

**Fidelity Exchange Traded Products  
GmbH  
Hamburg**

Long-form report on the audit  
of the financial statements  
for the short financial year  
from 15 July to 31 December 2021



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**General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften  
(German Public Auditors and Public Audit Firms)**

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We draw attention to the fact that differences may arise due to the use of rounded figures and percentages.

## Abbreviations

AuS	Auditing Standard [promulgated by the IDW]
EUR	Euro
GmbH	Limited liability company [under German law]
HGB	German Commercial Code
IDW	Institute of Public Auditors in Germany

**1 Audit engagement**

The executive director of

**Fidelity Exchange Traded Products GmbH**  
**Hamburg**

(formerly SBGS 212 GmbH)

– hereafter also referred to as “FETP” or “the Company” –

engaged us to conduct a voluntary audit of the financial statements, prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), for the short financial year from 15 July to 31 December 2021 in accordance with Sec. 317 German Commercial Code (HGB). A voluntary management report has not been prepared.

In accordance with Sec. 321 (4a) HGB, we confirm that our audit was conducted in compliance with the applicable regulations on independence.

Our long-form audit report has been prepared in accordance with the German Generally Accepted Standards for the Issuance of Long-form Audit Reports for the Audits of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) – Auditing Standard IDW AuS 450 (Revised).

The scope of the engagement and our responsibilities thereunder, towards both the Company and third parties, are governed by the agreement dated 22/26 September 2022 and complementarily by the enclosed “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” as of 1 January 2017.

This long-form audit report has been prepared solely to document the audit work performed to the Company and not for any purposes of third parties. In accordance with the legal position pursuant to Sec. 323 HGB, we do not accept or assume liability to third parties.

## **2 Fundamental findings**

### **Statement on the executive directors' assessment of the Company's position**

Since the executive director has not prepared a management report in addition to the voluntary financial statements, we, in our capacity as auditors, are unable to report in accordance with Sec. 321 (1) Sentence 2 HGB on the executive directors' assessment of the Company's position as is usually disclosed in the management report.

We draw attention to the following aspects of the financial statements – which have been prepared using the going concern basis of accounting – as well as the other audited documents which are of particular relevance in assessing the Company's position:

FETP is a special purpose vehicle which was established in 2021 primarily for the purpose to facilitate the issuance of the Fidelity Physical Bitcoin ETP, which was carried out in 2022.

The share capital amounting to 25,000 Euro has been fully paid in. In the shareholder meeting on 29 September 2021 the shareholder expressed the intention to contribute to the Company's capital reserve 35,000 Euro. The amount has not been paid in and is accounted for as a receivable from the shareholder as of 31 December 2021.

As of December 31 2021, the company reported a deficit not covered by equity of 25,871.05 Euro. To avert consequences under insolvency law, the Company signed a loan agreement with FIL Distributors, containing a full declaration of subordination in the amount of 70,000.00 Euro. In April 2022 the Company signed an additional loan agreement in the amount of 275,000 Euro with FIL Investments International (which was later replaced by a novation agreement with FIL Distributors). The drawdown facility remained unchanged. The loan agreement contains terms of qualified subordination. At the time of the conclusion of our audit, the Company has drawn down an amount of total 140,000 Euro in October und December 2022. Based on the corporate planning (up to December 31 2024), the management currently assumes that the financial strength will be guaranteed in the period under review with a high degree of probability.

An additional loan agreement is in the process of being drafted between FIL Distributors (FID) and Intertrust Nominees (Ireland) Limited and another between Intertrust Nominees (Ireland) Limited and FETP. The repayments will be up streamed, whenever FETP needs financing.

FIL Distributors issued a comfort letter dated 21 December 2022 showing its intent to support FETP if the Company's operations do not otherwise generate sufficient positive cash flow to continue its business activities. FID will continue to make available to the Company, directly or indirectly, the loan facility and further funding as required to fund operating deficits and provide working capital funds.

We included a separate section in accordance with Sec. 322 (3) sentence 2 HGB in the Independent Auditor's Report.

