer's board of directors is currently responsible for the management of the Issuer and forms the executive management itself.

None of the aforementioned members of the board of directors of the Issuer has ever been found guilty of any fraudulent crimes; none of the persons mentioned was ever responsible for or involved in insolvencies responsible; with regard to none of the persons mentioned public accusations and/or sanctions by public authorities or regulatory bodies (including professional associations) known; likewise none of the aforementioned persons has ever been tried by a court for the Membership in an administrative, management or supervisory body of an issuer or for activities in the management or for the conduct of the business of an issuer as regarded as unfit.

Christoph Gugelmann is a co-founder and the Chief Executive Officer of Tradeteq Limited. He was previously a portfolio manager at the Trafigura-owned Galena Asset Management in Geneva. Prior to that he was a managing director at Bank of America Merrill Lynch where he headed public and private side market solutions teams for European, Middle East and Africa. Prior to that he held various management positions at Goldman Sachs and Morgan Stanley in London, Frankfurt, and New York. He graduated in finance and business administration from the University of St. Gallen, Switzerland, in 1996.

Nils Behling is a co-founder and the Chief Financial Officer of Tradeteq Limited. Nils was previously a trade finance investor and a portfolio manager at Galena Asset Management. As a director in Merrill Lynch's FICC business he structured complex funding and capital markets solutions for banks and real-money clients. Nils started his career as a restructuring attorney with Weil, Goshala & Manges, working on cross-border debt advisory, business reorganisations, and NPL workouts. He is a Chartered Alternative Investment Analyst Association (CAIA) Charter holder.

#### **Potential conflict of interest(s)**

Interests of (i) natural persons and legal entities involved directly or indirectly in the issue/offering, (ii) persons, who will provide consulting services directly or indirectly for the Issuer, will be remunerated at arm's length or even below market price. As Christoph Gugelmann and Nils Behling are both members of the board of directors of Tradeteq as well as XDCTEQ AG this could result in a conflict of interest. However, the authority of each of Christoph Gugelmann and Nils Behling to make decisions is subject to the decision-making authority of other members of the board of directors of the Issuer, the Articles of Association of XDCTEQ AG and the board of directors and articles of association of Tradeteq. Furthermore, there are no present conflicts of interest between the board of directors and the management of the Issuer.

#### **SECTION 10. SHAREHOLDER**

The Issuer is XDCTEQ AG, which itself is a wholly owned subsidiary of Tradeteq.

## **SECTION 11. FINANCIAL INFORMATION CONCERNING THE ASSET AND LIABILITIES; FINANCIAL POSITION AND PROFIT OR LOSS OF THE ISSUER**

### **1. Historical financial information**

As the Issuer, XDCTEQ AG is a newly established company, no historical financial information is available. XDCTEQ AG has a fully paid-up share capital of CHF 50,000. The opening balance sheet is attached to the Prospectus.

#### *Court and arbitration proceedings*

The Issuer is not involved in any legal, arbitration or administrative proceedings which could have a significant influence on the economic situation, nor to the knowledge of the Issuer are such proceedings threatened.

### **2. Material changes in the financial position of the Issuer**

XDCTEQ AG has a share capital of CHF 50,000. Since the Issuer is a newly founded company, there have been no significant changes in the Issuer's financial position to date.

## **SECTION 12. FURTHER INFORMATION**

### **Capital**

The share capital of the Company is CHF 50'000.00 and is divided into 50,000 registered shares of a nominal value of CHF 1.00 each, which are fully paid.

## **Articles of Association of XDCTEQ AG**

XDCTEQ AG is registered in the commercial registry of Liechtenstein under register number FL-0002.679.438-9.

The statutory purpose of XDCTEQ AG is the acquisition, holding, management and exploitation of assets such as participations, receivables, copyrights, patents, trademarks, designs or models. The Company may grant or receive loans with or without collateral, also to shareholders and issue securities to finance them, acquire intangible rights and property without risk and immovable assets, and invest the Company's assets in any form of investment anywhere in the world. The company may enter into all transactions and conclude all contracts which are suitable to promote the purpose of the company, or which are directly or indirectly related to it. Furthermore, the Company may establish branches in Liechtenstein and abroad (see Art. 2 of the Articles of Association of XDCTEQ AG)

### **SECTION 13. MAIN CONTRACTS**

XDCTEQ may utilise the services of competent and suitable external provides in performance of these functions. They have service agreements in particular with:

- Tradeteq Limited – asset reporting ([www.tradeteq.com](http://www.tradeteq.com))
- Bank Frick & Co. AG – account bank ([www.bankfrick.li](http://www.bankfrick.li))
- CA Crypto Advisory AG – KYC review ([cryptoadvisory.li](http://cryptoadvisory.li))
- Equanimity AG – onboarding and KYC platform ([equanimity.li](http://equanimity.li))
- IDnow - KYC tool ([www.idnow.io](http://www.idnow.io))

### **SECTION 14. AVAILABLE DOCUMENTS**

Investors may obtain free copies of the Prospectus as well as the Articles of Association of the Issuer and of XDCTEQ AG and annual financial statements and audit reports in writing at the address of the Issuer, being XDCTEQ AG, **Herrengasse 30, Liechtenstein (phone number: [00423 797 86 81](tel:004237978681))**. The management is available at [Nils@xdcteq.io](mailto:Nils@xdcteq.io) and [info@xdcteq.io](mailto:info@xdcteq.io).

Investors may also download (free of charge) this Prospectus on the website of XDCTEQ AG [www.XDCteq.io](http://www.XDCteq.io) without going through a registration process and without (i) having to accept a disclaimer limiting legal liability or (ii) payment of a fee. A specific warning regarding (i) the jurisdiction(s) in which an offer or an admission to trading is being made or (ii) the type of investors which might subscribe to the Note shall be shown on the above-mentioned website but is not considered a disclaimer limiting legal liability.

## **IV. Description of the Note (Trada Token)**

### **SECTION 1. RESPONSIBLE PERSON(S), INFORMATION PROVIDED BY THIRD PARTIES, EXPERT REPORTS AND APPROVAL OF THE COMPETENT AUTHORITY**

#### **Responsible person(s)**

The Issuer, XDCTEQ AG accepts responsibility for the content of this Prospectus and declares that, to its knowledge, the information contained in this Prospectus is correct and that no material circumstances

have been omitted. The Issuer declares that having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect this Prospectus.

### **Declaration**

The Issuer and the board of directors declares, that to the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and the registration form is in accordance with the facts and does not omit anything likely to affect the meaning or significance of such information. The board of directors has exercised the necessary diligence to ensure this.

### **Approval**

This securities prospectus has been approved by the Financial Market Authority Liechtenstein (FMA) as the security's supervisory authority of the Principality of Liechtenstein in accordance with Regulation (EU) 2017/1129 and EWR-WPPDG on 4. July 2022.

The FMA approves securities prospectuses after completing a completeness check of the Prospectus, including a check of consistency and comprehensibility of the information submitted in accordance with Regulation (EU) 2017/1129 and EWR-WPPDG.

Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should therefore make their own assessment of the suitability of these securities for his/her investment.

