

Second Supplement Dated 20 December 2022 to the Securities Note for Retail Non-Equity Securities dated 9 May 2022 of

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

with its registered seat in Zug, Switzerland

("Issuer")

This supplement ("Second **Supplement**") is supplemental to the securities note for retail non-equity securities for the issuance of tokenized securities of Backed Assets GmbH dated 9 May 2022 ("**Securities Note**") as supplemented by the first supplement to the Securities Note dated 10 June 2022 ("**First Supplement**") and must be read in conjunction with (i) the Securities Note, the First Supplement and any other supplements thereto, (ii) the information document on the Issuer dated 9 May 2022 ("**Registration Document**") and any supplement thereto (Securities Note, Registration Document and any supplements thereto "**Base Prospectus**") and (iii) the respective specification of the detailed terms applicable to each Product ("**Final Terms**") for the specific securities in order to obtain all the relevant information.

This Second Supplement constitutes a supplement according to Article 23 of the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended ("**Prospectus Regulation**"). Terms defined in the Securities Note and First Supplement have the same meaning when used in this Supplement. In case of discrepancies between this Second Supplement and the Securities Note as well as the First Supplement, this Second Supplement shall prevail.

This Second Supplement has been approved by the Financial Market Authority Liechtenstein ("**FMA**"), as competent authority under the Prospectus Regulation. The FMA only approves this Second Supplement 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 or the quality of the securities that is/are the subject of this Second Supplement. Investors should make their own assessment as to the suitability of investing in the securities.

This Second Supplement will be available on the website of the Issuer at www.backedassets.fi during 10 years after its publication and is also available (together with the other parts of documents of the Base Prospectus) free of charge at the offices of the Issuer at c/o Backed Finance AG, Baarerstrasse 14, 6300 Zug, Switzerland. Any website mentioned in this Second Supplement does not form part of this Second Supplement or the Base Prospectus itself.

1. RIGHT OF WITHDRAWAL:

Investors who have already agreed to purchase or subscribe for the Products issued pursuant to Final Terms under the Base Prospectus before this Second Supplement is published shall according to Article 23 paragraph 2 Prospectus Regulation have the right, exercisable within three Business Days after the publication of this Second Supplement to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in this Second Supplement arose or was noted before the closing of the offer period or the delivery of the Products, whichever occurs first.

Any withdrawal may be exercised without stating any reason and shall be sent to the Issuer (Backed Assets GmbH, c/o Backed Finance AG, Baarerstrasse 14, 6300 Zug, Switzerland) in written form.

2. PURPOSE / REASON OF THIS SUPPLEMENT:

This Supplement has been prepared in order to (i) update the registered seats/offices and addresses of the Issuer and its parent company ("**Parent**"), (ii) update certain sections and provisions in the Securities Note and the First Supplement with regard to the replacement/exchange of major service provider, ISP Securities AG, Zurich, Switzerland and in relation to the corresponding update of the agreements, the collateral structure, new definitions and functions as well and (iii) update the additional countries where the Base Prospectus shall be notified.

3. INFORMATION BEING SUPPLEMENTED:

3.1 Amendments to the registered seats/offices addresses of the Issuer and the Parent:

a. Amendment on front page

The registered seat of the Issuer shall be replaced and reflected on the front page as follows:

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

with its registered seat in Zug, Switzerland

("Issuer")

b. Amendment in section "IMPORTANT INFORMATION"

The Section titled "**Issuer is neither licensed nor registered**" shall be replaced in its entirety with the following wording:

"The Issuer of the Products, Backed Assets GmbH, with its registered seat in Zug, domiciled at c/o Backed Finance AG, Baarerstrasse 14, 6300 Zug, Switzerland, is incorporated under Swiss law. The Issuer is neither licensed nor registered with FINMA"

c. Amendment in section "A. Definitions"

The definition "**Issuer**" shall be replaced in its entirety by:

"Backed Assets GmbH (Backed Assets LLC) with its registered seat in Zug, Switzerland"

d. Amendment in section "1.1 Persons Responsible"

The address of the Issuer in the above-mentioned section shall be replaced with the new address and be read as follows:

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

e. Amendment in section "3.2 Interest of Natural and Legal Persons involved in the Issue / Offer"

The address of the Parent in the above-mentioned section under paragraph 1 shall be replaced with the new address and paragraph 1 of section 3.2 shall be read as follows:

"Tokenizer"

The Tokenizer, namely the Parent, Backed Finance AG, with its registered seat in Zug, domiciled at Baarerstrasse 14, 6300 Zug, Switzerland, as the sole quota holder of the Issuer, will offer tokenization services. Major shareholders of the Backed Finance AG, Zug, are Adam Levi, Yehonatan Goldman and Roberto Isaac Klein, each holding 26.67% of the shares."

f. Amendment in section "6 Form of Final Terms" on the front page of the form of final terms

The registered seat of the Issuer shall be replaced and reflected on the front page of the Form of Final Terms as follows:

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

with its registered seat in Zug, Switzerland

(the "Issuer")

g. Amendment in section "6 Form of Final Terms"

In section 6 titled "**Form of Final Terms**", subsection A.1.1 titled "**Information concerning the Products**" the last row of the table regarding the Information on the Tokenizer shall be updated with the new seat and address of the Tokenizer and replaced by the following:

Tokenizer	The tokenizer is the Parent of the Issuer, i.e. Backed Finance AG, Baarerstrasse 14, 6300 Zug (ZG), Switzerland.
------------------	--

3.2 Amendments with regard to the replacement/exchange of the major service provider, ISP Securities AG:

a. Amendment in section "A. Definitions"

aa. A new definition "**Account Control Agreement**" shall be included under this section as follows:

" A three-party agreement entered into in favor of the secured party, i.e. the Investors, represented by the Security Agent acting in its own name and on its own account as well as in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), between:

- a. a customer/debtor such as the Issuer, i.e. a borrower, guarantor or other loan party pledging financial assets (such as intermediated securities and cash positions) as Collateral; and
- b. the intermediary (*Verwahrungsstelle*), i.e. a depository bank such as the Custodian, maintaining the relevant financial assets in Collateral Account(s) in the name of the customer/debtor, i.e. the Issuer; and
- c. the beneficiary, acting in its own name and on its own account as well as in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), i.e. the Security Agent."

ab. The definition "**Collateral**" shall be amended and replaced in its entirety by:

"The assets representing the Underlying and any cash held in any Collateral Account(s) of the Issuer held with the Custodian"

ac. A new definition "**Collateral Account(s)**" shall be included under this section as follows:

"Any Paying Accounts and Securities Accounts which are pledged in favor of the Securities Agent, acting in its own name and on its own account as well as in the account of the Investors as their direct representative (*direkter Stellvertreter*)."

ad. A new definition "**Collateral Provider**" shall be included under this section as follows:

"The Issuer in its role as provider of the Collateral"

ae. A new definition "**Paying Account**" shall be included under this section as follows:

"The cash account(s) held by the Issuer with the Paying Account Provider on/from which funds from/to the Investors in connection with the issuance and redemption of the Products are paid (including any distribution of funds to Investors subsequent to a Realization Event, based on the instructions of the Security Agent)"

af. The definition "**Paying Account Provider**" shall be amended and replaced in its entirety by:

"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 (including any distribution of funds to Investors subsequent to a Realization Event, based on the instructions of the Security Agent)"

ag. The definition "**Paying Account Provider Functions**" shall be amended and replaced in its entirety by:

"Paying account provider functions as defined in Section 3.2 of the Securities Note and as further specified in the Account Control Agreement as well as the Final Terms of the respective Product"

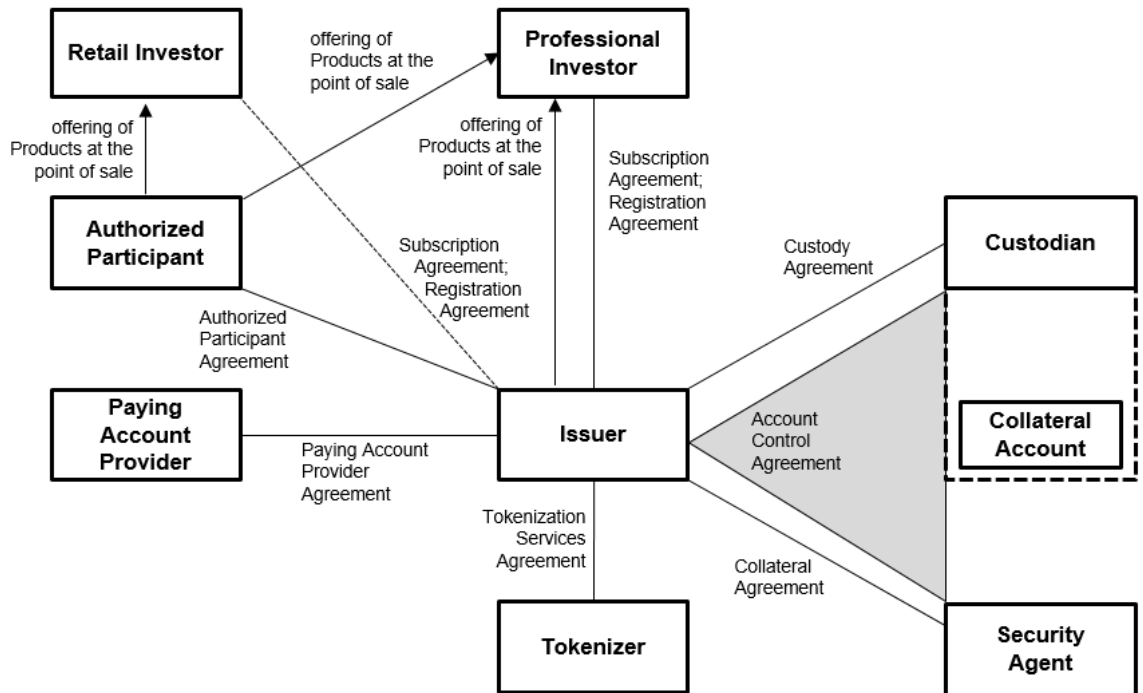
ah. The definitions "**Paying Agent Agreement**", "**Paying Agent Upon Realization Event**" and "**Securities Account Control Agreement**" shall be deleted in its entirety without replacement.

ai. The definition "**Security Agent**" shall be amended and replaced in its entirety by:

"The Security Agent represents the Investors acting as their direct representative (*direkter Stellvertreter*) to secure in the name and on the account of the Investors their claims under the Products as well as acting in its own name and on its own account to secure its ongoing costs"

b. Amendment in section 3.1 "Structure of the Program"

In Section 3.1 the diagram of all involved parties/functions and payment/securities flows shall be replaced in its entirety by the following diagram:



c. Amendment in section "3.2 Interest of Natural and Legal Persons involved in the Issue / Offer"

aa. Under section "**Tokenizer**" in paragraph 6 the Paying Agent Upon Realization Event shall be deleted without replacement and such paragraph shall be read as follows:

"Apart from the services of the Tokenizer, which are performed by the Parent, the Authorized Participants, Custodians, Security Agent and Paying Account Providers and any other third parties set out below are not related to the Issuer. Such third parties may act in different functions provided that they implement appropriate measures to avoid conflicts of interests between the individual functions, if required:

- a. Custodian;
 - b. Security Agent;
 - c. Any person that provides market data of the Underlyings' prices for the Products on each day relevant for fixing, observation or valuation of the Indexes and other securities as specified in the relevant Final Terms;
 - d. Market Maker;
 - e. Authorized Participant; or
 - f. Provider of other services set out below."
- ab. Starting from section titled "**Custodian(s)**" until the section titled "**Market Maker(s)**" several amendments with regard to the exchange of the service providers and as a result thereof the amendments in the agreements as well as in the structure of the collateral shall be made and replaced with the following text read as follows:

"Custodian(s)

Function

As defined above, Custodians provide the Securities Accounts to which the Underlyings purchased by the Issuer are credited. Further, the Custodian holds cash amounts and other assets received by the Issuer in connection with the purchase and selling of the Underlyings in Paying Accounts and is, together and subject to instructions by the Issuer, responsible for all matters in connection with corporate actions in the Underlyings.

Information on the Custodian(s)

Maerki Baumann & Co. AG, Zurich, Switzerland, is a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich. Maerki Baumann & Co. AG will be acting as Custodian for those Products indicated by the respective Final Terms of the Products. The Issuer may also appoint other licensed parties for the role as Custodian for Products as indicated in the Final Terms of the respective Product and/or on its website: www.backedassets.fi.