### **3 Copy of the Independent Auditor's Report**

We have issued the following Independent Auditor's Report, signed on 5 January 2023, on the financial statements of Fidelity Exchange Traded Products GmbH, Hamburg, for the short financial year ended 31 December 2021 as set out in appendix 1:

#### **"INDEPENDENT AUDITOR'S REPORT**

To Fidelity Exchange Traded Products GmbH, Hamburg

##### **Audit Opinion**

We have audited the financial statements of Fidelity Exchange Traded Products GmbH, Hamburg, which comprise of the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the short financial year from 15 July to 31 December 2021 and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying financial statements comply, in all material respects, with IFRS as adopted by the EU and in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the short financial year from 15 July to 31 December 2021.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the financial statements.

##### **Basis for the Audit Opinion**

We conducted our audit of the financial statements in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### **Emphasis of Matter**

The statement of financial position contains negative equity. In this context, we draw attention to the disclosures of the executive director in respect to the going concern assumption (Notes to the Financial Statements for the period from 15 July 2021 to 31 December 2021, Sec. 2.2). The executive director has assessed the assumption of going concern and has not identified any events and/or circumstances leading to its rebutting. Our audit opinion on the financial statements is not modified in respect of this matter.



**Responsibilities of the Executive Director for the Financial Statements**

The executive director is responsible for the preparation of the financial statements that comply, in all material respects, with IFRS as adopted by the EU, and that the financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive director is responsible for such internal controls as she has determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive director is responsible for assessing the Company's ability to continue as a going concern. She also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, she is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error as well as to issue an auditor's report that includes our audit opinion on the financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- evaluate the appropriateness of accounting policies used by the executive director and the reasonableness of estimates made by the executive director and related disclosures.
- conclude on the appropriateness of the executive director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that the financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the IFRS, as adopted by the EU.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.”

## **4 Subject, nature and scope of the audit**

### **Subject of the audit**

Our audit covered

- the accounting records
- the financial statements (comprising the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the financial statements)

of the Company.

The executive director of the Company is responsible for the accounting records and the preparation of the financial statements in accordance with the requirements of the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). Further information is provided in the section “Responsibilities of the Executive Director for the Financial Statements” in the above copy of our auditor’s report.

Our responsibility is to express an opinion on these documents and this information based on our audit conducted in accordance with professional auditing standards. Our responsibilities in this context are described in the sections “Audit Opinion” and “Auditor’s Responsibilities for the Audit of the Financial Statements of our auditor’s report”.

### **Nature and scope of the audit**

Our audit was based on the opening balance as at 15 July 2021 prepared by the Company’s executive director, which has been audited by us.

We conducted our audit in accordance with Sec. 317 HGB and with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW).

Concerning the main features of our audit approach, we refer to the section “Auditor’s Responsibilities for the Audit of the Financial Statements” in the above copy of our auditor’s report in chapter 3. In order to meet these requirements, we apply our risk and process-based audit approach; for this purpose, we use our Engagement Management System (EMS) auditing software. It supports the planning, performing and documentation of the audit.

In accordance with Sec. 317 (4a) HGB, the scope of the audit does not include assurance on the future viability of the audited Company or on the effectiveness or efficiency with which the executive director has conducted or will conduct the affairs of the Company.

We conducted the audit in November 2022 until January 2023.

In accordance with our audit plan, we generally did not rely on internal controls. Therefore, in accordance with our risk assessment, we did not reduce the scope of our substantive analytical procedures and tests of details of

selected transactions and account balances. Tests of details were performed on the basis of judgmental selections of specific items and/or by applying sampling methods.

In testing the opening balances, we relied primarily on underlying documentation, confirmations from third parties, itemised listings, the articles of association, entries in court registers, minutes of shareholders' meetings and on tests of selected opening balance sheet items.

The accounting for the company, which has been outsourced to Intertrust Group, Frankfurt am Main, is correct and conclusive.

