

Registration Document for Retail Non-Equity Securities

According to Art. 6 Para. 3 Sub-Para. 2 of the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended ("**Prospectus Regulation**") in connection with Art. 7 and Annex 6 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended ("**Delegated Regulation**")

of

**Backed Assets GmbH
(Backed Assets LLC)**

with its registered seat in Zug, Switzerland

("Issuer")

dated

9 May 2023

("Registration Document")

This Registration Document has been approved by the Financial Market Authority Liechtenstein ("**FMA**"), as competent authority under the Prospectus Regulation. The FMA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

The Issuer has requested FMA to notify the competent authority in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and the Netherlands in relation to this Registration Document with a certificate of approval ("**Notification**") attesting that this Registration Document has been drawn up in accordance with the Prospectus Regulation and providing it with an electronic copy of this Registration Document. Further, the Issuer may request FMA to provide a Notification to competent authorities in additional member states within the European Economic Area.

This Base Prospectus (as defined below) will be registered in Switzerland with the reviewing body SIX Exchange Regulation AG, BX Swiss AG or another reviewing body approved by the Swiss Financial Market Supervisory Authority ("**FINMA**"), as a foreign prospectus that is also deemed to be approved in Switzerland pursuant to Article 54 paragraph 2 of the Swiss Financial Services Act ("**FinSA**") together with the Swiss Financial Services Ordinance ("**FinSO**") for inclusion on the list of approved prospectus pursuant to Article 64 para. 5 FinSA, deposited with this review and published pursuant to Article 64 FinSA.

Warnings:

This Registration document is valid until its expiry on 8 May 2024, provided that any necessary supplements pursuant to Art. 23 of the Prospectus Regulation ("**Supplement**") are prepared. When the Registration Document has become invalid, the obligation to prepare a Supplement in the event of significant new factors, material mistakes or material inaccuracies does not apply.

The Issuer may choose to produce a new registration document to replace this Registration Document whenever significant new information regarding the Issuer is available.

This Registration Document does neither constitute an offer to sell nor a solicitation of an offer to buy any securities or to enter into any agreement.

The Issuer has not authorized anyone to disclose any information or confirmations more than the information disclosed in this Registration Document. If such information and confirmations are nevertheless given, investors should not rely on them as if they had been authorized by the Issuer.

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1. **Persons Responsible, Third Party Information, Experts' Reports and Competent Authority Approval**

1.1 **Persons Responsible**

The Issuer, **Backed Assets GmbH**, c/o Backed Finance AG, Baarerstrasse 14, 6300 Zug, Switzerland accepts responsibility for the information contained in this Registration Document (for further information to the Issuer see section 4 of this Registration Document).

1.2 **Declaration of Responsibility**

The Issuer declares that to the best of its knowledge, the information contained in this Registration Document is in accordance with the facts and that this Registration Document makes no omission likely to affect its import.

2. **Statutory Auditors**

The Issuer's auditors for the period covered by the historical financial information were Grant Thornton AG, Claridenstrasse 35, 8027 Zurich, Switzerland ("**Auditors**"). The Auditors are licensed as a state-supervised auditing company by the Swiss Federal Audit Oversight Authority ("**FAOA**") and are a member of the Swiss Expert Association for Audit, Tax and Fiduciary ("**EXPERTsuisse**").

The Issuer's financial statement for the period from 1 January 2022 to 31 December 2022 ("**Financial Statements**") has been audited with the standard of a limited statutory examination based on the Swiss Code of Obligations by the Auditors ("**Audit Report**" and together with Financial Statements, "**Financial Report**").

The Issuer's historic financial statements have been prepared as interim financial statements covering only a limited time period from 30 July 2021 to 31 December 2021 and 1 January 2022 to 28 February 2022 ("**Interim Financial Statements**") due to the fact that the Issuer was only incorporated on 26 July 2021 and registered in the commercial registry of the Canton of Zug on 30 July 2021. Regarding the Interim Financial Statements, the period from 30 July 2021 to 31 December 2021 has in accordance with applicable Swiss law and in view of the fact that the Issuer had not taken up its issuing and offering activities neither been audited nor reviewed, whereas the period from 1 January 2022 to 28 February 2022 was subject to a limited statutory examination audit by the Auditors ("**Interim Audit Report**" and together with the Interim Financial Statements, "**Interim Financial Report**").

The relevant securities note for retail non-equity securities for the issuance of tokenized securities of the Issuer dated 9 May 2023 ("**Securities Note**"), this Registration Document and any Supplement thereto (together the "**Base Prospectus**") have not been audited or reviewed by the Auditors.

The Financial Report and the Interim Financial Report (including the comparison to the previous year's financial figures) has been produced by the Auditors (acting as advisors only) at the request of the Issuer and has been included by way of incorporation of the documents into this Registration Document (see section 15 of this Registration Document) with the consent of the

relevant persons who have authorised the contents of that part of the Registration Document for the purpose of the Base Prospectus.

The Auditors have for the period covered by the historical financial information neither resigned nor have they been removed or been re-appointed.

3. Risk Factors

3.1 Preliminary Remarks

Investors should note that an investment in securities of the Issuer issued under the Base Prospectus from time to time ("**Products**") involves a high degree of risk, including the risk of a total loss of all capital invested, as the Products and the underlying collateral corresponding to the requirements under Art. 70 Para. 2 Swiss Financial Services Act ("**FinSA**") in respect of each Product ("**Collateral**") are highly speculative.

The material risk factors inherent in the Issuer are set out below. The most significant risk factors are prefixed to each section.