## **SECTION 2. RISK FACTORS**

### **RISK FACTORS RELATING TO THE Note (Trada Token)**

The following is a disclosure of risk factors relating to Trada Tokens. These factors include risks relating to the instrument itself and the markets and infrastructure supporting the issuance and the custody of the Trada Tokens as well as the trading, the clearing and settlement of transactions with tokens.

It must be stressed that the Trada Tokens are a novel and complex financial instrument, traded in immature markets relying on a market infrastructure in early stages of development. An investment in Trada Tokens is therefore suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment.

Prospective purchasers of the Trada Tokens should consider these risk factors and consult with their own professional advisers before deciding to invest in Trada Tokens. The risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the individual requirements, objectives, experience, knowledge and circumstances of each prospective purchaser. If any of the risks described in the following materializes, the market price of the Trada Tokens may be materially adversely affected, and an investor could lose all or part of its original investment.



The risk information below does not purport to be an extensive and comprehensive list of all possible risks associated with an investment in Trada Tokens. The risk factors discussed below are focused on risks which are specific to the Trada Tokens; thus, risks affecting financial instruments or the economy in general are not specifically discussed. Nor are risks being discussed which may affect any business operation, including operational risks and fraud. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences. Additional risks currently not known or currently not deemed to be material may also impair the Issuer's business operations.

**a. Limited rights of Subscriber**

**Subscribers have only contractual rights against the Issuer to receive an Asset Distribution Amount in the event that the Token Reserve Value is greater than 1 on the relevant Asset Distribution Amount Determination Date.** Subscribers have no security interests or any other proprietary rights in the Assets, which will be acquired with proceeds from the issuance of Trada Tokens. They have no rights to participate and/or vote in the Issuer's general meeting of shareholders or in any other of its bodies.

**b. Legality of purchase**

None of the Issuer or any of its affiliates has or assumes responsibility for the lawfulness of the acquisition of any Trada Tokens by a prospective Subscriber, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective Subscriber with any law, regulation or regulatory policy applicable to it. The purchase and/or holding of digital assets such as the Trada Tokens may be prohibited in certain jurisdictions and neither the Issuer nor any of its affiliates shall be responsible for any losses incurred by, or fines imposed on, a Subscriber as a result of its purchase and/or holding of Trada Tokens.

**c. Credit Risk**

A prospective Subscriber of Trada Tokens should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Trada Tokens, including any credit risk associated with the Issuer and any Agent. The ability of the Issuer to meet its obligations in respect of the Trada Tokens will depend on each such entity performing their respective obligations in relation to the Trada Tokens and, further, investors should be aware that on any default of any such person under the Tokens, the Account Bank and/or the Paying Agent may be affiliates of, and/or share infrastructure with, any such entities and, in such circumstances, the realisation of the Assets and burning of the Tokens, may not occur in a timely manner

**d. Certain Secured Creditors will rank ahead of payments to the Subscribers**

As set out in Condition 9.2 of the Terms and Conditions (*Priority of Payments*) of this Prospectus, payments to certain creditors of the Issuer will rank ahead of payments being made to the Subscribers. Additionally, in the event that the security is enforced, the proceeds of such enforcement may be insufficient, after payment of amounts ranking in priority to the Trada Tokens, to pay, in full, all amounts due in respect of the Trada Tokens.

**e. Impact of fees and commissions**

Investors should note that the issue price of Trada Tokens includes fees and/or other commissions and inducements (e.g., placement fees, distribution fees, structuring fees). Any such fees and/or other commissions and inducements will have a negative impact on the Token Reserve Value of the Trada Tokens and will result in a difference between the issue price of the Trada Tokens and the Token Reserve Value of the Trada Tokens and/or the bid/offer price quoted by any intermediary in the secondary market. Any such difference will result in a decrease in the value of the relevant Trada Tokens, particularly in relation to any such Trada Tokens sold immediately following the issue date or offer period relating to such Trada Tokens. Investors should also note that ongoing annual fees and expenses are payable to certain third parties, including the Calculation Agent, the Account Bank and the Issuer's auditors and to other third parties that may be affiliated with the Issuer, such as Tradeteq. **These fees and expenses may have a negative impact on the ability of the Issuer to pay any Asset Distribution Amounts or to pay other amounts under the Trada Tokens to the Subscriber.**

**f. No Redemption at the option of the Subscriber**

The Subscribers do not have the right to require the Issuer to redeem any Trada Tokens, except for at Maturity Date. Subscribers should be aware that it may not be possible to get a redemption prior to the Maturity Date.

**g. The Liquidation Value payable may be less than the subscription price paid by a Subscriber**

In the event of a redemption of Trada Tokens at the Option of the Issuer pursuant to IV./Section 5/Condition 10 of the Terms and Conditions of this Prospectus (*Redemption and Cancellation*), or on the Maturity Date, the Liquidation Value payable will be dependent on the performance of the Assets and/or the ability of the Issuer to sell any Assets which have not yet matured. **If there are any defaults or the Issuer sells the Assets for less than their purchase price the Liquidation Value paid to Subscribers may be less than the subscription price of the Trada Tokens.**

**h. Exchange rate risk**

Subscriptions for the Trada Tokens may be made in XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent**. A Subscriber who has subscribed for the Trada Tokens in **XDC, USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent** will receive all payments made under the Trada Tokens in XDC unless the Subscriber elects to receive payments in USD by notifying the Issuer in writing .

Cryptocurrencies such as **XDC, USDT, USDC** can be subject to significant fluctuations in value relative to fiat currencies. Subscription amounts received by the Issuer in XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent** will be converted into fiat currencies in order to purchase Assets. In order to be able to make any payments to Subscribers who have subscribed in XDC, **USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent** the Issuer must first exchange appropriate amounts of the relevant fiat currencies into XDC, **USDT, USDC or any**

**other cryptocurrency accepted by the issuer upon written consent.** The date of the exchange is determined by the Issuer in its sole and absolute discretion in accordance with the Terms and Conditions. There is the risk that the time of exchange chosen by the Issuer may be unfavourable to the Subscriber. The performance of the XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent** against fiat currencies may be significantly impaired in the short term and fluctuations in exchange rates may occur before, during and after a conversion transaction and in particular may also be influenced by the exchange process itself if there is insufficient supply or demand on the relevant cryptocurrency exchange at that time.

**In any case where any payment to Subscribers who have subscribed in XDC, USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent has to be made in XDC, USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent to the Subscriber, the Subscriber bears the entire risk of the exchange. This in particular includes the risk that an exchange into XDC, USDT, USDC or any other cryptocurrency accepted by the Issuer upon written consent is not possible at all or only at substantial discounts as well as all costs associated with the exchange.**

**i. The Trada Tokens are only partially tradable**

The transfer of Trada Tokens occurs exclusively through the XDC Network. Any assignment of a Trada Token is also subject to the Terms and Conditions.