In order to assess the appropriateness of the Company's accounting records, we obtained an overview of the organisation of the accounting records. Evidence of all selected postings could be provided.

The executive director provided all information and evidence requested and on 5 January 2023 issued a written letter of representation in accordance with professional standards. In this letter of representation, the executive director notably confirms that she fulfilled her responsibilities for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and that all transactions have been recorded in the accounting records in accordance with the IFRS and are reflected in the financial statements in accordance with the requirements of the IFRS.

## **5 Findings and explanations on the financial reporting**

### **5.1 Appropriateness of the financial reporting**

#### **5.1.1 Accounting records and other audited documents**

The information derived from the other audited documents is, in all material respects, appropriately presented within the accounting records and the financial statements.

The opening balances have been correctly posted to the accounts.

#### **5.1.2 Financial statements**

The financial statements for the short financial year from 15 July to 31 December 2021 are enclosed as appendix 1 to this long-form audit report.

The financial statements have been properly derived from the accounting records and the other audited documents. The requirements of IFRS as adopted by the EU on classification, recognition and valuation, on the statement of cash flows, on the statement of changes in equity and on the notes to the financial statements have been complied with in all material respects.

### **5.2 Overall presentation of the financial statements**

The financial statements taken as a whole, i.e. the combined presentation of the balance sheet, the statement of profit and loss, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the requirements of the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

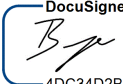
## 6 Concluding remark

The above long-form audit report on our audit of the financial statements of Fidelity Exchange Traded Products GmbH, Hamburg, for the short financial year from 15 July to 31 December 2021 complies with the legal requirements and the German Generally Accepted Standards for the Issuance of Long-form Audit Reports for the Audits of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) – Auditing Standard IDW AuS 450 (Revised).

Concerning the unqualified Independent Auditor's Report issued by us, we refer to chapter 3 "Copy of the Independent Auditor's Report".

Frankfurt am Main, 5 January 2023

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft

DocuSigned by:  
  
4DC34D2BCACF4EE...  
(Mathias Bunge)  
Wirtschaftsprüfer  
(German Public Auditor)

DocuSigned by:  
  
ECEB1B5232534AB...  
(Bernhard Haas)  
Wirtschaftsprüfer  
(German Public Auditor)

The publication or distribution of the financial statements to third parties with reference to our audit as well as the distribution of our Long-form Audit Report and/or our Independent Auditor's Report requires our renewed representation; in this respect, we expressly draw attention to No. 6 of the appended General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) (IDW-AAB).

**Fidelity Exchange Traded  
Products GmbH  
Hamburg**

Financial statements  
for the short financial year  
from 15 July to 31 December 2021

**Statement of Financial Position**  
for  
**Fidelity Exchange Traded Products GmbH**  
**Register court: Hamburg, HRB 168990**  
**Seat: Hamburg**  
as of  
31 December 2021

	Note	31 December 2021 EUR	15 July 2021 EUR
<b>ASSETS</b>			
Current assets			
Receivables from shareholders	2.3	35.000,00	1,05
Cash and cash equivalents	2.4	<u>24.959,94</u>	<u>24.998,95</u>
Total current assets		<u><b>59.959,94</b></u>	<u><b>25.000,00</b></u>
Prepaid expenses	2.5	<b>5.245,45</b>	<b>0,00</b>
<b>TOTAL ASSETS</b>		<b>65.205,39</b>	<b>25.000,00</b>
<b>SHAREHOLDERS` EQUITY</b>			
Share Capital		25.000,00	25.000,00
Capital reserve		35.000,00	0,00
Retained earnings			
Net loss for the financial year		<u>-85.871,05</u>	<u>0,00</u>
<b>TOTAL SHAREHOLDERS` EQUITY</b>	5	<u><b>-25.871,05</b></u>	<u><b>25.000,00</b></u>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	2.7/6.1	59.838,94	0,00
Provisions	2.8/6.2	<u>31.237,50</u>	<u>0,00</u>
		<u><b>91.076,44</b></u>	<u><b>0,00</b></u>
<b>TOTAL LIABILITIES</b>		<b>91.076,44</b>	<b>0,00</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS` EQUITY</b>		<b>65.205,39</b>	<b>25.000,00</b>