Additionally, investors should carefully read and consider the risk factors described in the relevant Securities Note. Furthermore, they should consider all other information contained in this Registration Document, the relevant Securities Note and any Supplements thereto, *i.e.* the Base Prospectus, as well as the respective specification of the detailed terms applicable to each Product ("**Final Terms**"). Investors should also take into account that all of the risks described may interact and thereby exacerbate each other.

In case one or more of the described risks or further factors (which appeared not material at the time of drafting this Registration Document or any facts of which the Issuer is currently not aware) occur, the investors may suffer a partial or even a total loss of their investment.

The risks described below may also occur cumulatively and thus be mutually reinforcing. In that case, the Issuer's ability to meet its payment or delivery obligations under such Products to investors may be adversely affected.

The Issuer strongly recommends to interested investors to conduct an individual examination of their personal risk situation by a competent advisor prior to the acquisition of any Products.

Certain capitalised terms used in this chapter and not defined in this Registration Document are defined in the relevant general terms and conditions (together, the "**Terms and Conditions**" and each, a "**Condition**"), the relevant Securities Note and/or the relevant Final Terms.

3.2 Risks relating to the Issuer

The Issuer is exposed to a variety of risks that could adversely affect its results of operations and financial condition, including, among others, those described below:

3.2.1 Risks related to the Financial Situation of the Issuer

3.2.1.1 Liquidity Risk

The Issuer may not have sufficient funds for making payments at any point in time, meaning that the Issuer may have difficulties meeting financial obligations. In the event of insufficient liquid funds, in particular due to the inability to liquidate Collateral with respect to a specific Product, there is a risk that the Issuer will not be able to, fully or partially, fulfil its payment obligations on time or at all.

Risk rating: medium

3.2.1.2 Counterparty Risk

The Issuer is exposed to the credit risk of a number of counterparties with whom the Issuer transacts, including, but not limited to:

- a. any person administering the accounts to which the Underlyings (as defined in the relevant Securities Notes) purchased by the Issuer are credited ("**Custodian**");
- b. any person that administers the accounts to which the Underlyings (as defined in the relevant Securities Notes) are credited as Collateral according to the Collateral procedures described in the relevant Securities Notes;
- c. any person accepting or dispatching payments on behalf of the Issuer of the Products and by accepting or distributing the funds from/to the investors ("**Paying Account Provider**");
- d. a regulated securities broker regarding brokerage services in connection with buying/selling the Underlyings ("**Broker**");
- e. any person that provides market making services including bid and offer of market prices for the Products, next to adequate liquidity with regard to all Products ("**Market Maker**");
- f. any person/legal entity providing tokenization services, i.e. creating the ledger-based securities for the Products, activating them and handling the issuance and redemption transactions on behalf of the Issuer ("**Tokenizer**");
- g. any person or legal entity which is (i) a licensed bank according to the Swiss Banking Act ("**BA**"), (ii) a securities firm according to the Swiss Financial Institutions Act ("**FinIA**"), (iii) an insurance company according to the Swiss Insurance Supervision Act ("**ISA**"), or (iv) a non-Swiss institution being supervised in an equivalent manner, approved by the Issuer (in its absolute sole discretion), that file requests that securities are created or redeemed for the Products under the Base Prospectus ("**Authorized Participants**"); and
- h. any party to any arrangements in place in respect of the Underlyings (as defined in the relevant Securities Notes) held as Collateral.

Therefore, the Issuer is exposed to the risks of such parties, including, but not limited to, liquidity risk, reputational risk and settlement risk, arising from the failure of any of its counterparties to fulfil

their respective obligations. If any such risk occurs, it may have material detrimental effects on the Issuer's business and financial position.

Concerning the Custodians, the Issuer is exposed to the credit risk of depository institutions with whom it holds cash, crypto and securities. This credit risk includes the possibility that the depository institution holding a financial instrument (cash, crypto or securities) will fail to fulfil an obligation or commitment to the Issuer. The Issuer's Products are maintained by the Custodian accounts for the Products, which are intended to be protected in the event of insolvency of the Custodian. Any insolvency of the Custodian may result in delayed or impossible access to the Products serving as Underlying (as defined in the relevant Securities Note), including those serving as Collateral for any Product. In such an event, the investors may face a partial or total loss of their invested capital.

No party involved, including the Custodian or the Issuer is liable for partial or total loss of the market value of the Underlying (as defined in the relevant Securities Note).

Concerning the Paying Account Provider for the Products, the Issuer is exposed to the credit risk of the Paying Account Provider. In the event of insolvency of the Paying Account Provider during the interim period, the Issuer may be considered a general unsecured creditor.

In general, the Issuer relies on third parties providing trading on both the Products and any Underlying (as defined in the relevant Securities Note). Any dysfunction of such third parties or disruption at the exchanges and other platforms may result in a loss of value of the Products, which may, in turn negatively impact the Issuer and/or the investors.

Risk rating: medium

3.2.1.3 Credit Risk

Investors are exposed to the credit risk of the Issuer, the Custodian and other parties. An investor's ability to obtain payment in accordance with the relevant Terms and Conditions (as defined in the relevant Securities Note) is dependent on the Issuer's ability to meet these obligations. The Products are not, either directly or indirectly, an obligation of any other party. As a result, irrespective of providing the Collateral for the benefit of the investors to secure its payment obligations under the Base Prospectus and the relevant Final Terms ("**Collateralization**"), the creditworthiness of the Issuer may affect the market value of any Products, and in the event of default, insolvency or bankruptcy, investors may not receive the amount owed to them under the relevant Terms and Conditions (as defined in the relevant Securities Note). Next to direct credit risks, the investors are indirectly exposed to any indirect credit risks that the Issuer is exposed to, for example the credit risks of other affiliated parties of the offer. Furthermore, the Issuer may incur losses and/or fail to obtain delivery under any arrangements in place in respect of any Underlying (as defined in the relevant Securities Note) held as Collateral.