Custody of the Products purchased by the Investors is in the sole responsibility of the Investor. The Issuer is not obliged to provide for a custody offering for the Investor.

Custody Agreement

In general, the Issuer and any new Custodian shall enter into a Custody Agreement according to general market standards for custody services ("**Custody Agreement**"). Such Custody Agreement shall set out the principal terms on which the Custodian is appointed to act as Custodian in respect of the Products issued under the Program and sets out the duties and obligations of the Custodian in relation to holding all assets that the Issuer delivers to the Custodian in a separate account set up for the Issuer. The Custody Agreement sets out the conditions for the appointment of the Custodian and termination of the agreement (by either party to the agreement after giving prior written notice to the other party in written form).

The Issuer and Maerki Baumann & Co. AG as Custodian entered into a framework agreement dated on 23/24 November 2022, based on Maerki Baumann & Co. AG's "General Terms and Conditions of Business and Safe Custody Regulations (including Execution Principles)" and subject to some individually agreed special terms for custody. It applies, inter alia, to deposits and assets held in the securities account by the Custodian. The Custodian shall provide for a separate account or subaccount for the Issuer for each Underlying. The Custodian will handle the deposited assets with the customary care and diligence and is responsible on behalf of itself and its ancillary agents solely for direct losses and bears no liability in any event for consequential, third-party or special losses. The Custodian is neither allowed to do any securities lending nor any other proprietary transactions with the Underlyings held in the main and sub-accounts at all times. The Custodian shall have no right to assert any applicable rights of lien, retention or other rights to retain any of the Underlyings. Deposits are generally set-up for an unlimited period and will not expire in the event of loss of capacity to act or bankruptcy on the part of the Issuer. The Custodian will perform customary administrative services without special instruction by the Issuer. The Custodian shall be allowed to delegate its duties under the agreement to a third-party, subject to the prior notification of the Issuer. The framework agreement which includes the Custody Agreement, is governed by Swiss law.

The Issuer plans to enter into similar framework agreements with additional Custodians. The Final Terms for each Product will specify the respective Custodian(s) for such Products as well as provide some further information on the respective contractual agreement(s) entered into with such Custodian(s). Furthermore, the Issuer may also publish such information on its website: www.backedassets.fi.

Broker

Function

A broker is any regulated securities broker regarding brokerage services in connection with buying/selling the Underlyings ("**Broker**"). His role is to purchase and sell the Underlyings on the markets on instruction of the Issuer.

Information on the Broker

Maerki Baumann & Co. AG, Zurich, Switzerland, is a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich, Switzerland. Maerki Baumann & Co. AG will be acting as Broker for those Products indicated by the respective Final Terms of the Products. The Issuer can also appoint other licensed parties for the role as Broker for Products as indicated in the Final Terms and/or on its website: www.backedassets.fi (with the sole Issuer's discretion to appoint another party as Broker).

Brokerage Agreement

In general, the Issuer and any new Broker will enter into a market standard agreement regarding the provision of brokering services to purchase and sell the Underlyings on the markets ("**Brokerage Agreement**").

The Issuer and Maerki Baumann & Co. AG as Broker entered into a framework agreement dated on 23/24 November 2022, based on Maerki Baumann & Co. AG's "General Terms and Conditions of Business and Safe Custody Regulations (including Execution Principles)" and subject to some individually agreed special terms for brokerage. It applies, inter alia, to the purchase and sale of the Underlying(s) of the Products as well as FX conversion transactions and other FX hedge

transactions (defined within the agreement as "Brokerage Transactions") by using the custody accounts and transactional accounts held by the Issuer with Maerki Baumann & Co. AG. Such brokerage transactions are executed on an execution-only basis. Maerki Baumann & Co. AG has outsourced securities trading to a third-party company (currently InCore Bank AG, a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich, Switzerland). Further information can be found at <https://www.maerki-baumann.ch/en/execution-principles>. In general, in executing orders for the purchase and sale of securities, derivative products and other assets, the Broker acts as a commission agent or selfcontracting party for the Issuer. The standard practices of the stock exchange and trading platform in question and/or the regulations of the respective issuers and business partners apply. Payment in full for executed brokerage transactions pursuant to the agreement is due on the date indicated as settlement date on the execution confirmation (delivery vs payment). For the purposes of risk disclosure, the Broker draws specific attention to its "Information Relating to Investing in Securities as well as Securities with Special Risks (including digital assets)" and the brochure entitled 'Risks in Securities Trading' published by the Swiss Bankers Association (SBVg). With regard to losses resulting from failures or delays in executing instructions or orders (excluding stock exchange orders), the Broker is solely responsible for the loss of interest, save for where the Broker was notified of the impending risk of further losses in the specific individual case. In the case of stock exchange orders, the Broker is not responsible for errors and omissions on the part of its agents. The framework agreement which includes the Brokerage Agreement, is governed by Swiss law.

Paying Account Provider

Function

The role of the Paying Account Provider is to provide one or several Paying Accounts to the Issuer in order to enable the Issuer to ("**Paying Account Provider Functions**"):

- i. receive FIAT currency or any other currency in the discretion of the Issuer from Investors in the event of an issuance of the Products as set out in the Terms and Conditions;
- ii. disburse FIAT currency or any other currency in the discretion of the Issuer to Investors in the event of a redemption of the Products as set out in the Terms and Conditions of the offer of securities to the public;
- iii. disburse the pro-rata share of the Net Realization Proceeds as FIAT currency to the Investors based on the instructions of the Security Agent upon a Realization Event in accordance with the Account Control Agreement; and
- iv. hold cash balances in FIAT currency on the Paying Account(s) in the period between the liquidation or sale, respectively, of the Underlying(s) and the return of the cash to Investors.

Information on the Paying Account Provider

Maerki Baumann & Co. AG, Zurich, Switzerland, is a FINMA licensed bank incorporated under the laws of Switzerland and registered in the Commercial Registry of the Canton of Zurich, Switzerland. Maerki Baumann & Co. AG will be acting as Paying Account Provider for those Products indicated by the respective Final Terms of the Products.

The Issuer can also appoint other licensed parties for the role as Paying Account Provider for Products as indicated in the Final Terms and/or on its website: www.backedassets.fi (with the sole Issuer's discretion to appoint another party).

Paying Account Provider Agreement

In general, the Issuer and the respective Paying Account Provider will enter into a market standard agreement regarding the provision of paying account(s) ("**Paying Account Provider Agreement**").