Subscribers should be aware that it may not be possible to sell Trada Tokens prior to the Maturity Date. Although transfers of Trada Tokens are permitted, the Trada Tokens will not, as of the date of this Prospectus, be admitted to trading on any markets. A transfer of Trada Tokens is therefore only possible through a private, bilateral sale. **The Issuer does not currently intend to apply for a Listing or admission to trading of the Trada Tokens and there can be no assurance that any application for admission to trading or for a Listing would be accepted by an exchange in the future.** Even if the Trada Tokens are listed or admitted to trading on one or more exchanges, there can be no assurances that an active trading market for the Trada Tokens will develop or be maintained. **Security tokens like the Trada Token can be subject to large price fluctuations and a Subscriber may not be able to sell a Trada Token for an acceptable price or at all.**

In addition, trading platforms and exchanges may not be subject to regulatory oversight, so compliance with legal (including investor protection) rules is not guaranteed. In the event that a trading platform requires regulatory approval that it does not have, there is a risk that regulators may take enforcement action against the trading platform and require it to curtail or cease its activities, which could have a negative impact on the price of the Trada Tokens and/or the ability of Subscribers to sell their Trada Tokens.

**j. Insolvency of cryptocurrency exchanges**

The Issuer will use cryptocurrency exchanges to exchange fiat currency for **XDC, USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent** and vice versa. There can be no assurances that a cryptocurrency exchange used by the Issuer for these purposes will always be able to make payments of XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent**

or fiat currencies and that a cryptocurrency exchange may become insolvent while still holding fiat currency or XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent** balances for the Issuer.

This may have a material adverse impact on the Token Reserve Value, the market value of the Trada Tokens and/or the ability of the Issuer to make payments that are due and payable under the Trada Tokens. **The Subscriber may lose all or part of his investment.**

**k. Currency risk**

Exchange rates for currencies fluctuate daily. The Trada Tokens are issued in USD, but the Issuer may purchase Assets denominated in other currencies. An increase in the value of the USD relative to any currency to which the Issuer has exposure may have a material adverse effect on the return generated by the Issuer.

Investing in currencies or securities denominated in a currency other than USD entails the risk of being exposed to a currency that may not fully reflect the strengths and weaknesses of the economy of the country or region utilising the currency. Currency risk includes both the risk that currencies in which the Issuer's investments are traded, or currencies in which the Issuer has taken an active investment position, will decline in value relative to the USD. In addition, it is possible that a currency could be abandoned in the future by countries that have already adopted its use, and the effects of such an abandonment on the applicable country and the rest of the countries utilizing the currency are uncertain but could negatively affect the Issuer's investments denominated in the currency.

**l. Taxation**

The issuer does not provide any tax advice and therefore is not responsible for any tax implications of investing in any Trada Tokens rests entirely with each Subscriber.

Subscribers should note that the tax treatment will differ from jurisdiction to jurisdiction. Each Subscriber will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any transfer or payment in respect of the Trada Tokens. If taxes are imposed: (a) on payments to be made by the Issuer under the Trada Tokens or (b) on amounts received by the Issuer under the Assets such that the net amounts received by the Issuer in respect of any Assets are insufficient to meet the amounts due under the Trada Tokens, the Issuer will deduct an amount representing such taxes from payments in respect of the Trada Tokens and may pursuant to Condition 10.2 (*Redemption at the option of the Issuer*) redeem and burn the Trada Tokens in accordance with Condition 10.2 (*Redemption at the option of the Issuer*). The Issuer will not pay any additional amounts to Subscribers to reimburse them for any such deductions and any amounts received by a Subscriber may be less than the amount originally invested by such Subscriber.

### **3. Risks relating to Tokenization (Technical Risks)**

#### **a. Risks related to the XDC Blockchain**

The Trada Tokens will be issued on the XDC Network via the Trada Platform. As with all software applications, there is a risk that the Trada Platform will contain errors which could result in a misallocation of Trada Tokens. In addition, due to the fact that the regulatory environment underpinning offerings of security tokens is subject to change and development, procedures provided by the Trada Platform cease to be compliant with applicable law and regulation during the period in which the Offering is open.

While the Issuer has sought to ensure that its processes comply with applicable law and regulation, in particular in relation to the identification and approval of Subscribers and/or Subscribers for KYC and anti-money laundering purposes, regulation of the sale and custody of digital assets is subject to rapid technological and regulatory change, and there can be no assurances that the Issuer will be able to comply with applicable law and regulation. Any failure to comply with applicable law and regulation could have a material adverse effect on the Issuer and the Trada Tokens.

#### **b. Finality issues**

The Issuer uses Smart Contracts based on the XDC Protocol (<http://www.xinfin.org>), which is a relatively new technology. The Issuer cannot exclude future changes in the XDC Protocol and associated risks of unforeseen problems, which may impair the effective use of the smart contracts, such as a malfunctioning of the XDC Network, bottlenecks, or mining power attacks on the XDC Network. The Issuer does not have sufficient experience with the XDC Protocol to ensure that the XDC Protocol will work properly at all times and remain free of any bugs and defects. **Therefore, it cannot be excluded that the XDC Protocol will not work properly and will not generate Trada Tokens in accordance with this Prospectus. This could lead to a false allocation of the Trada Tokens, unauthorised transactions and/or a total loss of Trada Tokens by Subscribers.**

#### **c. Loss of Trada Tokens**

Trada Tokens may be lost or become inaccessible, in particular if a Subscriber loses its private key to dispose of its Trada Tokens or due to a malfunctioning of the Wallet in which the Trada Tokens are stored. This could result in the loss of Trada Tokens. It is the sole responsibility of a Subscriber to safely store and protect the private key that allows access to the Wallet. Trada Tokens may become inaccessible also in the case of death of a Subscriber.

The loss of private keys could furthermore reduce the availability of various functionalities of the Trada Tokens. In particular, it may be impossible to issue Trada Tokens or to make Trada Tokens transferable in which case they would remain locked indefinitely. Furthermore, it may be impossible to make payments of Asset Distribution Amounts other amounts that become due and payable under the Token. Finally, there is a risk that an attacker may mint Trada Tokens for non-contributing addresses, alter confirmation statuses, contribute uncontrolled amounts to the Offering or allow the attacker to withdraw unclaimed payments of Asset Distribution Amounts or other amounts.

**d. Risk of attacks and technical hazards**

Technical hazards may interrupt the process or lead to a cancellation of the Offering. Such factors include batch-overflow, DNS/DoS/DDoS attacks, the risks of website hacking, double spending, scam addresses or mining attacks as well as connectivity and transmission issues of the internet or insufficient computing capacity to execute transactions swiftly. Such factors may be beyond the Issuer's control and may result in a partial or total loss of a Subscriber's investment.

**e. Cybercrime risk**

The number of cyber-attacks on security token offerings has increased in recent years. There can be no assurances that the Trada Platform will not suffer an attack by hackers before, during or after the Offering. Technological developments regarding the capabilities of hackers crack the cryptographic code of the Trada Platform and the Trada Tokens themselves remain unpredictable. **This could lead to a false allocation of Trada Tokens, unauthorised transactions involving the Trada Tokens and the total loss of Trada Tokens.**

**f. Malfunctioning of smart contracts**

Smart contracts are a relatively new technology and there may be unforeseen problems which occur in relation to the use of Smart Contracts. The Issuer does not yet have sufficient experience with Smart Contracts to ensure that the Smart Contracts will work satisfactorily at all times and free from defects. If the Smart Contracts were to fail to work satisfactorily, the Issuer may be unable to issue Trada Tokens or ensure that the Trada Tokens operate in accordance with the Terms and Conditions.