Risk rating: medium

3.2.1.4 Risk of no Rating

The Issuer is subject to the risk of no credit rating. A non-rated Issuer has less confidence of investors in the Issuer and could, in particular reduce its access to capital markets, materially

increase the refinancing costs and decrease the number of investors and counterparties that are willing or permitted to do business with the Issuer. Therefore, a non-rated Issuer could have a material adverse effect on the Issuer's profitability and results of operations.

Risk rating: high

3.2.1.5 General Insolvency Risk

Each investor bears the general risk that the financial situation of the Issuer could deteriorate. Unless specified otherwise, investors are exposed to the credit risk of the Issuer of the Products. The Products constitute subordinated obligations of the Issuer and rank *pari passu* with each other and all other current and future subordinated obligations of the Issuer. The insolvency of the Issuer may lead to a partial or total loss of the invested capital. Collateralization reduces the credit risk of the Issuer only to the extent that the proceeds from the liquidation of Collateral (less the costs of liquidation, including the fees and expenses of any person that administers the accounts to which the Underlyings (as defined in the relevant Securities Notes) are credited as Collateral according to the Collateral procedures described in the relevant Securities Notes ("**Security Agent**"), and payout) meet the investors' claims. Investors bear the risk, among others, that the liquidation of the Collateral may result in insufficient liquidation proceeds or, in extreme circumstances, that the Collateral may lose its value entirely before liquidation can take place.

Risk rating: medium

3.2.2 Risks related to the Business Activities and Industry of the Issuer

3.2.2.1 Issuer as Special Purpose Vehicle

The Issuer has been established in July 2021 and incorporated as a special purpose vehicle ("**SPV**"). The Issuer's sole business purpose is the issuance of financial instruments. Thus, the Issuer is currently not profitable and depends on capital and financing from its Parent and the Parent's investors. The reserves to maintain the company operations are limited, which may result in the inability of the Issuer to continue as a going concern.

Risk rating: medium

3.2.2.2 Short Business History and Limited Financial Information of the Issuer

Due to the fact that the Issuer has been incorporated in the year 2021 and started its product issuing and offering activities only in 2023, no significant "track-record" on its activity and/or performance can be provided. Therefore, the (historical) financial information on the Issuer is limited to the Financial Statements and the Interim Financial Statements covering a time period only from 30 July 2021 to 31 December 2022. This implies the risk that the business activity of the Issuer is not yet proven by the time of filing the Base Prospectus and additional documents. For more detailed financial information, the investors are advised to consult the Financial Report (including a comparison to the figures of 2021; see also section 11 of this Registration Document) and on that basis make their own independent decision on the financial standing of the Issuer and risks implied. For that purpose, they may also consult with their own independent advisors.

Risk rating: high

3.2.2.3 Operational Risk

There are a number of risks related to external and internal circumstances or events which may harm the operating business of the Issuer. These are related to losses due to incorrect or insufficient controls, errors caused by humans or systems; and/or legal risks, among others. In particular, the Issuer depends on reputable and reliable ledger systems, on which the smart contracts in the blockchain will be conducted. Should their service or operation among others be constrained or a disruption occurs, the Issuer may be unable to issue additional securities. Any of these risks may be detrimental and can adversely impact to the Issuer's reputation, creditworthiness and operating results.

Risk rating: medium

3.2.2.4 Market Risk

Market risk refers to the potential losses through changes in the valuation of the Issuer's assets and liabilities because of changes in market prices, volatilities, correlations and other valuation-relevant factors.

Risk rating: medium

3.2.2.5 Dependence on Service Providers

The Issuer is dependent on a number of service providers to maintain the issuances and the Collateral. These include, but are not limited to, the Tokenizer, the Custodian(s), the Paying Account Provider(s), the Authorized Participant(s), the Market Maker(s), the Broker(s), trading desks, parties to any arrangements in place in respect of any asset held as Collateral, lending desks, and wallet providers. Should there be a material adverse change with any existing partner and a suitable alternative be unavailable or impracticable, it may be impossible for the Issuer to continue to list and service the Products.

Service providers may act in other capacities in respect of a particular Product, including, but not limited to, the role of Security Agent(s) and/or index sponsor(s) specified in the relevant Final Terms (as defined in the relevant Securities Note). Accordingly, the role of a provider may give rise to conflicts of interest, which are adverse to the interests of holders of Products.

Risk rating: high

3.2.2.6 Competition

There are a number of other issuers for products similar to the Products of the Issuer, and other competitors may enter the market at any time. The effect of new or additional competition on the Products or their market prices cannot be predicted or quantified. Indirect competing products are offered by several exchanges such as Swarm Markets in the form of purchase of depository certificates, although these services do not allow the permissionless transferability of the purchased assets in the form of freely transferable tokens. Another indirect competition is in the form of purely synthetic asset tracking tokens. A third variant of competitors, allow accumulating fixed-income yields, for example Ondo Finance Some of the competitors have significantly greater financial and legal resources than the Issuer and there is no guarantee that the Issuer will be able

to compete successfully, or at all, with such competitors. Moreover, increased competition may severely impact the profitability and creditworthiness of the Issuer.