The Issuer and Maerki Baumann & Co. AG as Paying Account Provider entered into a framework agreement dated 23/24 November 2022, including special terms for transactional accounts. The Paying Account Provider shall provide for a separate Cash Account for the Issuer with separate sub-accounts for different currencies for each Product.

Additionally, in case of occurrence of a Realization Event in accordance with the Collateral Agreement, the Paying Account Provider will also execute initiate the payment of the pro-rata share of the Net Realization Proceeds, i.e. third party fees being deducted from received payments, to the Investors upon respective instruction of the Security Agent. In such case, the Paying Account Provider takes over the function previously performed by the Issuer, namely to make, based on the instructions by the Security Agent, pro rata payments of the Net Realization Proceeds to the Investors in respect of the Products upon occurrence of a Realization Event. Liability of the parties under or in connection with the agreement shall be limited to the extent permitted by law. In particular, the Paying Account Provider shall not be responsible for or liable in respect of the legality, validity or enforceability of any Product, the sufficient collateralization of such Products with Underlyings, any deductions made to third parties (in particular any service providers before the pro rata distribution to the Investors, any instructions or information provided by the Issuer (before the occurrence of a Realization Event) or the Security Agent (upon occurrence of a Realization Event) related thereto, or any act or omission of any other person. The framework agreement which includes the Paying Account Provider Agreement, is governed by Swiss law.

The Issuer can also appoint other licensed parties for the role as Paying Account Provider for Products as indicated in the Final Terms and/or on its website: www.backedassets.fi (with the sole discretion of the Issuer to appoint another party as Paying Account Provider).

Security Agent(s)

Function

As described above, the Security Agent acts in its own name and its own account as well as in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*) to secure in the name and on the account of the Investors their claims under the Products as well as its own claims for ongoing costs ("**Security Agent**"). The Security Agent:

- i. initiates the realization of the Collateral when the Products fall due; and
- ii. instructs the Paying Account Provider (and/or the Custodian(s) or any third parties designated by the Security Agent) to initiate the payment of the pro-rata share of the Net Realization Proceeds to the Investors.

Such activity qualifies as debt collection activity for and on behalf of the Investors as creditors. The Security Agent does not accept any funds on its own account for and on behalf of the Investors as its principal(s). All proceeds are directly paid to the Paying Account Provider which will make partial or full repayments to the Investors upon receipt of the respective instruction by the Securities Agent and after having deducted and paid authorized third party fees. The Security Agent does not act as financial intermediary.

Information on the Security Agent(s)

Security Agent Services AG, Baarerstrasse 75, 6300 Zug, Switzerland will act as the Security Agent for the Products.

For each Product the Issuer may in its sole discretion appoint another Security Agent and describe and communicate it in the Final Terms for the Product and/or on its website: www.backedassets.fi. The Issuer furthermore is authorized to exchange the Security Agent and appoint another Security Agent for any Product already issued and communicate this in the updated Final Terms and/or on its website: www.backedassets.fi.

Collateral Agreement

In general, the Issuer enters into a collateral agreement ("**Collateral Agreement**") with the Investors represented by the Security Agent acting in the name and for the account of the Investors as their direct representative (*direkter Stellvertreter*) and the Security Agent, acting in its own name and on its own account.

The Issuer entered into a Collateral Agreement for financial instruments with the Investors represented by the Security Agent, acting on behalf and for the account of the Investors as their direct representative (*direkter Stellvertreter*) and the Security Agent dated 23 November 2022. Under the Collateral Agreement, the Issuer created a right of lien (*reguläres Pfandrecht, Forderungspfandrecht*) over the Collateral in favor of (a) the Investors represented by the Security Agent acting in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), as well as (b) the Security Agent to secure its costs in connection with the realization of the Collateral as further set-out in clause XXII. "*Realization Event and Realization of Collateral*" of the Terms and Conditions.

The liability of the parties is limited to gross negligence or wilful misconduct. Neither party will bear any responsibility or liability to the other party or to third parties for any losses arising out of any delay in or interruptions of performance of their respective obligations under the Collateral Agreement due to any act of God, act of governmental authority, or act of public enemy, or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, outbreak of viruses (local, national or global epidemics and pandemics), insurrection, labor difficulty (including, without limitation, any strike, other work stoppage, or slow-down), severe or adverse weather conditions, power failure, communications line or other technological failure, or technological changes or other similar cause beyond the reasonable control of the party so affected. The agreement is governed by Swiss law."

d. Amendment in section "3.3.2 Issuance Process"

Under letter f. of this section the calculation of the settlement period shall be amended, and letter f. shall be read as follows:

- f. "Until the Business Day following the receipt of the Investor's payment (including Investor Fees of up to 5% of the market price of the Underlying) or respective guarantee or equivalent security (i.e. T+2), the Issuer
 - i. buys the number of Underlyings equivalent to the "Investor's payment amount *minus* Investor Fees" (fractional Underlyings are possible) and transfers the Underlying to the Collateral Account with the Custodian;
 - ii. in case of successful purchase of the Underlying, instructs the Tokenizer to activate the pre-created Ledger-Based Securities in the amount equivalent to the purchased Underlyings and to transfer them until the latest 6:00pm CEST to the wallet specified by the Investor;
 - iii. in case of being unable to purchase the Underlying within the specified timeframe, cancels the purchase order and transfers back the purchase price to the Investor."

e. Amendment in section "4.1.6 Rights attached to the Securities"

In paragraph 7 of this section the Paying Agent Upon Realization Event shall be deleted without replacement and such paragraph shall be read as follows:

"None of the Issuer, the Investors, the Security Agent, the Custodian, the Paying Account Provider or any other person shall at any time have the right to affect or demand the conversion of Products (as Ledger-Based Securities) into, or the delivery of, individually certificated securities ("*Wertpapiere*"), uncertificated securities ("*einfache Wertrechte*") or book-entry securities ("*Bucheffekten*")."

f. Amendment in section "4.6.1 Method "of Collateralization"

- aa. Under the title "**Provision of Security ("Attachment")**:" in this section, in paragraph 6 the date of the collateral agreement shall be amended, and such paragraph shall be read as follows:

"The Issuer entered into a collateral agreement with the Investors represented by the Security Agent as direct representative (*direkter Stellvertreter*) and the Security Agent on 23 November 2022"