**4. Risk related to the Assets**

**The payment of Asset Distribution Amounts is subject to the performance of the Assets and the Issuer's ability to purchase sufficient Assets. If there are defaults in the Assets, then the Asset Distribution Amount would be negatively affected or could be zero.**

The Issuer will use the proceeds of the Offering to purchase Assets. The Issuer will pursue its investment objective by investing primarily in trade finance, structured trade finance, export finance and project finance or related obligations of companies or other entities (including sovereign entities). It is possible that interest or principal payable under the Assets will not be paid by the relevant obligors when due or at all. Any such non-payment or default may reduce the Token Reserve Value of the Trada Tokens and have a negative impact on the ability of the Issuer to make payments of Asset Distribution Amounts or of any other amounts that become due and payable under the Trada in accordance with the Terms and Conditions.

There can be no assurances that the Issuer will be able to source sufficient Assets with the proceeds of the Trada Tokens. **Any shortfall of suitable assets could have a negative impact on the Asset Distribution Amounts (if any) payable to Subscribers. Asset Distribution Amounts are only payable in accordance with Condition 9.1 of the Terms and Conditions (Payments of Asset Distribution Amounts) if the Token Reserve Value of the Trada Tokens on an Asset Distribution Amount Determination Date is greater than 1. In the event that the Token Reserve Value is less than 1, no Asset Distribution Amounts will be payable. This could in turn have a negative impact on the market price of the Trada Tokens.**

**SECTION 3. BASIC INFORMATION**

**Interested Persons**

Interests of (i) natural persons and legal entities involved directly or indirectly in the issue/offering, (ii) persons, who will provide consulting services directly or indirectly for the Issuer, will be remunerated at arm's length or even below market price. Otherwise, there are no interests of natural or legal persons which are of material importance.

Specifically, Tradeteq, the sole shareholder of the Issuer, will be providing access to its software platform to the Issuer to enable the processing of Assets purchased by the Issuer and to provide reporting and other services to the Issuer and Subscribers. In consideration for the services provided to the Issuer, Tradeteq is entitled to a fee of 100 basis points payable on the Maturity Date calculated by reference to the Aggregate Asset Amount as of the Maturity Date.

## Reason for this Offering and use of proceeds

The Issuer was established on 14.03.2022. The Issuer expects to receive proceeds of up to USD 5,000,000 from the Offering. The proceeds of the Offering will be used by the Issuer to acquire and hold trade finance-related receivables, corporate and sovereign bonds and/or securitised or collateralised debt instruments.

## SECTION 4. INFORMATION ON THE NOTE TO BE OFFERED

### 1. Description of the Note (Token)

#### OBJECT OF THE PROSPECTUS / TYPE OF the Note (Token)

The Trada Tokens are digital tokens which each represent an interest in the Note. The Trada Tokens are issued in the form of book-entry securities (*Wertrechte*), and Subscribers shall at no time have the right to demand either (i) the conversion of Trada Tokens into physical securities and/or (ii) the delivery of physical securities.

Trada Tokens issued during the course of the Offering or during any Post-STO Offering (at the case may be) shall be deemed to form part of one and the same class of securities. The Trada Tokens are fully fungible and may be traded on exchanges or regulated markets that are licensed to list and admit to trading security tokens such as the Trada Tokens and once the Trada Tokens have been listed and/or admitted to trading on such exchanges or markets. **Until a Listing is obtained, the Trada Token may be traded on a bilateral (OTC) basis only. The Issuer does not currently intend to obtain a Listing for the Trada Token.**

### 2. Rights associated with Trada Token

The Trada Tokens constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves with all other unsecured, unsubordinated obligations of the Issuer, without prejudice to any such liabilities which may be given priority by law.

The Rights attached with the Trada Token are the Payments of XDC and an Asset Distribution Amounts if certain conditions occur (see below and in the Terms and Conditions).

#### *(a) Payments of XDC:*

On each of December 31, 2022, March 31, 2023, and June 30, 2023, and the Maturity Date (each an “**XDC Payment Date**”), the Issuer may pay to the Tokenholder in respect of each Trada Token an amount in XDC equal to USD 0.00125. The Issuer shall determine the USD to XDC exchange rate on the fifth Business Day prior to an XDC Payment Date in its sole and absolute discretion on a best execution basis using data from a number of leading cryptocurrency exchanges. The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole and absolute discretion. Payments of XDC will be delivered to each Tokenholder’s Wallet on the relevant XDC Payment Date.

#### *(b) Payment of Asset Distribution Amount:*

On each Periodic Payment Date, the Issuer shall pay to Tokenholders in respect of each TRADA Token an amount equal to such Trada Token’s pro rata share of the applicable Asset Distribution Amount (if any) corresponding to the Trada Tokens. Any Asset Distribution Amounts due and payable shall be paid



quarterly in arrears on December 31, 2022, March 31, 2023, June 30, 2023, and the Maturity Date (**each, a “Periodic Payment Date”**). Payments of Asset Distribution Amounts will be made in newly minted Trada Tokens (with uneven amounts rounded up in favour of the Tokenholder) delivered to each Tokenholder’s Wallet on the relevant Periodic Payment Date.

### **3. Asset Distribution Amount and Maturity Date**

**The Trada Tokens will not accrue interest.** However, the **Asset Distribution Amounts may be payable to Subscribers if the Token Reserve Value of the Trada Tokens is greater than 1 on an Asset Distribution Amount Determination Date.** Any Asset Distribution Amounts payable would be paid on December 31, 2022, March 31, 2023, June 30, 2023, and the Maturity Date and would be payable in newly minted Trada Tokens.

Any payments of Asset Distribution Amounts would be also subject to the following Condition:

#### *a. Priority of Payment:*

All amounts of cash standing to the credit of the Issuer Account prior to 4 pm (London time) on any Early Repayment Date, the Maturity Date or any other date where a payment is due (other than an XDC Payment Date or a Periodic Payment Date) in making the following payments or provisions (the "**Priority of Payments**"), but only to the extent that (i) all payments or provisions of a higher priority that fall due to be paid or provided for on such date have been made in full and (ii) no payment shall be made if such payment would cause the Issuer Account to be overdrawn:

- (a) *first*, on any such date, to pay when due (or to reserve such amounts which are expected to be due in the immediately succeeding period of ninety (90) days), amounts payable in respect of Taxes (if any) by the Issuer, any tax filing fees and any annual return or exempt company status fees, applied to the Trada Tokens *pro rata* by reference to the total amount of cash held by the Issuer corresponding to the Trada Tokens;
- (b) *second*, on any such date, to pay *pari passu* and *pro rata* when due (or to reserve such amounts which are expected to be due in the immediately succeeding period of ninety (90) days), the Transaction Expenses and other expenses of the Issuer not already provided for elsewhere in this Priority of Payments and which are necessary for the establishment and/or maintenance of the Issuer, including all taxes (not covered under paragraph (a) above including corporate income tax, net wealth tax, any indemnity payments and municipal business tax under any Applicable Law) and any amounts due to any corporate service provider of the Issuer or any auditor appointed, or any advisor, applied to the Trada Tokens *pro rata* by reference to the total amount of cash held by the Issuer corresponding to the Trada Tokens;
- (c) *third*, where such date is an Early Repayment Date or the Maturity Date, to reserve an amount standing to the credit of the Issuer Account equal to the relevant repayment amount; and
- (d) *fourth*, any surplus to be retained in the Issuer Account.

b. LIMITED RECOURSE AND NON-PETITION:

Notwithstanding anything to the contrary herein:

- (a) no payment of any amount whatsoever shall be made by the Issuer or any of its agents on its behalf except in accordance with the Priority of Payments and only to the extent funds are available to the credit of the Issuer Account;
- (b) no recourse shall be had for the payment of any amount owing hereunder, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the TRADA Token, against the Issuer to the extent claims against the Assets have been exhausted following which all obligations of the Issuer in respect of the TRADA Tokens shall be extinguished; and
- (c) no recourse (whether by institution or enforcement of any legal proceeding or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Issuer arising under or in connection with the TRADA Tokens (as from time to time supplemented or modified in accordance with the provisions herein contained) by virtue of any law, statute or otherwise shall be held against any shareholder, officer, manager or corporate services provider of the Issuer in their capacity as such, save in the case of their gross negligence, wilful default or actual fraud, and any and all personal liability of every such shareholder, officer, manager or corporate services provider in their capacity as such for any breaches by the Issuer of any such duty, obligation or undertaking shall be waived and excluded to the extent permitted by law.