Risk rating: medium

3.2.2.7 Reputational Risk

The Issuer is exposed to reputational risk. Reputational risk describes the risk that the reputation the Issuer has with its stakeholders (including regulators, quotaholders, clients, investors, employees and the general public) deteriorates and the trust in its brand value is negatively influenced. The Issuer's reputation may deteriorate due to cases in which stakeholders' perception of the Issuer differs negatively from the Issuer's actual conduct performance and business practice. Negative sentiment relating the Issuer's business practices can involve any aspect of its operations, but usually relates to topics of business ethics and integrity, regulations or quality of Products and services.

Risk rating: medium

3.2.3 Legal and Regulatory Risks

3.2.3.1 Changes of the Regulatory Environment

The Issuer issues financial products whose regulatory environment appears to be unclear because it is constantly developing and adapting to new technologies. This applies particularly to the business with tokenized securities. Regulatory changes are to be expected here at national and international level. This may lead to significant cost increases in the operating business and may have a material adverse effect on the Issuer's net assets, financial position and results of operations and thus negatively affect its ability to fulfil claims arising from the Products. Therefore, it cannot be ruled out that negative effects of a change in the regulatory environment will result in the Issuer no longer being able to operate its business operations economically and having to discontinue them as whole or partially. This includes a risk of total loss for the investors.

Risk rating: high

3.2.3.2 Risk of a Data Breach

The Issuer maintains significant amounts of data surrounding trades, trade execution, as well as customer data. A significant data breach may have wide reaching adverse effects, including trading losses and loss of reputation, which may negatively impact the Issuer's core business.

Risk rating: medium

3.2.4 Internal Control and Governance Risks

3.2.4.1 Personnel Interdependence / Conflicts of Interest

The key personnel of the Issuer (as described in section 9.1) operate also as members of the Board of Directors of its parent company Backed Finance AG or the respective secretary. Furthermore, in accordance with the relevant applicable law they may hold securities, other

financial instruments and digital assets on their personal name and account. They are under no obligation to disclose their holdings, changes in the value of their holdings, any trading activity in those holdings. These interests may deviate or conflict with interests of investors of the Products.

The Issuer may issue other products relating to the Underlying. The introduction of such competing products may affect the market value of the Products. The Issuer may also receive non-public information relating to the Underlying that the Issuer may not make available to investors.

The Issuer, has entered into a contract with its parent company, the Tokenizer, namely Backed Finance AG, in order to receive tokenization services. Thus, the Tokenizer is contractually bound with the Issuer but at the same time also holds all of the shares of the Issuer and controls the company. Therefore, the investors are informed that a potential conflict of interest may arise, in which situation the interests of the parent company may prevail and the activity of the Issuer may be terminated and/or the investors may endure a loss of their investment.

Risk rating: low

3.2.5 Further Risks

3.2.5.1 Environmental and Social Risks

Depending on the specific technology, the applied technology of smart contracts on blockchains by the Issuer and the Tokenizer can be energy intensive systems and thus might be susceptible to existing and potential regulation and/or costs with the goal to limit energy consumption and might not be in line with the sustainability expectations in the market. Therefore, to the extent the Issuer's and Tokenizer's products using such energy intensive systems, demand in such products could decline or regulatory burdens may make the use of such energy intensive technologies unattractive for the Issuer causing the Issuer either to restructure the specific products by substituting the energy intensive technologies through similar, but more energy efficient technologies, or to terminate such products.

Risk rating: low

3.2.5.2 Cybersecurity related Risks

The Issuer deals with tokenized securities registered online and therefore is susceptible to operational, information security and related "cyber" risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cybersecurity failures by, or breaches of, the systems have the ability to cause disruptions and impact business operations, potentially resulting in: financial losses, interference with the business activity, disclosure of confidential information, impediments to trading, submission of erroneous trades or erroneous creation or redemption orders, the inability of the company or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines,

penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. The investors may lose their investment as direct or indirect consequence of such cybersecurity related risks.

Risk rating: medium

3.2.5.3 Software related Risks

Tokenized securities may be susceptible to bugs and smart contract related risks, that might lead to investors losing control over their assets, or a breach that might cause an unintended minting of the asset, that ultimately lead to the dilution of the investors' holdings. Other risks include Issuer's back-office software bugs which may lead to mishandling of the Collateral or a loss of significant tokens reserve, which may cause turbulence in the secondary market. By nature, attacks on blockchain infrastructure can cause much more damage than for a centralized service, as the blockchain is an objective layer, and cannot be stopped or rolled back.

Risk rating: high

4. Information about the Issuer

4.1 History and Development

The Issuer was established as an SPV in Baar, Switzerland on 30 July 2021 and thus only a limited history on the company exists, which can be disclosed.

4.1.1 Legal and Commercial Name

The legal and commercial name of the Issuer is Backed Assets GmbH (Backed Assets LLC).

4.1.2 Registration

The Issuer is registered in the Commercial Register of the Canton of Zug, Switzerland, under the identification number CHE-482.064.528. The Issuer's legal entity identifier ("LEI") is 506700W43BCJQW7FA481.

4.1.3 Incorporation of the Issuer

The Issuer was established (at a meeting of its founders) on 26 July 2021 and was incorporated and registered in the Commercial Register of the Canton of Zug, Switzerland, on 30 July 2021 for an indefinite time period.

4.1.4 Domicile, Legal Form and other Information

The Issuer was incorporated in the form of a corporation with limited liability ("*Gesellschaft mit beschränkter Haftung*" ("*GmbH*")" pursuant to Art. 772 et seq. of the Swiss Code of Obligations ("*CO*"). Its registered office and address is c/o Backed Finance AG, Baarerstrasse 14, 6300 Zug, Switzerland and the general telephone number is +41 (0)41 541 16 09.