- ab. Under the title "**Asserting rights in the Collateral ("Perfection")**:" in this section, several definitions, terms and provisions with regard to the exchange of the service provider and the resulting amendments of agreements and the collateral structure shall be made, and such paragraph shall be read as follows:

"In the case of financial assets held by the Custodian in the form of book-entry securities in a Securities Account and/or cash in a Paying Account in favour of the Security Agent acting in the name and on the account of the Investors as direct representative (*direkter Stellvertreter*), perfection is achieved by acquiring "control" over the Security Agent's security entitlement in those assets. This is accomplished through an account control agreement, which is a three-party agreement entered into in favor of the secured party, i.e. the Security Agent acting its own name and on its own account as well in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), between ("**Account Control Agreement**"):

- a. a customer/debtor such as the Issuer, e.g. a borrower, guarantor or other loan party pledging financial assets (such as intermediated securities and cash positions) as Collateral; and

- b. the intermediary (*Verwahrungsstelle*), i.e. a depository bank such as the Custodian, maintaining the relevant financial assets in a Securities and/or Paying Account(s) maintained on behalf of, and in the name of, the customer/debtor, i.e. the Issuer; and
- c. the beneficiary, acting in its own name and on its own account as well as in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), i.e. the Security Agent.

Generally, under an account control agreement, the parties agree that the intermediary will comply with any instructions issued by the secured party with respect to the disposition of the financial assets in specified securities and/or cash account(s) without the need for further consent from the debtor. Once that agreement is in place, the secured party is deemed to have "control" over the specified securities or cash account(s), and its security interest is therefore "perfected". In addition to perfecting a security interest, an account control agreement enables the secured party, when exercising remedies, to direct the disposition of the assets in the respective securities and/or cash account(s) as well as to prevent the debtor from giving instructions with respect to the financial assets without the secured party's consent. The secured party and the debtor can agree in the relevant documentation as to when the secured party is permitted to issue such instructions.

The Issuer as account holder, Security Agent Services AG, as the Security Agent and Maerki Baumann & Co. AG, as the Custodian have entered into an Account Control Agreement dated on 23/24 November 2022:

The Custodian acknowledges and agrees that the Issuer, as Collateral Provider, has granted a pledge over the Collateral to the Security Agent, acting in its own name and on its own account as well in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*) in the Collateral Agreement. Subject to, and in accordance with, the terms of the Account Control Agreement, the Custodian shall act upon the sole instruction and direction of the Security Agent in relation to the Collateral and may only validly discharge its obligations in respect of Collateral by exclusively following the instructions and directions of the Security Agent.

In order to perfect the pledge in accordance with Article 25 FISA with respect to the Collateral falling within the scope of FISA, the Issuer and the Custodian agree irrevocably that the Custodian must carry out instructions of the Security Agent without any further consent or cooperation by the Issuer with respect to the objects of control, whereby control shall be established and maintained for the duration of the agreement with regard to all Collateral credited to the securities account and the cash accounts (defined as "pledged assets" and "objects of control" within the Account Control Agreement).

Prior to a Realization Event, the Issuer may instruct the Custodian with respect to object of control at any given time within the meaning of Article 15 FISA. Unless the Security Agent instructs the Custodian otherwise and gives notice to the Custodian that a Realization Event has occurred, the Issuer shall be entitled to (i) sell, exchange or transfer any pledged assets where the proceeds of such sale, transfer or disposal are promptly credited on the Paying Accounts and (ii) dispose of cash standing to the credit of a Paying Account where such cash is A) used to purchase new Underlyings that are immediately credited to any of the Collateral Accounts or (B) repaid to the Investors or (C) used to pay fees in accordance with the terms and conditions to the proprietary account of the Issuer or (iii) transferred any cash resulting from dividends distributed by the Underlying to the proprietary account of the Issuer.

Upon the Security Agent having served a notice Realization Event, the Custodian shall immediately block any access rights of the Issuer to the Collateral Accounts and no longer take any instructions by the Issuer but solely rely on the instructions by the Security Agent. The Custodian shall promptly comply with the instructions of the Security Agent, unless it is forced to keep all or part of the Collateral blocked in accordance with a binding order. The Custodian shall immediately inform the Issuer and the Security Agent of any such measure unless prohibited or otherwise stipulated by law, any applicable rule or regulation or the said order itself.

The Custodian shall not be bound or entitled to verify whether the conditions for realization of the Collateral under the Collateral Agreement are fulfilled. The Custodian shall have no obligation to inform the Issuer of any instruction sent to it by the Security Agent.

The Account Control Agreement is governed by Swiss law."

g. Amendment in section "4.6.2 Specific Security Agent"

For consistency reasons the second paragraph of this section shall be extended, and such paragraph shall be read as follows:

"For each Product the Issuer may in its sole discretion appoint another Security Agent and describe and communicate it in the Final Terms for the Product and/or on its website: www.backedassets.fi. The Issuer furthermore is authorized to exchange the Security Agent and appoint another Security Agent for any Product already issued and communicate this in the updated Final Terms and/or on its website: www.backedassets.fi."

h. Amendment in section "4.6.5 Practical Procedure and Costs in the Event of Realisation"

This section shall be amended with regard to inconsistencies of terms and definitions due to the amendment of the service provider and collateral structure and the entire section (incl. title) shall be read as follows:

"4.6.5 Practical Procedure and Costs in a Realization Event

In a Realization Event, the Security Agent or the Swiss Bankruptcy Official or a party appointed by it (including the Security Agent) will:

- a. enforce any of the Issuer's rights in any assets of the Issuer under the terms of the Collateral Agreement, and
- b. place an order through the designated Securities Account under the terms of the Custody Agreement and Collateral Agreement.

With the assistance of the Custodian, the Security Agent will undertake to liquidate the assets as soon as possible assuming sufficient liquidity is available in the market.

In the event of a realisation, Investors will bear a number of costs, including, but not limited to transaction costs with Custodians and exchanges, the fees and expenses of the Security Agent and other transaction participants, as well as spreads on the financial assets. These costs will be deducted from the amounts received upon realization of Collateral and may create a significant loss of value for

Investors. Enforcement and pay-out priorities are set as defined in clause XXII. ii. "*Realization of Collateral and Priority of Payments*" of the Terms and Conditions.