## Statement of Comprehensive Income

	Note	From 15 July 2021 to 31 December 2021
		EUR
Selling, General & Administrative Expenses	6.4	-85.871,05
<b>OPERATING RESULT</b>		<b>-85.871,05</b>
Loss for the period before tax		-85.871,05
Income tax benefit/(expenses)		0,00
<b>LOSS FOR THE PERIOD AFTER TAX</b>		<b>-85.871,05</b>

## Statement of Changes in Equity

	Issued capital	Capital reserve	Retained earnings/(ac cumulated losses)	Foreign currency translation reserve	Total Equity
	EUR	EUR	EUR	EUR	EUR
<b>Opening balance 15 July 2021</b>	<b>25.000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>25.000,00</b>
Allocation to capital reserve	0,00	35.000,00	0,00	0,00	35.000,00
Net income/(loss) for the period	0,00	0,00	-85.871,05	0,00	-85.871,05
<b>Balance at 31 December 2021</b>	<b><u>25.000,00</u></b>	<b><u>35.000,00</u></b>	<b><u>-85.871,05</u></b>	<b><u>0,00</u></b>	<b><u>-25.871,05</u></b>

## Statement of Cash Flows

	Note	From 15 July 2021 to 31 December 2021
		EUR
<b>CASH FLOWS FROM OPERATIONS</b>		
Profit / (Loss) for the period before tax		-85.871,05
Changes in working capital		
(Decrease)/Increase in provisions		31.237,50
Decrease/(Increase) in prepaid expenses		-5.245,45
(Decrease)/Increase in trade and other payables		59.838,94
<b>NET CASH FLOWS FROM OPERATIONS</b>		<b>-40,06</b>
<b>CASH FLOWS FROM FINANCING</b>		
Proceeds from issue of capital		0,00
<b>NET CASH FLOWS FROM FINANCING</b>		<b>0,00</b>
Change in cash and cash equivalents		-40,06
Cash and cash equivalents at the beginning of the period		25.000,00
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE 31 DECEMBER 2021</b>	<b>2.5</b>	<b>24.959,94</b>

## Notes to the Financial Statements for the period from 15 July 2021 to 31 December 2021

### Note 1 - Corporate information

Fidelity Exchange Traded Products GmbH (hereinafter the "Company") was incorporated on 15 July 2021 as a limited liability company in the commercial register of the local court of Hamburg. The Company is registered in the commercial register of the local court of Hamburg under HRB 168990. The Company's financial year begins on 1 January and ends on 31 December except for the first year starting on 15 July 2021.

The Company's object is the management of its own assets. The Company holds assets for its own purpose, values them and manages them. The object of the Company is also EDP (electronic data processing) services as well as services with regard to virtual currencies, in particular the issue of exchange traded bonds which are secured by cryptocurrencies. The Company does not provide any financial services within the meaning of Section 1a of the German Banking Act (KWG) or engage in any other transactions requiring a license.

### Note 2 - Summary of significant accounting policies

#### 2.1 Basis of preparation and adoption of IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued and effective as at December 31, 2021.

These financial statements were approved for issuance by the Board of Directors of the Company on January 4, 2023.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates.

#### New standards, interpretations and amendments to existing standards

The following standards, interpretation or amendments are issued by the IASB, but not yet effective and therefore the company did not apply.