The Issuer's website is available at: www.backedassets.fi. This website and the information contained on the website does not form part of this Registration Document.

4.1.5 Recent Events of Particular Significance

In the view of the Issuer, there have been no recent events of particular significance since its incorporation which would be of high importance to the evaluation of the Issuer's solvency.

4.1.6 Ratings

As of the date of this Registration Document the Issuer is not rated.

4.1.7 Material Changes

There have been no material changes in the Issuer's borrowing and funding structure.

4.1.8 Financing of the Issuer's Activities

In general, the Issuer finances its business operations particularly by a surcharge on the issue and redemption price of the Products, which each shall not exceed 5%. The Issuer can and will hold in its own name and its own account securities. Therefore, it is the Issuer's right to make a profit by selling and purchasing securities.

In a first step, the Issuer will be financed by its parent company, Backed Finance AG (also incorporated in Zug, Switzerland) ("**Parent**"). In a second stage, the fees earned by the sale of the Products should cover the operational costs.

For the incorporation of the Issuer the necessary share capital of CHF 20,000 was provided through a contribution in kind of 25,000 USD Coins ("**USDC**"). As of 25 February 2022, the share capital was increased by CHF 230,000 up to CHF 250,000 through (a) CHF 6,235.83 by offsetting of clearable claims, (b) USD 156,559.43 by offsetting of clearable claims, and (c) USD 95,000 by contribution in kind of USDC 115,000. Further capital contributions by the Parent were made to the capital reserves of the Issuer, one in the amount of CHF 500,000 as per 5 May 2022 and an additional in the amount of CHF 250,000 on 27 December 2022.

The Parent as lender also provided a subordinated loan agreement which allows the Issuer, as borrower, to draw advances in the amount of up to CHF 1,000,000. On the date of this Registration Document, advances in the amount of USD 335,000 have been drawn.

5. Business Overview

5.1 Principal Activities

The Issuer's principal activity is the issuance of its Products in the form of blockchain based cryptographic tokens in Switzerland and worldwide. The Products are issued as structured products according to Art. 3 lit. a No. 4 FinSA, i.e. certificates in the form of cryptographic tokens and track highly demanded, liquid and listed and not listed Underlyings in the form of book-entry securities in order to make them easily accessible to investors (tracker certificates according to the derivative map of the Swiss Structured Products Association SSPA). For that purpose, the Issuer

researches, identifies and designs Products fully backed by the Underlying (as defined in the relevant Securities Notes) in the form of highly demanded, liquid and listed stocks and other securities. The Products are tokenized and digitally accessible to investors.

5.2 Principal Markets

Initially, the Issuer offered its Products mainly in Switzerland and Liechtenstein and for the European Union ("EU") in Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Malta, Norway, Spain and the Netherlands. The Issuer will extend the offer additionally to Bulgaria, Croatia, Cyprus, Greece, Hungary, Iceland, Estonia, Finland, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovak Republic, Slovenia and Sweden, The Issuer reserves the right to extend the offer to other countries in a later stage.

6. Organisational Structure

The Issuer is part of a corporate group and dependent on its sole quotaholder, the Parent. The Parent holds and controls 100% of the quotas of Backed Assets GmbH.

The Parent is incorporated under the name Backed Finance AG (CHE-410.125.970) in Zug, Switzerland. The purpose of the Parent is to participate in the convergence of blockchain technologies and conventional financial markets. It provides tokenization services for financial assets and promotes the sale and distribution of tokenized financial assets. It holds participations in other companies and/or establish subsidiaries and branch offices in Switzerland and abroad.

The Issuer and the Bootstrap Labs Ltd (incorporated in Israel) are fully owned subsidiaries of the Parent (altogether the "**Group**"). The Issuer is thus dependent of the business strategy of the Parent for the entire Group.

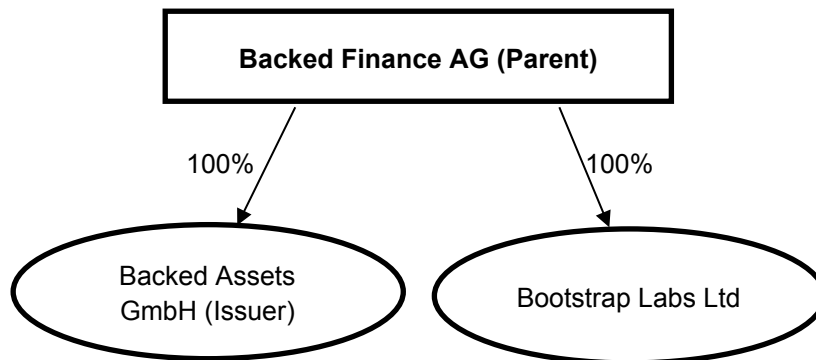


Illustration of the Group structure

The Issuer, has entered into a contract with the Parent in order to receive tokenization services. Thus, the Parent is contractually bound with the Issuer but at the same time also holds all of the quotas of the Issuer and controls the Issuer. Therefore, the investors are informed that a potential conflict of interest may arise, in which situation the interests of the Parent may prevail and the activity of the Issuer may be terminated and/or the Investors may endure a loss of their investment.

7. Trend Information

There has been no material adverse change in the prospects of the Issuer since the date of its last Financial Statements. However, the Issuer has further used its financial resources for setting up its operations, particularly for its legal and financial advisors as well as compliance related services and banking fees.

There has not been any significant change in the financial performance of the Issuer since the end of the last financial period for which an Audit Report has been produced to the date of this Registration Document.

