

# ISSUE-SPECIFIC SUMMARY

## Introduction and warnings

Virtune Bitcoin ETP (Ticker: VIRBTC) seeks to track the performance of Bitcoin.

Product Name	Ticker	ISIN	Currency	Units	Collateral
Virtune Bitcoin ETP	VIRBTC	SE0020845709	SEK	Up to 6 002 000	Bitcoin

The issuer and offeror of the securities is Virtune AB (Publ) ("Virtune") (LEI: 636700EWO37NE7B7GW19, Swedish registration number: 559175-2067), a public limited company registered in Sweden. The base prospectus was approved by the Swedish Financial Supervisory Authority (SFS) on 5 April 2024. SFS's approval of the base prospectus shall not be construed as approval of these securities.

Virtune AB (Publ)	Financial Supervisory Authority
Virtune AB, C/O RKO AB, Sibyllegatan 47, SE-11442  Stockholm, Sweden  <a href="mailto:product@virtune.com">product@virtune.com</a>  +46 70 073 45 64	<a href="mailto:finansinspektionen@fi.se">finansinspektionen@fi.se</a>  +46 (0)8 408 980 00

### Warnings:

- This summary should be read as an introduction to the base prospectus and the final terms and conditions of those securities;
- Any decision to invest in the securities shall be based on an assessment of the base prospectus as a whole by the investor and together with the final terms of those securities;
- the investor may lose all or part of the invested capital;
- where a claim relating to the information contained in a prospectus is brought before a court, the complaining investor may, under national law, be required to bear the costs of translating the prospectus before legal proceedings are initiated;
- Civil liability belongs only to the persons who have submitted this issuer specific summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read in conjunction with the other parts of the plea prospectus and the relevant final terms, or where it does not provide, when read in conjunction with the other parts of the plea the prospectus and such final terms, key information to assist investors when considering investing in these securities;
- You are about to buy a product that is not simple, and that can be difficult to understand.

## Key information about the Issuer

### Who is the Issuer of the Securities?

#### **Residence and legal form, etc.**

Virtune AB (Publ) is the issuer of these securities. Virtune was formed on 19 September 2018 and registered under Swedish law on 15 October 2018 with the Swedish Companies Registration Office. The issuer was a dormant company until operations started in February 2022. The issuer is based in Stockholm, Sweden. Virtune's operations are conducted in accordance with the Swedish Companies Act (2005:551) and is a registered financial institution with the Swedish Financial Supervisory Authority and is thus subject to the Act (2017:630) on Measures against Money Laundering and Terrorist Financing. The issuer's LEI code is 636700EWO37NE7B7GW19 and with Swedish registration number: 559175-2067 and has registered address with Virtune AB, C/O RKO AB, Sibyllegatan 47, SE-114 42 Stockholm.

#### **Main activities**

Virtune's purpose is to offer investors financial instruments that provide exposure to the crypto market. The Company may issue financial instruments that have underlying assets in the form of a single digital currency (Single Asset ETP), a basket of digital currencies (Basket ETP) or an index with digital currencies as index components, including crypto-related management tools (e.g. staking or lending) for increased returns combined with traditional management methods (e.g. rebalancing).

**Large shareholders and control**

The Issuer is indirectly and directly owned 100 percent by Violet AI AB, Happyman AB, Gert Nordin, Christopher Kock, Peter Arvidsson, Henry Forelius, Charles Reichardt, MP Games Aktiebolag, M. Sesemann AB, Niki Mia Invest AB and 37 shareholders in the form of investors.

**Main Managing Directors**

The Board of Directors of Virtune AB consists of the Chairman John Dalling and the two Board members Gert Nordin & Christopher Kock.

**Auditors**

The Board of Directors has appointed the following statutory auditors: Öhrlings PricewaterhouseCoopers AB, with auditor in charge as Johan Engstam. Öhrlings PricewaterhouseCoopers AB and Johan Engstam have address: Torsgatan 21, 113 97 & Stockholm.

**What is the most important financial information about the issuer?**

After the end of the fiscal year which concluded on December 31, 2023, the Issuer completed a convertible bond issue that was finalized on January 12, 2024. Through the convertible bond issue, the Issuer was provided with 10,000,000 SEK, which resulted in a significant change in the Issuer's financial position. The purpose of the capitalization has been to comply with Nasdaq's capitalization requirements as well as to ensure liquidity in the Issuer for the fiscal year 2024. As of the end of the fiscal year 2023, the Issuer has a share capital of 8,827,541 SEK consisting of 58,894 shares (of which 1,702 shares are not registered as of the end of 12/31/2023 and were registered with the Swedish Companies Registration Office on 01/11/2024). The company has also carried out additional share issues, resulting in the company having a share capital of SEK 8,993,514.06 consisting of 60,093 shares (of which 851 shares are under registration with the Swedish Companies Registration Office) as of the end of February 29, 2024.