New regulation	Effective for annual periods beginning on or after	In EU effective for annual periods beginning on or after	Company's assessment of the regulation
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Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	January 1, 2023	September 8, 2022	Assessment in progress
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Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	January 1, 2023	August 11, 2022	Assessment in progress
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	January 1, 2023	March 2, 2022	Assessment in progress
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	January 1, 2023	March 2, 2022	Assessment in progress
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	January 1, 2023	November 19, 2021	Assessment in progress
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)	January 1, 2022	June 28, 2021	Assessment in progress
Amendments to IAS 1 Presentation of Financial Statements: <ul style="list-style-type: none"> <li>• Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020);</li> <li>• Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and</li> <li>• Non-current Liabilities with Covenants (issued on 31 October 2022)</li> </ul>	January 1, 2024	December 22, 2022	Assessment in progress
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	January 1, 2024	November 10, 2022	Assessment in progress

## 2.2 Going concern

The financial statements were prepared on the assumption that the company would continue as a going concern. As of December 31, 2021, the company reported a negative equity of 25,871.05 Euro. The share capital amounting to EUR 25.000 has been fully paid in. In the shareholder meeting on 29 September 2021 the shareholder expressed the intention to contribute to the Company's capital reserve EUR 35.000. The amount has not been paid in and is accounted for as a receivable from the shareholder as of 31 December 2021.

The Company signed a loan agreement in 2021 with FIL Distributors International for EUR 70.000 to cover the current expenses. The loan agreement contains terms of qualified subordination. The amount has been paid out in October 2022. It should be repaid when the Company generates annual surpluses and only to the extent that no overindebtedness or insolvency exists or threatens to arise.

FETP signed a loan agreement on 1 April 2022 and was provided with a EUR 275.000 facility to cover launch and ongoing expenses. FIL Investments International novated the the loan agreement to FIL Distributors in 2022. The novation agreement replaced the Loan Agreement as at 1 April 2022. The drawdown facility remained unchanged. The loan agreement contains terms of qualified subordination. An amount of EUR 70.000 has been paid out in December 2022. It should be repaid when the Company generates annual surpluses and only to the extent that no overindebtedness or insolvency exists or threatens to arise.

An additional loan agreement is in the process of being drafted between FIL Distributors (FID) and Intertrust Nominees (Ireland) Limited and another between Intertrust Nominees (Ireland) Limited and FETP. The repayments will be up streamed, whenever FETP needs financing.

FIL Distributors issued a comfort letter dated 21 December 2022 showing its intent to support FETP if the Company's operations do not otherwise generate sufficient positive cash flow to continue its business activities. FID will continue to make available to the Company, directly or indirectly, the loan facility and further funding as required to fund operating deficits and provide working capital funds.

According to the sales plan Fidelity International intends to raise USD 500 mn split equally over the next three years, led by Wholesale in Germany, Switzerland, Italy and other countries as well as the European Institutional business, generating an expected profit contribution of approx. USD 2.5 mn p.a. over a three-year-period. The executive director has assessed the assumption of going concern and has not identified any events and/or circumstances leading to its rebutting.

## 2.3 Trade and other receivables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Subsequently, they are measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as a difference between the carrying amount of the asset and the estimated recoverable amount.

## **2.4 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cash at bank, short-term deposits with original maturities of three months or less and restricted cash.

Cash and cash equivalents are carried at nominal value in the statement of financial position. As of the balance sheet date, there are only credit balances at the bank accounts.

## **2.5 Prepaid expenses**

The deferred items are prepaid expenses from the following year. Discounts on this positions were not required.

## **2.6 Trade and other payables**

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## **2.7 Provisions**

Provisions are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## **2.8 Current income tax**

The current income tax charge is determined in accordance with the relevant tax law regulations in respect of the taxable profit. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in countries where the Company operates and generates taxable income.

Income tax payable represents the amounts payable at the balance sheet date. If the amount paid on account of current income tax is greater than the amount finally determined, the excess is recognized in the statement of financial position as income tax receivables.

## **Note 3 - Critical accounting estimates and judgments**

The Company made estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current or next financial year are discussed below.

## **Note 4 - Financial risk management**

### **4.1 Financial risk factors**

The Company's overall risk management program focuses on minimizing the potential adverse effects of the financial risks on the performance of the Company. The financial risk is managed under policies covering specific areas such as currency risk, interest rate risk, credit risk and liquidity risk, as well as covenants provided in financing agreements.