**The Calculation Agent will determine in its sole and absolute discretion whether an Asset Distribution Amount is payable by calculating the Token Reserve Value on an Asset Distribution Amount Determination Date.** The Token Reserve Value on any given date is (i) the sum of the purchase prices paid in respect of all outstanding Assets, plus any income received by the Issuer in respect of such Assets, less any impairment or similar charges in respect of such Assets, and (ii) any other cash balance held by the Issuer in all cases as determined by the Issuer in its sole discretion in accordance with IFRS less any due and payable Transaction Expenses.

**“Transaction Expenses”** consist of the following:

- (a) a fee of 100 basis points calculated by reference to the Aggregate Asset Amount as at the Maturity Date due to the Calculation Agent;
- (b) audit fees in respect of the Issuer (plus VAT, if any);
- (c) amounts (plus VAT, if any), which are payable by the Issuer to third parties (excluding any amount payable to any Asset Sellers) that have become payable under obligations incurred in the course of the Issuer's business and not provided for payment elsewhere; and
- (d) the fees, costs and expenses reasonably and properly incurred and payable and other indemnity amounts payable by the Issuer to any third party (including, in respect of the Issuer, to the Tokenholders but excluding, in the case of the Tokenholders, any tax liabilities and excluding any amount payable to any Asset Seller) in connection with the issuance of Trada Tokens as determined by the Issuer.

The Maturity Date of the Trada Tokens is 30. September 2023. The Trada Token outstanding on the Maturity Date will be redeemed by the Issuer on the Maturity Date at their Liquidation Value, subject to the Priority of Payments and Condition 12 of the Terms and Conditions of this Prospectus (Limited Recourse and Non-Petition).

#### **4. Principal repayment (Redemption)**

Unless a Trada Token has been redeemed and/or burned in accordance with the Terms and Conditions, the Trada Tokens will be redeemed by the Issuer on the Maturity Date at their Liquidation Value, subject to the Priority of Payments described in Condition 9.2 (Priority of Payments) and Condition 12 (Limited Recourse and Non-Petition) of the Terms and Conditions (IV./Section 5).

In addition, the Issuer may elect to redeem the TRADA Tokens in whole at their Liquidation Value (subject to the Priority of Payments and Limited Recourse and Non-Petition condition) by giving not less than 45 days' notice to Subscriber and notifying Subscribers of the Early Repayment Date in the event of:

- a) Regulatory Event; or
- b) Tax event;

in each case together with any accrued but unpaid Asset Distribution Amount up to (and including) the Early Repayment Date.

**The rights of Subscribers to receive any amounts due and payable under the Trada Tokens are limited to the net proceeds generated by the liquidation and/or winding-down of the Assets as at an Early Repayment Date or the Maturity Date, as applicable.**

#### **5. Total issue volume**

The Issuer will issue up to 5,000,000 Trada Tokens in connection with the Offering.

#### **6. Denomination**

The Trada Tokens will be offered in minimum denominations of USD 100 and USD 1 thereafter.

#### **7. Currency**

The currency of the Trada Tokens will be USD.

#### **8. Ranking**

All Trada Tokens issued in the course of this Offering shall rank *pari passu* with each other and be deemed to form part of one and the same class of securities.

#### **9. Transfer restrictions**

The transfer of Trada Tokens from one Subscriber to another Subscriber may be effected through the XDC Network only. To effect a transfer of Trada Tokens, the Seller must send the relevant Trada Tokens from the Seller's Wallet to the buyer's Wallet. Upon authorisation of the transfer by the Seller, the transaction will be acknowledged automatically by the XDC Network. In addition, any person who acquires Trada Tokens in the secondary market but fails to complete the KYC/AML process established by the Issuer shall

be prohibited from exercising any rights in relation to such Trada Tokens, including, but not limited to, the right to receive any payments in respect of the Trada Tokens and to vote on any matters.

## **10. Governing law**

The Trada Tokens shall be governed by, and construed in accordance with, the laws of Liechtenstein.

## **SECTION 5. TERMS AND CONDITIONS OF THE OFFERING/TRADA TOKEN**

### **1. Scope**

These Terms and Conditions shall apply to the TRADA Tokens, with each TRADA Token representing an interest in a structured Note (as defined above the “**Offering**”):

- (a) to the public in the Principality of Liechtenstein (“**Liechtenstein**”);
- (b) to the public in member states of the European Economic Area (the “**EEA**”) where the competent authority of the relevant member state has been notified in accordance with Art. 25 of the Prospectus Regulation on the prospectus to be published when securities are offered to the public or admitted to trading;
- (c) qualified investors (as defined in the Prospectus Regulation) in the EEA; and
- (d) in Third Country, provided that the offering of TRADA Tokens is permissible under Applicable Law in such Third Country.

### **2. Offering**

- 2.1 The minimum amount to be subscribed by each Subscriber is USD 100 (or the corresponding amount in XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent**) with each TRADA Token minted in a nominal amount of USD 1. The conversion rate of USD to XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent** will be determined by a broker selected, from time to time, by the Issuer in its sole and absolute discretion on a best execution basis using data from a number of leading exchanges that list XDC, **USDT, USDC or any other cryptocurrency accepted by the issuer upon written consent**. The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole and absolute discretion on a daily basis during the Offering.
- 2.2 All TRADA Tokens issued pursuant to these Terms and Conditions shall rank *pari passu* with each other and be deemed to form part of one and the same class of securities.
- 2.3 The Issuer may offer and sell additional TRADA Tokens at any time after the Closing Date (each such offering, is a “**Post STO Offering**”), subject to the Issuer having received all required licences, approvals and consents prior to the launch of any Post STO Offering. Any additional TRADA Tokens issued in the course of any Post STO Offering shall be issued pursuant to, and be subject to, these Terms and Conditions, at an issuance price equal to the higher of (i) the then prevailing market price for the TRADA Tokens as determined by the Issuer in its sole and absolute discretion and (ii) USD 1.00. Any TRADA Tokens issued pursuant to a Post STO Offering will be fungible and form a single series with the TRADA Tokens and will have identical terms to the TRADA Tokens except for (i) the first

Periodic Payment Date and (ii) the subscription price paid by the Subscribers for such additional TRADA Tokens.