	<b>2023</b>	<b>2022</b>
<b>Accounting principles applied</b>	<b>RFR2</b>	<b>K3</b>
<b>Income statement (in TSEK)</b>		
<b>Operating Profit/Loss</b>	<b>-13 384</b>	<b>-2 728</b>
	<b>2023</b>	<b>2022</b>
<b>Accounting principles applied</b>	<b>RFR2</b>	<b>K3</b>
<b>Balance sheet (in TSEK)</b>		
<b>Net financial debt</b>	<b>N/A</b>	<b>N/A</b>
<b>Current ratio</b>	<b>1,04</b>	<b>1,24</b>
<b>Debt to Equity ratio</b>	<b>0,26</b>	<b>1,16</b>
<b>Interest coverage ratio</b>	<b>N/A</b>	<b>N/A</b>
	<b>2023</b>	<b>2022</b>
<b>Accounting principles applied</b>	<b>RFR2</b>	<b>K3</b>
<b>Cashflow (in TSEK)</b>		
<b>Net Cash Flows from operating activities</b>	<b>-13 342</b>	<b>-1 350</b>
<b>Net Cash Flows from investing activities</b>	<b>-1 278</b>	<b>-999</b>
<b>Net Cash Flows from financing activities</b>	<b>20 831</b>	<b>4 000</b>

**What are the key risks specific to the issuer?**

**Virtune operates in an industry with high market volatility**

Digital currencies are a volatile asset class and are not based on any security in, for example, physical format that guarantees its value. The value is also not supported by, for example, a debt that must be repaid or a current and predictable income. Hence, the valuation of digital currencies is distinguished from, for example, the valuation of a share. Market volatility reflects the degree of instability and expected instability of digital currencies and thus the ETPs.

The Issuer's income and liquidity is based on the ETPs' management fees and in the event of major market changes regarding the Underlying Digital Currencies, the conditions for the conduct of the Issuer's business and its financial capacity can quickly change and deteriorate. If market changes mean that the demand for digital currencies decreases sharply or if the Underlying Digital Currencies are exposed to technical errors or coding errors and the value of these drops permanently, this may mean that Virtune will not be able to realize its business plan in time or that there are no longer conditions for operating of the business.

Risk level: high.

#### ***The issuer operates in an industry subject to increased regulation***

In addition to the fact that Virtune's ability to conduct its business is dependent on its registration as a financial institution with the Financial Supervisory Authority, the Issuer must comply with other applicable legislation, rules and market practices. The legal status of digital currencies differs greatly between different countries, some jurisdictions of which still lack definitions of what type of asset class digital currencies are. There are also countries that have banned individual digital currencies or all digital currencies.

In Europe, the MiCa regulation will begin to be applied during 2024, which is expected to clarify the regulatory framework around digital currencies. If the Issuer were to fail in its compliance with rules and regulations, it could lead to financial sanctions such as fees, fines and/or fines but also significant negative publicity which could have a significant negative impact on the business and the Issuer's operating results and financial position. New laws, decisions of authorities or changes regarding the application of or interpretation of existing legislation, regulations or decisions of public authorities applicable to the Issuer's business, the ETPs and/or the Underlying Digital Currencies may adversely affect the Issuer's business or an investment in the ETPs.

Even if the Issuer keeps up-to-date on current regulations to continuously adapt its operations to the regulatory frameworks, these adjustments may incur significant costs that the Issuer currently cannot foresee. Virtune is also dependent on its Authorized Offerors supporting the Underlying Digital Currencies. Should Authorized Offerors stop supporting the Underlying Digital Currencies, it could mean that Virtune is unable to issue further securities, which in turn could affect Virtune's financial results and creditworthiness. Virtune is also exposed to indirect risk as several of the Issuer's partners conduct operations that are subject to, or in the future may be subject to, extensive regulation, see the risk factor "Virtune is dependent on functioning collaborations with external actors to conduct its operations" for more information.

Risk level: high.