8. Profit Forecasts or Estimates

The Issuer does not make any profit forecasts or estimates.

9. Administrative, Management, and Supervisory Bodies

9.1 Members of the Management

The sole member of the management is Roy Matas, from Zurich, in Zurich with single signatory power at the following business address: c/o Backed Finance AG, Baarerstrasse 14, 6300 Zug.

Roy Matas is an engineer (B.Sc The Technion, Israel) and MBA Graduate (IMD, Lausanne, Switzerland) with over 25 years of technology, business development, general management, and product marketing experience. He also has vast experience in both corporate (Microsoft, NICE Systems) and start-up environments.

At the same time, Roy Matas acts in the Parent as secretary of the board of directors with single signatory power.

9.2 Members of the Supervisory Bodies

A supervisory body does not exist.

9.3 Conflicts of Interests

Since the sole member of the management of the Issuer is simultaneously the secretary of the board of directors of the Parent, there is a risk that the aforementioned person (see section 9.1), due to conflicts of interest, may take decisions for or against the Issuer on the one hand or their own interest on the other hand (conflict of interest in a group). These actions may directly or indirectly adversely affect the economic success of the Issuer and thus ultimately negatively affect the net assets, financial position and results of operations of the Issuer.

However, the Issuer has entered into a contract with the Parent, in order to receive tokenization services and to mitigate the conflicts of interests on a contractual basis.

10. Major Shareholders

As of the date of this Registration Document the sole quotaholder of the Issuer is the Parent with its registered office in Zug, Switzerland. Major shareholders of the Backed Finance AG, Zug, are Adam Levi, Yehonatan Goldman and Roberto Isaac Klein, each holding 26.67% of the shares.

11. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

11.1 Financial Information

The Financial Statements of the Issuer (balance sheet, income statement, cash flow statement and notes) subject to a limited statutory examination audit by the Auditors covers the period from 1 January 2022 to 31 December 2022.

The Financial Statements have been audited in accordance with the Swiss Standard on the limited statutory examination. This standard requires that the auditor plans and performs a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

The Issuer has published the Financial Report consisting of the Financials Statements and the Audit Report on the following website: www.backedassets.fi. It can also be inspected during usual business hours at Baarerstrasse 14, 6300 Zug, Switzerland.

The Financial Statements of the Issuer (balance sheet, income statement and notes) reviewed by the Auditors include a comparison to the previous year, which was not a full business year due to fact that the Issuer was only incorporated on 26 July 2021 and registered in the commercial registry of the Canton of Zug on 30 July 2021. Therefore, the historical financial information covers only such limited time period from 30 July 2021 to 31 December 2021, which have in accordance with applicable Swiss law neither been audited nor reviewed.

11.2 Historic Financial Information

The historic financial statements of the Issuer (balance sheet, income statement and notes) being the Interim Financial Statements have been prepared as interim financial statements covering only a limited time period from 30 July 2021 to 31 December 2021 and 1 January 2022 to 28 February 2022 due to the fact that the Issuer was only incorporated on 26 July 2021 and registered in the commercial registry of the Canton of Zug on 30 July 2021.

Regarding the Interim Financial Statements, the period from 30 July 2021 to 31 December 2021 has in accordance with applicable Swiss law and in view of the fact that the Issuer had not taken up its issuing and offering activities neither been audited nor reviewed, whereas the period from 1 January 2022 to 28 February 2022 was subject to a limited statutory examination audit by the Auditors.

To the extent as the Interim Financial Statements have been audited as described above, they have been audited in accordance with the Swiss Standard on the limited statutory examination. This standard requires that the auditor plans and performs a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

The Issuer has published the Interim Financial Report consisting of the Interim Financial Statements and the Audit Report on the following website: www.backedassets.fi. It can also be inspected during usual business hours at Baarerstrasse 14, 6300 Zug, Switzerland.

11.3 Legal and Arbitration Proceedings

During the period covering the last 12 months preceding the date of this Registration Document, there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

11.4 Significant Changes in the Issuer's Financial Position

Since the last reviewed Financial Statements, there have been no significant changes in the Issuer's Financial Position.

12. Additional Information

12.1 Quota Capital

As of the date of this Registration Document, the quota capital of the Issuer amounts to CHF 250,000.00. The quota capital of the Issuer is divided into 2,500 fully paid-up quotas with a nominal value of CHF 100.00 each. There is no category of quotas that carry preferential rights.

The initial quota capital of CHF 20,000 has been fully paid in by way of a contribution in kind. Pursuant to an agreement dated 19 July 2021, the Issuer has received USDC 25'000.00, for which 200 ordinary shares with a nominal value of CHF 100.00 each have been issued.

As of 25 February 2022, the share capital was increased by CHF 230,000 up to CHF 250,000 through (a) CHF 6,235.83 by offsetting of clearable claims, (b) USD 156,559.43 by offsetting of clearable claims, and (c) USD 95,000 by contribution in kind of USDC 115,000. The Issuer issued 840 ordinary shares with a nominal value of CHF 100 each for the contribution in kind and 1,460 ordinary shares with a nominal value of CHF 100 each for the two offsettings.

The quota capital is held in its entirety by its Parent.

12.2 Contribution to the Capital Reserves and Subordinated Shareholder Loan

In addition to the nominal quota capital, the Issuer's equity has been strengthened by two contributions to the capital reserves by its Parent in the amount of CHF 500,000 which was

contributed as per 5 May 2022 and an additional CHF 250,000 which was contributed as per 27 December 2022. The Parent as lender also provided a subordinated loan agreement which allows the Issuer, as borrower, to draw advances in the amount of up to CHF 1,000,000. On the date of this Registration Document, advances in the amount of USD 335,000 have been drawn.