### **3. Cancellation of Offering**

- 3.1 The Issuer has the right to cancel the Offering at any time before the Closing Date without providing any reasons for its decision. If the Issuer elects to cancel the issue of TRADA Tokens:
- (a) it shall send a notice of cancellation to Subscribers in accordance with Condition 19 (*Notices*); and
  - (b) all amounts received from Subscribers in payment for subscriptions shall be repaid to such Subscribers. Repayment shall be arranged not later than two 2 months after the notice of cancellation was sent. If payment was made by the Subscriber in XDC, the conversion rate prevailing at the value date of repayment, determined in accordance with paragraph 4 of the Subscription Agreement (Annex I to the Prospectus), shall apply. Repayment shall be made net of all fees and charges.
- 3.2 The Subscribers agree that the Issuer shall not be held liable and waive any claim against the Issuer to the fullest extent permitted by Applicable Law, for any loss or damages resulting from the cancellation of the Offering, including, but not limited to, any claims for indirect or consequential damages, loss of profit or earnings, unrealised savings, and additional expenses.

### **4. Form of Securities**

- 4.1 The TRADA Tokens are digital tokens which each represent an interest in a structured Note. The TRADA Tokens are issued in the form of book-entry securities (*Wertrechte*), and Subscribers/Tokenholders shall at no time have the right to demand either (i) the conversion of TRADA Tokens into physical securities and/or (ii) the delivery of physical securities.
- 4.2 TRADA Tokens issued during the course of the Offering or during any Post-STO Offering (at the case may be) shall be deemed to form part of one and the same class of securities. The TRADA Tokens are fully fungible and may be traded on exchanges or regulated markets that are licensed to list and admit to trading security tokens such as the TRADA Tokens and once the TRADA Tokens have been listed and/or admitted to trading on such exchanges or markets. Until a Listing is obtained, the TRADA Tokens may be traded on a bilateral (OTC) basis only.
- 4.3 Unless a Listing is obtained, the transfer of TRADA Tokens from one Tokenholder to another Tokenholder may be effected through the XDC Network only via the TRADA Platform. To effect a transfer of TRADA Tokens, the seller must send the relevant TRADA Tokens from the seller's Wallet to the buyer's Wallet using the TRADA Platform. Upon authorisation of the transfer by the seller, the transaction will be acknowledged automatically by the XDC Network.
- 4.4 **Unless a Listing is obtained, the transfer of ownership rights in TRADA Tokens from one Tokenholder to another Tokenholder must be registered on the TRADA Platform in order for a Tokenholder to be able to receive Asset Distribution Amounts (if any) and/or any payments under the TRADA Tokens.** Registration of a transfer of TRADA Tokens to a purchaser or any other transferee made in accordance with the rules and provisions of the TRADA Platform shall be deemed to constitute a transfer of the corresponding book-entry security. **The Issuer shall recognize and acknowledge the person who is the registered holder of the TRADA Token in accordance with the rules and provisions of the TRADA Platform as the Tokenholder. The Tokenholder is the person entitled to claim and exercise any and all rights in connection with the TRADA Token.**

- 4.5 The Issuer reserves the right to exchange TRADA Tokens (i.e., to issue and allocate substitute TRADA Tokens to a Tokenholder in exchange for such Tokenholder's existing TRADA Tokens and to burn any such exchanged TRADA Tokens) if, in the sole opinion of the Issuer, such exchange is required for technical reasons.

## **5. Exercise of Rights**

- 5.1 **The Issuer will recognise and acknowledge as Tokenholders only those persons which both hold TRADA Tokens, and which have successfully registered on the TRADA Platform and completed the KYC/AML Requirements established by the Issuer.**
- 5.2 Any person who acquires TRADA Tokens in the secondary market but fails to complete the KYC/AML process established by the Issuer shall be prohibited from exercising any rights in relation to such TRADA Tokens, including, but not limited to, the right to receive any payments in respect of the TRADA Tokens and to vote on any matters.
- 5.3 Various functionalities of the TRADA Tokens, including, but not limited to, the issuance and the transfer of TRADA Tokens and the receipt of payments due under the TRADA Tokens, are available only with the private key associated with the TRADA Tokens. Each Tokenholder agrees that the Issuer shall not be held liable and waive any claim against the Issuer to the fullest extent permitted by Applicable Law, for any loss or damages resulting from the loss or theft of its private key, including, but not limited to, any claims for indirect or consequential damages, loss of profit or earnings, unrealised savings and additional expenses.

## **6. Listing and Trading of Trada Token**

- 6.1 **The Issuer does not currently intend to obtain a Listing for the TRADA Tokens.**

Tokenholders understand and acknowledge that:

- a) there can be no assurances that the TRADA Tokens will be admitted to trading on an exchange or regulated market, and nothing in these Terms and Conditions or in the Prospectus shall be construed as constituting a warranty or promise to that effect; and
  - b) unless and until TRADA Tokens are admitted to trading on an exchange or regulated market, the trading of TRADA Tokens will be possible only on a bilateral basis.
- 6.2 Where TRADA Tokens are listed and/or admitted to trading on an exchange or regulated market, trades will be executed in accordance with the rules and regulations of such exchange or market.
- 6.3 The Issuer may at any time purchase TRADA Tokens from Tokenholders in the secondary market and may hold, resell or burn such TRADA Tokens. Any such purchase will be made on an arm's length basis at the prevailing market price and in accordance with Applicable Law.

## **7. Fees and Expenses**

The Transaction Expenses shall apply in respect of the TRADA Tokens and each Tokenholder acknowledges and agrees to such Transaction Expenses.

## **8. Determination of Asset Distribution Amounts**

- 8.1 The Calculation Agent shall determine the Asset Distribution Amount (as defined above) payable on each Asset Distribution Amount Determination Date and give notice to Tokenholders of such calculation promptly thereafter.
- 8.2 If, on the Asset Distribution Amount Determination Date prior to a Periodic Payment Date, the Token Reserve Value is less than 1 (as determined by the Calculation Agent in its sole and absolute discretion), no Asset Distribution Amount will be payable.
- 8.3 The Issuer has appointed the Calculation Agent to make such calculations and determinations and carry out its other functions as provided for in these Terms and Conditions. The Issuer shall indemnify the Calculation Agent against any losses (including any expenses paid) which it may incur, or which may be made against it as a result of or in connection with its appointment as Calculation Agent or the exercise of its powers and duties in relation to these Terms and Conditions except for any losses or expenses which may arise from its own gross negligence or wilful default or that of its officers, directors or employees.

## **9. Payment of Asset Distribution Amounts and Principals**

### **9.1 Payments of XDC and Asset Distribution Amounts**

- (a) On each December 31, 2022, March 31, 2023, and June 30, 2023, and the Maturity Date (each an "**XDC Payment Date**"), the Issuer shall pay to Tokenholders in respect of each TRADA Token an amount in XDC equal to USD 0.00125. The Issuer shall determine the US dollar to XDC exchange rate on the fifth Business Day prior to an XDC Payment Date in its sole and absolute discretion on a best execution basis using data from a number of leading cryptocurrency exchanges. The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole and absolute discretion. Payments of XDC will be delivered to each Tokenholder's Wallet on the relevant XDC Payment Date.
- (b) On each Periodic Payment Date, the Issuer shall pay to Tokenholders in respect of each TRADA Token an amount equal to such TRADA Token's pro rata share of the applicable Asset Distribution Amount (if any) corresponding to the TRADA Tokens. Any Asset Distribution Amounts due and payable shall be paid quarterly in arrears on December 31, 2022, March 31, 2023, and June 30, 2023, and the Maturity Date (each, a "**Periodic Payment Date**"). Payments of Asset Distribution Amounts will be made in newly minted TRADA Tokens (with uneven amounts rounded up in favour of the Tokenholder) delivered to each Tokenholder's Wallet on the relevant Periodic Payment Date.