#### ***Virtune operates in a growing and competitive industry***

At the date of the Basic Prospectus, competition is relatively low in Sweden according to the Issuer. There are a number of major players that have taken larger market shares regarding ETPs related to digital currencies around Europe. The crypto market is constantly changing where new companies are continuously formed that want to take market shares from the growing industry. If existing players expand their aggressive position in the market at the same time as new competitors emerge, this may lead to aggressive price reductions in the market, which may prevent Virtune, as a new entrant, from achieving profitability or offering sufficiently attractive products on the market.

Risk level: high.

## Key information about the securities

#### ***Main characteristics of securities***

Virtune Bitcoin ETP (VIRBTC) is a non-interest-bearing debt instrument with no fixed maturity. Each series of products is related to an index or a specific underlying asset in the form of digital currencies. The product's ISIN is SE0020845709 with SEK as the settlement currency. No series of this product has a planned maturity date or a maximum number of securities. Additional units of the products can be issued at any time. The securities have an annual put option and a continuous creation/redemption mechanism for authorized participants. These securities constitute senior debt obligations for the Issuer. Investors are creditors with first liens against allocated pools of crypto assets per series. The products are considered transferable securities according to MIFID II and they have no restrictions on transferability.

#### ***Where will the securities be traded?***

The products are traded on Nasdaq Stockholm. Additional exchanges and/or MTFs may be added from time to time without the Issuer's knowledge or consent. For the latest list of available trading venues, see [www.virtune.com](http://www.virtune.com).

#### ***No guarantee***

The Products constitute solely obligations of the Issuer and are not guaranteed by, or are an obligation of, any other entity.

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

### ***ETPs lack capital protection***

The ETPs issued under this Base Prospectus do not provide capital protection for any amount payable under the terms of the ETPs. This poses a risk to investors in the ETPs as part or all of the amount invested may be lost due to the market risk associated with investing in the ETPs. Upon investors' redemption of ETPs, the Redemption Amount is calculated based on the rights relation to the Collateral in the form of the Digital Currencies and the benchmark rate of the relevant Digital Currency at the time of redemption. That is, if the price of the Underlying Digital Currencies that constitute the security of the ETPs develops in a way that is negative to the investor, the investor will bear

the entire loss corresponding to the negative development of the Underlying Digital Currencies upon redemption of the ETPs. A decline in the market valuation of the relevant Underlying Digital Currencies (which may be driven by both realized price declines and feared price falls) will have a negative impact on the value of the ETPs and the returns from the ETPs.

Risk level: high.

### ***The Risk of an Extraordinary Event Occurring***

Condition 17 of the General Terms and Conditions states that in the event of fraud, theft, cyberattack, change of rules or any other similar event (each, an Extraordinary Event) affecting any Underlying or Underlying Component (including those used as Collateral), the Issuer will inform Investors under Condition 16, and the redemption amount of the ETPs concerned: They will be reduced accordingly, possibly to the smallest denomination of the Settlement Currency. Therefore, investors risk an Extraordinary Event occurring and potentially losing part or all of their investment. The risk of an Extraordinary Event is higher for this type of investment compared to other asset classes, and it is difficult to mitigate. Insuring against an Extraordinary Event is currently not practical and very difficult to achieve. Should the risk occur, it will have a negative impact on the value of the ETPs and the returns from the ETPs.

Risk level: medium.

### ***Currency risks***

The ETPs will be traded in EUR, DKK or SEK (or as applicable, another currency) and thus track the value of the Underlying Digital Currencies in those currencies. The Underlying Digital Currencies will be traded in USD. As a consequence, the relevant exchange rate between USD and the relevant currency at any given time will be a factor affecting the price of the ETPs in addition to the current valuation of the Underlying Digital Currencies. In the event of sharp exchange rate fluctuations, an investor may lose part of their investment even though the Underlying Digital Currencies have not decreased in value or even gone up in value.

Risk level: medium.

### ***Risks related to the secondary market***

The pricing of the ETPs in the secondary market is based on customary methods and market mechanisms, including the expectations of the capital market, analysts, or investors regarding Virtune and its creditworthiness, for which the Market Maker(s) bear the primary responsibility to quote buy and sell prices that correlate with the Underlying Digital Currencies. Depending on supply, demand and volatility, the price of the ETPs may therefore temporarily deviate from how the ETPs should objectively be priced in correlation to the valuation of the Underlying Digital Currency(s) or Underlying Index. Historically, digital currencies have had a strong volatility, which in turn affects supply and demand, hence it is likely that scenarios may also arise in the future where the price of the ETPs is affected by these factors. Investors in need of liquid assets may also need to sell their ETPs at a lower rate than similar products in the market, due to the supply and demand conditions of the ETP in question at a specific time.