12.3 Articles of Association

The Issuer is registered in the Commercial Register of the Canton Zug, Switzerland under the identification number CHE-482.064.528.

According to Art. 2 of the articles of association of the Issuer (**Articles of Association**), the purpose of the Issuer is as follows:

"The purpose of the company is the issuance of financial instruments in the form of blockchain based cryptographic tokens in Switzerland and worldwide.

The company may hold participations in other companies and acquire, exploit, administer and dispose real estate and intellectual property rights, establish subsidiaries and branch offices in Switzerland and abroad and carry out all acts implicated by its business purpose, or which may be appropriate to promote its development or the development of group companies.

Further, the company may directly or indirectly participate in group finance transactions, in particular by providing its direct or indirect shareholders or other group companies loans or by providing security in the form of guarantees, sureties or any other security interest to third parties even if these loans or security interests, which may be provided without charge or fee, lie in the exclusive interest of its direct or indirect shareholders or other group companies."

13. Material Contracts

The Issuer has entered into a contract with its Parent in order to receive tokenization services ("**Tokenization Services Agreement**"). The terms and conditions under which the Tokenization Services Agreement has been entered into is not at arm's length. The role of the Tokenizer is, inter alia, to provide the following services to the Issuer:

- i. Mint the tokens representing the securities for the respective Products in the network as Ledger-Based Securities in accordance with the specifications defined by the Issuer;
- ii. Safeguard the tokenized securities until required by the Authorized Participant, the Parent or the Issuer;
- iii. Deliver the tokenized securities when required and as instructed by the Issuer;
- iv. receive and cancel, i.e. burn the securities in the register in case of redemptions;
- v. develop and deploy smart contracts on different supported blockchains as requested by the Issuer;
- vi. security audits of blockchain smart contracts;

- vii. ongoing support of the blockchain network used for the benefit of the Issuer;
- viii. design and develop a web platform and SDK for issuance and redemption procedures as well as interfacing such web platform and app to the other service providers as described in this Securities Note to the extent required and instructed by the Issuer;
- ix. design and develop administration platform for the Issuer to overview the status of the tokenized securities and the market; and
- x. oversee the security of both the blockchain and the server systems.

Providing tokenization services means providing the technical solution for tokenization to the Issuer as external information technology ("IT") service provider. Therefore, the Tokenizer is neither acting as an issuer nor as an offeror of the Products.

There are no further material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to investors in respect of the Products being issued.

14. Documents Available

For the term of the Registration Document, copies of the following documents can be inspected during usual business hours at Baarerstrasse 14, 6300 Zug, Switzerland.

- Articles of Association;
- Financial Statements;
- Financial Report;
- Interim Financial Statements;
- Interim Financial Report.

All above listed documents may be inspected on the following website: www.backedassets.fi.

15. Continuation of the Offer of Securities to the Public

The offer of the Products to the public which first commenced under the Base Prospectus dated 9 May 2022, as amended by any supplements, and which is continuing uninterrupted at the date of approval of this Base Prospectus, will continue on the basis of this and any succeeding base prospectuses in accordance with Article 8 paragraph 11 of the Prospectus Regulation until the end of the offer term of the Products (as defined in the relevant Final Terms) as described below:

For the Products referred to in section **Error! Reference source not found.** of the Securities Note, for which the public offer is continuing, the Registration Document dated 9 May 2022 will continue to be legally binding. Therefore, the Registration Document dated 9 May 2022 is incorporated by reference into this Base Prospectus.

The Products whose public offering is to be continued are identified by listing their international security identification number (ISIN) in section **Error! Reference source not found.** of the Securities Note. The Final Terms and the Products identified therein are published on www.backedassets.fi and are available by entering the respective ISIN.

Zug, 8 May 2023

dmro

Roy Matas, Managing Director

Annex pursuant to Art. 26 para. 4 Prospectus Regulation relating to the Registration Document of Backed Assets GmbH dated 9 May 2023

1. Who is the Issuer of the Products?

Registered seat, legal form, LEI, governing law and country of registration of the Issuer

The Issuer is a limited liability company pursuant to Art. 772 et seq. of the Swiss Code of Obligations ("CO") under the laws of Switzerland with its registered office in Zug, Switzerland. It is incorporated in Switzerland and formed under the laws of Switzerland. The LEI is: 506700W43BCJQW7FA481.

Principal activities of the Offeror

The Issuer's principal activity is the acquisition and management of participations in Switzerland and abroad and the issuance of its products in the form of blockchain based cryptographic tokens in Switzerland and worldwide (tokenized structured products).

Major Quotaholder

The sole quotaholder of the Issuer is Backed Finance AG (CHE-410.125.970) with its registered office in Zug, Switzerland. Major shareholders of the Backed Finance AG, Zug, are Adam Levi, Yehonatan Goldman and Roberto Isaac Klein, each holding 26.67% of the shares.

Key managing directors

The key managing director with power of sole representation is Roy Matas, an engineer (B.Sc The Technion, Israel) and MBA Graduate (IMD, Lausanne, Switzerland) with over 25 years of technology, business development, general management, and product marketing experience. At the same time, he acts in the Parent as secretary of the Board of Directors with single signatory rights.

Identity of the statutory Auditors

The Auditor is Grant Thornton AG, Claridenstrasse 35, 8027 Zurich, Switzerland.