### **9.2 Priority of Payments**

All amounts of cash standing to the credit of the Issuer Account prior to 4 pm (London time) on any Early Repayment Date, the Maturity Date or any other date where a payment is due (other than an XDC Payment Date or a Periodic Payment Date) in making the following payments or provisions (the "**Priority of Payments**"), but only to the extent that **(i) all payments or provisions of a higher priority that fall due to be paid or provided for on such date have been made in full and (ii) no payment shall be made if such payment would cause the Issuer Account to be overdrawn:**

- (a) *first*, on any such date, to pay when due (or to reserve such amounts which are expected to be due in the immediately succeeding period of ninety (90) days), amounts payable in respect of Taxes (if any) by the Issuer, any tax filing fees and any annual return or exempt company status fees, applied to the

TRADA Tokens *pro rata* by reference to the total amount of cash held by the Issuer corresponding to the TRADA Tokens;

- (b) *second*, on any such date, to pay *pari passu* and *pro rata* when due (or to reserve such amounts which are expected to be due in the immediately succeeding period of ninety (90) days), the Transaction Expenses and other expenses of the Issuer not already provided for elsewhere in this Priority of Payments and which are necessary for the establishment and/or maintenance of the Issuer, including all taxes (not covered under paragraph (a) above including corporate income tax, net wealth tax, any indemnity payments and municipal business tax under any Applicable Law) and any amounts due to any corporate service provider of the Issuer or any auditor appointed, or any advisor, applied to the TRADA Tokens *pro rata* by reference to the total amount of cash held by the Issuer corresponding to the TRADA Tokens;
- (c) *third*, where such date is an Early Repayment Date or the Maturity Date, to reserve an amount standing to the credit of the Issuer Account equal to the relevant repayment amount; and
- (d) *fourth*, any surplus to be retained in the Issuer Account.

9.3 Payments by the Issuer of any principal due under the TRADA Tokens shall be made in USD in the case of Subscribers who subscribed for TRADA Tokens in USD or XDC in the case of Subscribers who subscribed for TRADA Tokens in XDC.

Amounts payable in XDC shall be settled by sending XDC to the relevant Tokenholder's Wallet. Fees charged for exchanging USD into XDC for the purposes of making payments under the TRADA Tokens shall be borne by the relevant Tokenholder. The Issuer shall not be liable for any late payment of amounts due under the TRADA Tokens as a result of any delay in the exchange of USD for XDC.

Payments due in USD will be made by the Issuer to the bank account notified by the Tokenholder to the Issuer.

Subject to Applicable Law, the Issuer shall not be liable to pay any amount due and payable under the TRADA Tokens if (i) the Issuer is not capable of identifying the Tokenholder; or (ii) a Tokenholder has failed to satisfy the KYC/AML Requirements.

## **10. Redemption and Cancellation**

### **Final Redemption**

10.1 Unless previously redeemed and/or burned as provided in these Terms and Conditions, each Token will be redeemed by the Issuer on the Maturity Date. The amount payable by the Issuer per Token on the Maturity Date will be equal to the Liquidation Value divided by the number of Tokens in existence on the date that is immediately prior to the Maturity Date, subject to the Priority of Payments (see Terms and Condition Section 5/9) and Condition 12 (*Limited Recourse and Non-Petition*).

### **Redemption at the option of the Issuer**

10.2 On January the 4<sup>th</sup> 2023, the Issuer may elect, at its sole discretion, to redeem the TRADA Tokens in whole (but not in part) at their Liquidation Value (subject to the Priority of Payments and Condition 12 (*Limited Recourse and Non-Petition*)), by giving not less than 45 days' notice to Tokenholders and notifying Tokenholders of the Early Repayment Date.



In addition, the Issuer may elect at any time to redeem the TRADA Tokens in whole at their Liquidation Value (subject to the Priority of Payments and Condition 12 (*Limited Recourse and Non-Petition*)) by giving not less than 45 days' notice to Tokenholders and notifying Tokenholders of the **Early Repayment Date** in the event of:

- (a) a Regulatory Event; or
- (b) a Tax Event;

in each case together with any accrued but unpaid Asset Distribution Amount up to (and including) the Early Repayment Date.

As defined above (Glossary) for clarification the mentioned Terms have the following meaning :

A "**Regulatory Event**" shall occur where the Issuer is notified in writing by the FMA that the TRADA Tokens are not, or will cease to be, in full compliance with Applicable Law.

A "**Tax Event**" shall occur if (i) the Issuer has or will become obliged to pay additional amounts in respect of any payments due under the TRADA Tokens as a result of any change in, or amendment to, the laws or regulations of the Principality of Liechtenstein, or any change in the general application or official interpretation of such laws or regulations, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

10.3 Notice having been given by the Issuer to redeem TRADA Tokens pursuant to Condition 10.2 shall be irrevocable and the Issuer shall be bound to redeem the TRADA Tokens in accordance with terms set out in the notice and this Condition, subject to the Priority of Payments and Condition 12 (*Limited Recourse and Non-Petition*). In the event that there are insufficient funds in the Issuer Account to redeem the TRADA Tokens on an Early Repayment Date, the Issuer may postpone the Early Repayment Date to such later date as is necessary in order to be able to redeem the TRADA Tokens in full. The Issuer shall notify the Tokenholders of any postponement of the Early Repayment Date in accordance with Condition 19 (*Notices*).

## **11. Status and Subordination**

### Status

11.1 The Trada Tokens constitute a direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves with all other unsecured, unsubordinated obligations of the Issuer, without prejudice to any such liabilities which may be given priority by law.

### Subordination

11.2 In the event of an order being made, or an effective resolution being passed, for the liquidation or dissolution of the Issuer, the rights and claims of the Tokenholders against the Issuer in respect of the TRADA Tokens shall rank (i) senior to the claims of all holders of unsubordinated obligations of the Issuer and all subordinated obligations of the Issuer, (ii) *pari passu* among themselves, and (iii) senior to any equity instruments (*Beteiligungsrechte*) of the Issuer.

## **12. LIMITED RECOURSE AND NON-PETITION**

Notwithstanding anything to the contrary herein:

- (a) no payment of any amount whatsoever shall be made by the Issuer or any of its agents on its behalf except in accordance with the Priority of Payments as defined in Section 9 of these Terms and Conditions and only to the extent funds are available to the credit of the Issuer Account;
- (b) no recourse shall be had for the payment of any amount owing hereunder, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the TRADA Token, against the Issuer to the extent claims against the Assets have been exhausted following which all obligations of the Issuer in respect of the TRADA Tokens shall be extinguished; and
- (c) no recourse (whether by institution or enforcement of any legal proceeding or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Issuer arising under or in connection with the TRADA Tokens (as from time to time supplemented or modified in accordance with the provisions herein contained) by virtue of any law, statute or otherwise shall be held against any shareholder, officer, manager or corporate services provider of the Issuer in their capacity as such, save in the case of their gross negligence, wilful default or actual fraud, and any and all personal liability of every such shareholder, officer, manager of corporate services provider in their capacity as such for any breaches by the Issuer of any such duty, obligation or undertaking shall be waived and excluded to the extent permitted by law.