Virtune will also use Indices as Underlying in some of its ETPs, which in turn are registered according to the EU's Benchmark Regulation. The price of such ETPs will thus be determined on the basis of the Underlying Digital Currencies, whereby the price of the respective Digital Currency is taken from the Index. In case of tracking failure against Index ie. that Virtune cannot read the Index and thus price the ETP correctly or carry out a correct rebalancing of the Underlying Digital Currencies based on the Index, it may temporarily affect the price of the ETP negatively.

Risk level: medium.

### ***Risks related to Basket and Index ETPs***

The purpose of the Issuer's Basket or Index related ETPs is to create diversification and a broader exposure to multiple digital currencies. In the crypto market, it is common for volatility to rise the lower the total market value of the digital currency circulating asset in question. Although the purpose of an Index or Basket-related ETP is to create diversification and risk diversification, it can lead to higher volatility compared to a Single Asset ETP. There is also a risk that an individual Digital Currency is exposed to negative events that cause a price drop, which means that the Index or Basket-related ETP may have a negative price development even though other Digital Currencies have a positive price trend. The purpose of an Index is to develop a rule-based methodology that governs how the Underlying Digital Currencies are to be managed, there is no guarantee that the Issuer will fully succeed in following the current Index, which means that there may be differences between the ETP's development and the Index that the ETP should follow (so-called tracking error). Although the purpose of an

index is to provide reliability in pricing, there is no guarantee that the index calculation will reduce speculative or manipulative price trends in the underlying components. Should the risk occur, slashing will have a negative impact on the value and return of the ETPs concerned.

Risk level: medium.

## Key information about the offer of securities to the public and/or the admission to trading on a regulated Market

### ***On what terms and schedule can I invest in this security?***

These securities are offered to the public in a number of EU Member States (at the time of drafting this document; Denmark, Finland, Iceland, Norway, Sweden and Germany). The offering of these securities is valid continuously until the expiry of the Base Prospectus (5 April 2025) (Offering Period) and additional investors may enter a given series at any time. Additional tranches in a series may be issued at any time under additional final conditions. However, these additional issues are non-dilutive and will be secured by an equivalent amount of digital assets as further described in the prospectus.

### ***Who is the offeror and/or the person asking for admission to trading?***

The Issuer has authorized the Authorised Participants to use the base prospectus in connection with the non-exempt offers of these securities in the countries listed above during the offering period by, or to each of, the following financial intermediaries (each, an Authorised Offeror):

The issuer is:

Virtune AB (Publ) C/O RKO AB, Sibyllegatan 47, SE-114 42 Stockholm Sweden (LEI: 636700EWO37NE7B7GW19, Swedish registration number: 559175-2067), a public limited company registered in Sweden.

The authorized Offers are:

Flow Traders B.V., Jane Street Financial Limited or such other Authorized Participant as set out in the applicable final terms and conditions.

Flow Traders B.V., incorporated on 11 November 1991 under the laws of the Netherlands and located at Jacob Bontiusplaats 9, 1018LL Amsterdam, The Netherlands, is a private limited liability company operating under the laws of the Netherlands. It is registered with the Dutch Chamber of Commerce under registration number KvK 33223268. Flow Traders B.V. is part of the Flow Traders Group. Its ultimate parent company is Flow Traders N.V., which is listed on Euronext Amsterdam. Flow Traders N.V. has its registered office at Jacob Bontiusplaats 9, 1018LL Amsterdam, The Netherlands.

Jane Street Financial Limited is a limited company, formed on April 13, 2007 under the laws of England and Wales with company number 06211806 and its registered office at 2&A Half Devonshire Square, London EC2M 4UJ, United Kingdom. Jane Street Financial Limited is authorized and regulated by the Financial Conduct Authority in the United Kingdom. Jane Street Financial Limited is a wholly owned subsidiary of Jane Street Group LLC, a quantitative trading firm, which has its registered office at 250 Vesey Street, 6th Floor, New York, NY 10281, USA

and Authorised Offeror specifically listed as Authorised Offeror on the Issuer's website: <https://virtune.com/investor-relations/authorised-participant>

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

This base prospectus is produced for the purpose of offering these securities to the public in each of the EU Member States and Norway. The full value of the proceeds from the issuance of those securities will be used to acquire an equivalent amount of underlying assets relevant to that series.

### ***Estimated use of proceeds***

Not applicable

### ***Indication of whether the offer is subject to an underwriting agreement***

The offering of the securities is not subject to a subscription guarantee agreement.

***Indication of the most material conflicts of interest associated with the offer or admission to trading***

Not applicable