In the event that the Issuer defaults and the Security Agent enforces its rights under the Collateral Agreement and the Account Control Agreement to take control of the Collateral Accounts, the realisation of this Collateral may not be of sufficient value to cover all redemption amounts payable to Investors because:

- a. The face value of Products could rise due to market conditions;
- b. The Issuer or the Security Agent may not be able to realize some or all of the assets in the Collateral account at the prices at which they were valued;
- c. The Collateral in the Collateral account is not denominated in the Settlement Currency and the value of such Collateral may fall due to exchange rate movements;
- d. Payments in respect of redemption amounts are required to be made in the Settlement Currency and there may be costs involved in converting the proceeds of realisation of the Collateral into the Settlement Currency or the Issuer may otherwise be unable to convert such proceeds into the Settlement Currency; or
- e. The Collateral Account only contains assets equal to the value of the Products as at the close of the immediately preceding Business Day on which the calculations and valuations are made and there may be a number of days between such valuations occurring and the date on which the Security Agent takes control of the Collateral account, during which time a significant difference between the value of the Collateral in the Collateral account and the price of the Underlyings could arise, particularly given the volatility of the financial markets;
- f. There may be certain costs associated with the realisation of the assets in the Collateral account.

In addition, under the Terms and Conditions, the Issuer may utilise depositories, banks or other financial institutions in connection with the custody of the Collateral. In the event that the Issuer defaults and the Security Agent enforces its rights to take control of the Collateral Accounts, these Collateral Accounts will be held with a depository as arranged by the Issuer. Accordingly, the Issuer or the Security Agent may not be able to recover all sums due to it and may not, therefore, have sufficient amounts to fund the Issuer's payment obligations to Investors and/or it may take longer to realise the Collateral and, therefore, Investors may experience delays in receiving amounts due to them."

i. Amendment in section "5 Terms and Conditions of the Offer of Securities to the Public"

- aa. In paragraph 3 of the intro of this section the Paying Agent Upon Realization Event shall be deleted without replacement and such paragraph shall be read incl. other minor changes as follows:

"The Investors are deemed to have read and taken notice of the provisions of these Terms and Conditions and the Final Terms as well as the key elements of the Tokenization Services Agreement, Authorized Participant Agreement (if any), the Collateral Agreement, the Account Control Agreement,

the Custody Agreement, the Brokerage Agreement, the Paying Account Provider Agreement and the Market Maker Agreement (if any) as described in the Securities Note and the Final Terms."

- ab. Under section "**II. Form and Transferability of Securities**" of this section under the title "Cancellation (*Kraftloserklärung*) in the last paragraph the Paying Agent Upon Realization Event shall be deleted without replacement and such paragraph shall be read as follows:

"None of the Issuer, the Investors, the Security Agent, the Custodian, the Paying Account Provider or any other person shall at any time have the right to affect or demand the conversion of Products (as Ledger-Based Securities) into, or the delivery of, in-dividually certificated securities ("*Wertpapiere*"), uncertificated securities ("*einfache Wertrechte*") or book-entry securities ("*Bucheffekten*")."

- ac. In section "**IV. Collateralization**" of this section amendments shall be made with regard to inconsistencies of terms and definitions due to the amendment of the service provider and collateral structure and the entire section shall be read as follows:

"The Issuer entered into a Collateral Agreement with the Investors represented by the Security Agent, acting in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*) and the Security Agent, acting in its own name and in its own account, for its ongoing costs.

Each Product is secured under the Collateral Agreement and a Product-specific schedule. Any Underlyings serving as Collateral will be held and administered by the Issuer on one or several separate Collateral Accounts for each Underlying and related cash held with the Custodian in accordance with the Custody Agreement. Purchasing and selling of fractional Underlyings and Products is possible; the total Collateral will be rounded up to the next unit of the Underlying. Any excess amount paid by the Investors is kept by the Issuer and not re-funded to the Investor.

Under the Collateral Agreement, the Issuer creates a right of lien (*reguläres Pfandrecht, Forderungspfandrecht*) over the Collateral in favor of (a) the Investors represented by the Security Agent acting in the name and on the account of the Investors as their direct representative (*direkter Stellvertreter*), as well as (b) the Security Agent to secure its ongoing costs in connection with its function as Security Agent.

By acquiring the Product, each Investor appoints the Security Agent as direct representative (*direkter Stellvertreter*) and can only exercise its rights under the Collateral Agreement and the Product-specific schedule through the Security Agent.

The security interest(s) created under the Collateral Agreement over the Collateral are only granted to the Investors of the Product and to the Security Agent and not to any investors of other products collateralized under the Collateral Agreement according to a different schedule. The Collateral only secures the Product and the associated ongoing costs of the Security Agent.

By transferring all Products held by an Investor or if the Investor is otherwise no longer the holder of any Products, such Investor will cease to qualify as an Investor and to be a party to the Collateral Agreement and the respective schedule(s) for the Product.

The value of collateral to be maintained by the Issuer (as collateral provider) at any point in time is determined by and must correspond to the then current value of the Product calculated according to clause I. Product Type.

Each Investor's claim that is created pursuant to the Collateral Agreement is irrevocable on the part of the Issuer as collateral provider and subject to the compulsory maturity of the Product upon a Realization Event.

The liability of the parties to the Collateral Agreement is limited to gross negligence or wilful misconduct. Neither party will bear any responsibility or liability to the other party or to third parties for any losses arising out of any delay in or interruptions of performance of their respective obligations under the Collateral Agreement due to any act of God, act of governmental authority, or act of public enemy, or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, outbreak of viruses (local, national or global epidemics and pandemics), insurrection, labour difficulty (including, without limitation, any strike, other work stoppage, or slow-down), severe or adverse weather conditions, power failure, communications line or other technological failure, or technological changes or other similar cause beyond the reasonable control of the party so affected. The Collateral Agreement is governed by Swiss law."

ad. Under section "**VI. Issuance and Redemption**" of this section under sub-section "**ii. Issuance**" the calculation of the settlement period shall be amended, and letter f. shall be read as follows:

"f. Until the Business Day following the receipt of the Investor's payment (including Investor Fees of up to 5% of the market price of the Underlying) or respective guarantee or equivalent security (i.e. T+2), the Issuer:

- i. buys the number of Underlyings equivalent to the "Investor's payment amount *minus* Investor Fees" (fractional Underlyings are possible) and transfers the Underlying to the Collateral Account with the Custodian;
- ii. in case of successful purchase of the Underlying, instructs the Tokenizer to activate the pre-created Ledger-Based Securities in the amount equivalent to the purchased Underlyings and to transfer them until the latest 6:00pm CEST to the wallet specified by the Investor;
- iii. in case of being unable to purchase the Underlying within the specified timeframe, cancels the purchase order and transfers back the purchase price to the Investor."

ae. Under section "**VI. Issuance and Redemption**" of this section under sub-section "**iii. Issuer Redemption (Issuer Call Option)**" letter e) shall be amended and read as follows:

"e) in the event a major service provider stops providing its services, such as, but not limited to, brokerage services, paying account provider services, tokenization services, security agent services, securities custody services or KYC services;"

af. Under section "**XIV. Paying Account Provider and Paying Agent Upon Realization Event**" of this section the Paying Agent Upon Realization Event shall be deleted without replacement as well as minor changes shall be made and such paragraph shall be read (incl. title) as follows:

"XIV. Paying Account Provider

The Issuer may appoint or exchange the respective Paying Account Provider(s) for each Product specified in the applicable Final Terms and/or on its website, provided that there will always be at least one Paying Account Provider as long as the Products are offered on the blockchain. The Issuer may also appoint several Paying Account Providers in relation to any one Product.

The Paying Account Provider is acting solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Investors.

The Paying Account Provider is acting upon a Realization Event solely on instruction of the Security Agent.

Any determinations, decisions and calculations by the Paying Account Providers shall (save in the case of manifest error or wilful misconduct) act as a guideline for the Issuer and the Investors."

ag. Under section "**XVII. Liability**" of this section the Paying Agent Upon Realization Event shall be deleted without replacement and such paragraph shall be read as follows:

"Without prejudice to the provisions of any agreement as described in this Securities Note or the Final Terms, none of the Issuer, the Authorized Participant, the Custodian, the Broker, the Security Agent or the Paying Account Providers shall have any responsibility to the extent permitted by law for any errors or omissions in the calculation of any amount or with respect to any other determination or decisions required to be made by it under this Base Prospectus or with respect to the Product, irrespective of whether the agents act in the interest of the Issuer or the Investor.

None of the Issuer, the Custodian, the Broker, the Paying Account Provider, the Authorized Participant, the Security Agent, or any other involved party with the Product shall be liable for fraud, theft, cyber-attacks, drastic changes in regulation or any analogous or similar event (an "**Extraordinary Event**"). Upon the occurrence of such an event with respect to, or affecting the Underlying, the redemption amount shall be reduced accordingly to such Extraordinary Event and may be as low as the smallest denomination of the Settlement Currency (i.e. USD 0.01, EUR 0.01, CHF 0.01, GBP 0.01 or the equivalent in other Settlement Currencies), as determined by the Issuer.

In no event shall the Issuer, the Custodian, the Broker, the Paying Account Provider, the Authorized Participant, the Security Agent, or any other involved party with the Product have any liability for indirect, incidental, consequential or other damages (even if it was advised of the possibility of such damages) other than (in the case of the Issuer only) interest until the date of payment on sums not paid when due in respect of any Products. Investors are entitled to damages only (if any) and are not entitled to the remedy of specific performance in respect of a Product."

ah. Under section "**XXI. Issuer's Covenant to pay and Priority of Payments** " of this section the Paying Agent Upon Realization Event shall be deleted without replacement and such paragraph shall be read as follows:

"The Issuer covenants with and undertakes to the Investors, and also for the benefit of the Security Agent, that it shall duly, unconditionally and punctually pay and discharge all monies and liabilities whatsoever which from time-to-time become due, owing or payable by the Issuer: (i) under or in respect of the Products; and (ii) under or in respect of the Collateral.

Save for any monies received upon any Realization Event, all monies received by or on behalf of the Issuer in relation to any redemption in accordance with clause VI. "Issuance and Redemption" of the Terms and Condition will be paid in the following order of priority:

1. Firstly, in payment or satisfaction of all amounts then due and unpaid or payable to the Security Agent (as further set out in the Collateral Agreement);
 2. Secondly, in payment or satisfaction of all amounts then due and unpaid to the Paying Account Providers, any other Paying Account Providers;
 3. Thirdly, on a *pari passu* basis in payment or satisfaction of all amounts then due and unpaid to the Custodian (as further set out in the Custody Agreement) and the Broker (as further set out in the Brokerage Agreement);
 4. Fourthly, in payment of any redemption amounts due and unpaid owing to the Investors on a *pro rata* basis of the securities held by the Investors; and
 5. Fifthly, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such person)."
- ai. Under section "**XXII. Realization Event and Realization of Collateral**" of this section under sub-section "**ii. Realization of Collateral and Priority of Payments**" amendments shall be made with regard to inconsistencies of terms and definitions due to the amendment of the service provider and collateral structure and the entire section shall be read as follows:

"By acquiring the Product, each Investor automatically declares to the Security Agent, as described in Art. 112 Para. 3 of the CO, that they wish to enforce their rights under the Collateral Agreement when a Realization Event occurs.

With first priority, the Security Agent, the Custodian and the Paying Account Provider shall be entitled to satisfy its claims against the Issuer under the Collateral Agreement, the Control Agreement and the Framework Agreement (or any similar agreement), as the case may be (including fee claims) from the realization proceeds before any other payments are made. Furthermore, on a *pari passu* basis in or towards payment of all amounts due and unpaid and all obligations due to be performed under each Product for which the Collateral is being realized, any other third parties' claims in connection with any realization and distribution costs shall be satisfied and the Security Agent may also deduct these additional costs from the realization proceeds, before any other payments are made to Investors; the remaining realization proceeds shall be available for payment to the Investors of the Product ("**Net Realization Proceeds**").

The Security Agent shall distribute the Net Realization Proceeds with discharging effect by instructing the Paying Account Provider to execute the payment of the pro-rata share of the Net Realization Proceeds to the (financial intermediaries holding the accounts for the) respective Investors. If the Product is represented in the form of ledger-based securities, the Security Agent may determine that such payment is made by the custodian(s) or any other parties or the accounts designated by the respective investors. The transfer of the pro-rata shares of the Net Realization Proceeds shall be determined by the holdings in the Product. Each Investor of the Product with reference to each Investor's (or its financial intermediary's) number of securities. Each Investor of a specific Product

represented at all times by the Security Agent has a maximum claim against the Collateral Provider amounting to that share of the Net Realization Proceeds of the Collateral for such Product.