The provisions of this Condition 12 shall survive the redemption and/or burning of the TRADA Tokens and the termination of any other Transaction Document.

### **13. Substitution of the Issuer**

13.1 The Issuer may, without the consent of the Tokenholders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the TRADA Tokens with any legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the “**New Issuer**”), provided that:

- (a) the New Issuer is in a position to fulfil all payment obligations arising from or in connection with the TRADA Tokens; and
- (b) the Issuer has issued an irrevocable and unconditional guarantee in respect of the obligations of the New Issuer under the TRADA Tokens.

13.2 In the event of a substitution of the Issuer, notice of such substitution shall be made in accordance with Condition 19 (*Notices*) and any reference to the Issuer shall be deemed to refer to the New Issuer.

### **14. Default**

#### **Events of Default**

14.1 The occurrence of any of the following events in respect of the Issuer shall constitute an event of default (“**Event of Default**”):

- (a) Failure to pay. The Issuer fails to make, when due, any payment under the TRADA Tokens and such failure continues for ten (10) Business Days.

- (b) Other breach of the Terms and Conditions. The Issuer fails to perform, when due, any other material obligation under the Terms and Conditions and such failure continues for forty-five (45) days after the day on which notice of such failure is given to the Issuer.
- (c) Restructuring without assumption. The Issuer is subject to a corporate restructuring and the New Issuer fails to satisfy the conditions for a substitution of the Issuer under Condition 13 (*Substitution of the Issuer*).
- (d) Insolvency events. The Issuer is (or is deemed by law, a court or a regulatory authority competent under Applicable Law) insolvent or bankrupt, or a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts is agreed or declared in respect of or affecting all or a substantial part of the debts of the Issuer.
- (e) Repudiation of obligations. The Issuer declares that it will not perform any material obligation under the Terms and Conditions (other than as part of a bona fide dispute as to the existence, nature or extent of such obligation).

### **15. Amendments of the Terms and Conditions**

15.1 These Terms and Conditions may be modified in relation to a Reserved Matter (as defined above in the Glossary and in this Section 15.2) with the consent of the Issuer and the affirmative vote of a majority of Tokenholders holding not less than two thirds of the TRADA Tokens outstanding. If a Reserved Matter Modification is approved it shall be effective and binding upon all Tokenholders, including Tokenholders who abstained from voting, voted against the proposed modification or were ineligible to vote for any reason.

15.2 A “**Reserved Matter**” in relation to the TRADA Tokens means any modification of these Terms and Conditions that would:

- (a) change the currency or the amount payable under the TRADA Tokens;
- (b) change the seniority or ranking of the TRADA Tokens;
- (c) change the governing law of the TRADA Tokens or change the jurisdiction to which the Issuer has submitted pursuant to Condition 21 (*Governing Law and Jurisdiction*), or any immunity waived by the Issuer in relation to legal proceedings arising out of or in connection with the TRADA Tokens; or
- (d) change the definition of a Reserved Matter.

#### *Other Modifications*

15.3 Amendments to the Terms and Conditions that do not constitute a Reserved Matter may be approved by a simple majority of Tokenholders at a meeting of Tokenholders. Notice of any such amendment shall be published in accordance with Condition 19 (*Notices*).

15.4 The Issuer may convene a meeting of Tokenholders to consider a proposal made pursuant to this Condition 15 by giving notice to the Tokenholders in accordance with Condition 19 (*Notices*) not less than eight days prior to the date of the proposed meeting. The notice should specify the purpose of the meeting, the proposals and instructions for participating and voting at the meeting.

## **16. No Set off**

No Tokenholder and/or Subscriber may set-off any claims arising under the TRADA Tokens against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Tokenholder against any of its obligations under the TRADA Tokens.

## **17. Statutes of Limitation**

**Claims for payment of any Asset Distribution Amounts and principal under the TRADA Tokens shall become time-barred after a period of five (5) years, calculated from their respective due dates.**

## **18. Notices**

All notices regarding the TRADA Tokens shall be published on the website of the Issuer ([www.XDCTEQ.io](http://www.XDCTEQ.io)).

## **19. Tax**

All payments made by or on behalf of the Issuer in respect of the TRADA Tokens will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Principality of Liechtenstein, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by Applicable Law.

## **20. Governing Law and Jurisdiction**

These Terms and Conditions and the TRADA Tokens shall be governed exclusively by, and construed in accordance with, the laws of Liechtenstein.

Any dispute arising out of or in connection with these Terms and Conditions and/or the TRADA Tokens shall fall within the exclusive jurisdiction of the Courts of Liechtenstein.

## **21. Severability**

If at any time one or more of the provisions of these Terms and Conditions is or becomes unlawful, invalid, illegal or unenforceable in any respect under any Applicable Law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

## **SECTION 6. ADMISSION TO TRADE AND TRADE MODALITIES**

### **1. Issuance costs and expenses**

The Issuer estimates that the Issuance costs of the Offering will amount to USD 400'000.00, which will be borne by the Subscribers/or/and Tokenholder. The Issuance costs of the Offering consist in particular of third-party fees and expenses, including legal fees, fees incurred in connection with the opening of bank accounts, the development of the Trada Platform and the Issuer's website and the preparation and distribution of this Prospectus.

Furthermore, any fees and commissions charged by an intermediary in relation to payments of subscription monies and the exchange of currencies or Cryptocurrencies will be borne by the Subscriber. In addition, the Subscriber will be responsible for fees charged by third parties providing KYC/AML services

to the Subscriber. Such fees will be equal to 0.25% of the Subscription Price paid by a Subscriber, subject to a maximum amount of USD 25 and a minimum amount of USD 5 per Subscriber.

In addition, the Issuer may pay distribution fees to intermediaries which are marketing and distributing the Trada Tokens and which are authorised by the Issuer to sell the Trada Tokens in the Public Offer Jurisdictions.

## **SECTION 7. FURTHER PROVISIONS**

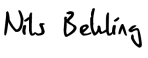
### **1. Ratings**

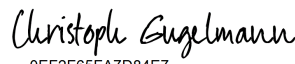
The Trada Tokens will not be rated.

### **2. Paying Agent**

The paying agent of the Issuer is Bank Frick & Co. AG, Landstrasse 14, 9496 Balzers, Liechtenstein (the "**Paying Agent**"). The Paying Agent does not assume any liability or guarantee of any kind or amount for or in relation to the payments to be made by the Issuer under the Trada Tokens.

Represented by:

DocuSigned by:  
  
E92063419EB64A5...  
Nils Behling  
(Member of the Board)

DocuSigned by:  
  
0EF2E65FA7D84E7...  
Christoph Gugelmann  
(Member of the Board)

Attachment I – Certificate of Register

Attachment II – Articles of Association

Attachment IV – Public Certification

Attachment V – Opening Balance Sheet

Annex I Subscription Agreement