2. What is the Key Financial Information regarding the Issuer?

Following key financial information is based on the Financial Statement for the period from 30 July 2021 (date of incorporation) to 31 December 2022.					
Income Statement of 30.07.2021 – 31.12.2021 and 01.01.2022 – 31.12.2022			Balance Sheet as of 31.12.2021 and 31.12.2022		
	30.07.2021- 31.12.2021	01.01.2022- 31.12.2022		31.12.2021	31.12.2022
	CHF	CHF		CHF	CHF
Other operating expenses	-159,644	-351,604	Cash and cash equivalents	–	511,836
Operating result	-159,644	-351,604	Securities	22,999	122,924
Financial income	220	2,362	Total current assets	22,999	634,760

Financial expenses	-220	-17,173	Financial assets	–	1,464
Loss for the period before taxes	-159,644	-366,415	Total non-current assets	–	1,464
Direct taxes	-352	-727	Total assets	22,999	636,224
Loss for the period	-159,996	-367,142	Trade accounts payable	3,371	88,010
Cash Flow Statement of 30.07.2021 – 31.12.2021 and 01.01.2022 – 31.12.2022			Other short-term liabilities: due to stockholder	4,016	30,658
	30.07.2021-31.12.2021	01.01.2022-31.12.2022	Short-term provisions	352	1,078
	CHF	CHF	Accrued expenses and deferred income	152,257	15,426
Cash flows from operating activities	-22,999	-491,657	Total liabilities	159,996	135,172
Cash Flows from investing activities	0	-1,464	Common stock	20,000	250,000
Cash flows from financing activities	22,999	1,005,191	Reserves from capital contributions	2,999	778,190
Change in cash and cash equivalents	0	512,070	Results carried forward	–	-159,996
			Loss for the period	-159,996	-367,142
			Total equity	-136,997	501,052
			Total liabilities and equity	22,999	636,224

3. What are the Key Risks that are Specific to the Issuer?

In the following the most material risks to the Issuer are set out. The realization of these risks could result in adverse effects on the Issuer's business, results of operations, profitability, financial condition or prospects.

Short Business History, Limited Financial Information and no rating of the Issuer: Due to the fact that the Issuer has been incorporated in the year 2021 and started its product issuing and offering activities only in 2023, the (historical) financial information on the Issuer is very limited and the Issuer is subject to the risk of no credit rating. This implies the risk that the business activity of the company is not yet proven by the time of filing the Base Prospectus and additional documents.

Dependence on Service Providers: The Issuer is dependent on a number of service providers to maintain the issuances and the Collateral. Should there be a material adverse change with any existing partner and a suitable alternative be unavailable or impracticable, it may be impossible for the Issuer to continue to list and service the products.

Changes of the Regulatory Environment: The Issuer issues financial products whose regulatory environment appears to be unclear because it is constantly developing and adapting to new technologies. This may lead to significant cost increases in the operating business and may have

a material adverse effect on the Issuer's net assets, financial position and results of operations and thus negatively affect its ability to fulfil claims arising from the products.

Software related Risks: Tokenized securities may be susceptible to bugs and smart contract related risks, that might lead to investors losing control over their assets, or a breach that might cause an unintended minting of the asset.

Liquidity Risk: The Issuer may not have sufficient funds for making payments at any point in time, meaning that the Issuer may have difficulties meeting financial obligations.

Counterparty Risk: In general, the Issuer relies on third parties providing trading on both the products and any underlying. Any dysfunction of such third parties or disruption at the exchanges and other platforms may result in a loss of value of the products, which may, in turn negatively impact the Issuer and/or the investors.

Credit Risk: Investors are exposed to the credit risk of the Issuer, the Custodian and other parties. An Investor's ability to obtain payment is dependent on the Issuer's ability to meet these obligations. In the event of default, insolvency or bankruptcy, investors may not receive the amount owed to them.

General Insolvency Risk: Investors are exposed to the credit risk of the Issuer of the products. The products constitute subordinated obligations of the Issuer and rank *pari passu* with each other and all other current and future subordinated obligations of the Issuer. The insolvency of the Issuer may lead to a partial or total loss of the invested capital.

Issuer as Special Purpose Vehicle: The Issuer is a newly established special purpose vehicle ("SPV") with the sole business purpose of the issuance of financial instruments. Thus, the Issuer is currently not profitable and depends on capital and financing from the Parent and the Parent's investors. The reserves to maintain the company operations are limited, which may result in the inability of the Issuer to continue as a going concern.

Market Risk: Market risk refers to the potential losses through changes in the valuation of the Issuer's assets and liabilities because of changes in market prices, volatilities, correlations and other valuation-relevant factors.

Operational Risk: There are a number of risks related to external and internal circumstances or events which may harm the operating business of the Issuer. Any of these risks may be detrimental to the Issuer's reputation and operating results.

Risk of Data Breach: The Issuer maintains significant amounts of data surrounding trades, trade execution, as well as customer data. A significant data breach may have wide reaching adverse effects, including trading losses and loss of reputation, which may negatively impact the Issuer's core business.

Personnel Interdependence / Conflicts of Interest: The key personnel of the Issuer operate also within the Board of Directors of Backed Finance AG, owning 100% of the quotas of the Issuer ("Parent"), or the respective secretary. At the same time, the Parent is the contractual Tokenizer of the Issuer. These interests may deviate or conflict with interests of investors of the Products.

Cybersecurity related Risks: The Issuer deals with tokenized securities registered online and therefore is susceptible to operational, information security and related "cyber" risks. Cybersecurity failures by, or breaches of, the systems have the ability to cause disruptions and impact business operations, and may result in e.g. financial losses or disclosure of confidential information. The investors may lose their investment as consequence of such cybersecurity related risks.