Payments of the Net Realization Proceeds are made exclusively in the Settlement Currency of the Product. The Security Agent or the Paying Account Provider (as the case may be) may request additional information from Investors or set specific requirements to comply with applicable law. The Security Agent may refuse to release and the Paying Account Provider may refuse to transfer any Net Realization Proceeds to the (financial intermediaries holding the accounts for the) respective Investors and the claim of the Investor lapses if the Investor (through its financial intermediary) is not providing the additional information or is not fulfilling the specific requirements within the timeline set by the Paying Account Provider or the Security Agent. The same applies to a Product represented as ledger-based securities, except that the Custodian(s) or the other parties designated by the Security Agent may directly request additional information from Investors (if the ledger-based securities are not held with a financial intermediary) and that the Security Agent may refuse to release and the Custodian(s) or the other parties may refuse to transfer any Net Realization Proceeds to the account designated by an Investor and the claim of such Investor lapses if the Investor is not providing the additional information or is not fulfilling the specific requirements within the timeline set by the Security Agent, the Custodian(s) or the other parties.

No interest shall be paid on the claims of the Investors or against the Issuer as Collateral Provider, which correspond to their pro-rata shares of the Net Realization Proceeds realized from the Collateral. The Security Agent shall not owe any default interest to the Investors on the payment of the pro-rata share of Net Realization Proceeds, neither shall the Security Agent be liable to the Investors for any further damages whatsoever.

The payment of pro-rata Net Realization Proceeds to the Investors under the terms of the Collateral Agreement, discharges the Investors' claims (represented by the Security Agent) against the Issuer that are related to the Product."

aj. Section "XXIV. Substitution" of this section shall be amended and such paragraph shall be read as follows:

"By purchasing or subscribing of any Product(s) the Investor is deemed to consent that the Issuer is entitled at any time and without the additional consent of the investors to have itself substituted as the debtor for the Products by another unaffiliated Swiss or foreign company or by a Swiss or foreign subsidiary, branch or holding company of Backed Assets GmbH, Zug, Switzerland, (the "New Issuer"), provided that

- i. **the New Issuer is a special purpose vehicle without any operational activity except of issuing the Product(s),**
- ii. **the New Issuer assumes all liabilities owed by the existing Issuer to investors with respect to the Products,**
- iii. **the New Issuer secures its liabilities to investors that result from the Products by means of a guarantee declaration or other appropriate measures equivalent to the col-lateral structure as described in the Base Prospectus and the Final Terms of the relevant Product(s),**

- iv. the New Issuer has filed all necessary product documentation with the competent authorities (where necessary) and such product documentation has been approved by such competent authorities (where necessary),
- v. the New Issuer has entered into service agreements with all necessary service providers (e.g. custodian, broker, security agent, paying account provider), and
- vi. the New Issuer has received all necessary approvals from the authorities of the country in which it has its headquarters.

Upon fulfilment of the aforementioned conditions, the New Issuer takes the place of the existing Issuer in all respects, and the existing Issuer is released from all obligations to the holders of Products relating to its function as Issuer arising from or in connection with the Products.

Any such substitution of the debtor will be promptly published or brought to the attention of investors by the Issuer in an appropriate manner. The Issuer bears no responsibility for damages or consequences incurred by individual investors as a result of the exercise of the Issuer's right to substitute the debtor. Investors therefore have no right to assert legal claims or claims for compensation of damages against the Issuer in this connection."

ak. In section "XXVIII. Governing Law and Jurisdiction" of this section the third paragraph shall be amended, and such paragraph shall be read as follows:

"Notwithstanding the above, and for the avoidance of doubt, the various agreements with service providers (such as e.g. the Custodian, the Paying Account Provider, the Securities Agent, the Broker) shall be governed by the laws set out therein and subject to the jurisdiction set out therein."

j. Amendment in section "6 Form of Final Terms"

- aa. In section 6 titled "Form of Final Terms", subsection A.1.1 titled "Information concerning the Products" in the table the row regarding the Paying Agent Upon Realization Event shall be deleted without replacement.

Further, in order to ensure an option of further custodians an amendment shall be made in the table regarding the Custodian and shall be reflected int the table as follows:

Custodian(s)	[The custodian(s) is/are [name and address, LEI].] [•]
---------------------	---

3.3 Amendments with regard to the additional countries where the Base Prospectus shall be notified:

- a. Amendment on front page:

On the front page at the bottom in the third paragraph the countries where the notification will be requested shall be extended and such paragraph shall be replaced in its entirety by:

"The Issuer has requested the FMA to notify the competent authority in Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Malta, Norway, Spain and the Netherlands in relation to this Base Prospectus consisting of the Securities Note and the Registration Document with a certificate of approval ("**Notification**") attesting that this Securities Note has been drawn up in accordance with the Prospectus Regulation and providing it with an electronic copy of this Securities Note. Further, the Issuer may request FMA to provide a Notification to competent authorities in additional member states within the European Economic Area."

b. Amendment in section "A. Definitions"

The definition "**Notification**" shall be extended by additional countries and replaced in its entirety by:

"FMA notification to the competent authorities in Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Malta, Norway, Spain and the Netherlands in relation to this Base Prospectus consisting of the Securities Note and the Registration Document with a certificate of approval attesting that the Securities Note has been drawn up in accordance with the Prospectus Regulation and providing it with an electronic copy of this Securities Note."

c. Amendment in section "6 Form of Final Terms"

In section 6 titled "**Form of Final Terms**", subsection B.6 titled "**Additional Information**" the information on the countries where the Base Prospectus has been notified shall be extended and replaced by the following:

Country(ies) where the Base Prospectus has been notified	A notification shall in a first step be made to Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Malta, Norway, Spain and the Netherlands [and [•]].] [The right to notify other EU-/EEA-member countries is explicitly reserved.] [Specify as applicable.]
---	---

Signed on behalf of Backed Assets GmbH, as duly authorized representative:

Zug, 19 December 2022



Roy Matas, Managing Director

End of this Second Supplement

* * * * *

Start of the consolidated version of the Securities Note as supplemented by the First Supplement

[Warning: the following consolidated version of the Securities Note is only for simple illustration reasons and is neither part of this Supplement nor of the Base Prospectus and therefore was not approved by the FMA]