#### **4.1.1 Currency risk**

As at 31 December 2021, the balance sheet items are in EUR and do not bear any significant currency risk.

#### **4.1.2 Liquidity risk**

Liquidity risk management implies maintaining sufficient cash as well as availability of funding through an adequate amount of committed debt facilities.

### **4.2 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for the sole shareholder and benefits for other stakeholders. The Company was not regulated for capital requirements purposes and the Company utilises funds provided by related parties to fund its activities.

## **Note 5 - Equity**

### **Share capital**

As at 31 December 2021, the Company's share capital is composed of 25,000 shares with a nominal value of EUR 1 each. Furthermore, the shareholder has undertaken to pay a capital reserve in the amount of EUR 35,000.00. As of the reporting date, the company reported a negative equity of 25,871.05 Euro.



## **Note 6 – Notes to the Financial statements**

### **6.1 Trade and other payables**

As of 31 December 2021, trade and other payables include EUR 59,838.94 payables to related parties for services received.

### **6.2 Provisions**

As of 31 December 2021, provisions include EUR 31,237.50 for accrued expenses. These consist of EUR 31,237.50 for the audit costs.

### **6.3 Income taxes**

A tax reconciliation is not done due to materiality reasons. There are no current taxes as of the balance sheet date.

### **6.4 Selling, General & Administrative Expenses**

The other expenses are related to corporate and consulting service in the amount of EUR 10,581.55, bookkeeping and auditing in the amount of EUR 75,130.69 and other expenses in the amount of EUR 158.81.

## **Note 7 - Audit fees**

The audit fees for the financial period ending 31 December 2021 amount to EUR 56,227.50.

Signature of the legal representatives

Hamburg, 4 January 2023

## **INDEPENDENT AUDITOR'S REPORT**

To Fidelity Exchange Traded Products GmbH, Hamburg

### **Audit Opinion**

We have audited the financial statements of Fidelity Exchange Traded Products GmbH, Hamburg, which comprise of the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the short financial year from 15 July to 31 December 2021 and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying financial statements comply, in all material respects, with IFRS as adopted by the EU and in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the short financial year from 15 July to 31 December 2021.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the financial statements.

### **Basis for the Audit Opinion**

We conducted our audit of the financial statements in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Emphasis of Matter**

The statement of financial position contains negative equity. In this context, we draw attention to the disclosures of the executive director in respect to the going concern assumption (Notes to the Financial Statements for the period from 15 July 2021 to 31 December 2021, Sec. 2.2). The executive director has assessed the assumption of going concern and has not identified any events and/or circumstances leading to its rebutting. Our audit opinion on the financial statements is not modified in respect of this matter.

### **Responsibilities of the Executive Director for the Financial Statements**

The executive director is responsible for the preparation of the financial statements that comply, in all material respects, with IFRS as adopted by the EU, and that the financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive director is responsible for such internal controls as she has determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive director is responsible for assessing the Company's ability to continue as a going concern. She also has the responsibility for disclosing, as applicable, matters related to going

concern. In addition, she is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error as well as to issue an auditor's report that includes our audit opinion on the financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

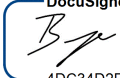
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- evaluate the appropriateness of accounting policies used by the executive director and the reasonableness of estimates made by the executive director and related disclosures.
- conclude on the appropriateness of the executive director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that the financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the IFRS, as adopted by the EU.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.


Frankfurt am Main, 5 January 2023

**Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

DocuSigned by:  
  
4DC34D2BCACF4EE...  
(Mathias Bunge)

Wirtschaftsprüfer  
(German Public Auditor)

DocuSigned by:  
  
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(Bernhard Haas)

Wirtschaftsprüfer  
(German Public Auditor)

# General Engagement Terms

## for

### Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

#### [German Public Auditors and Public Audit Firms]

#### as of January 1, 2017

DokID:

#### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

#### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

#### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

#### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

#### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

#### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

#### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "*Textform*" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

#### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

#### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.