

# 15.00% Convertible Credit Linked Note

## on Dragon Run

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End of subscription 31 March 2022  
Maturity 18 April 2024 | USD-Denominated | Private Placement  
ISIN CH1150938111

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Protected Cell CH1150938111, a Cell of X1 PCC Limited  
Registration No. 69203  
(as “Issuer”)

### BRIEF DESCRIPTION

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Credit Linked Notes linked to a private loan/investment are characterised by credit claims (a loan or loans) that might be only partially collateralized or not collateralized at all with liens or guarantees. The Coupon Payment Amounts and the Redemption Amount is based on the credit claims (loans) being repaid. In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA. The investors bear credit claim default risk and the Issuer's credit risk.

The Issuer was incorporated on undefined as a Protected Cell company limited by shares under the laws of Guernsey under registration number 69203. The registered office of the Issuer is at Suite 6, Provident House, Havilland Street, St. Peter Port, Guernsey GY1 2QE.

13 April 2022

### PARTIES

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#### Issuer/Calculation Agent

X1 PCC Limited (a Protected Cell company incorporated with limited liability under the laws of Guernsey)

X1 PCC Limited is not licensed or registered in Guernsey by the Guernsey Financial Services Commission (“GFSC”) or registered or authorized by GFSC as a collective investment scheme and GFSC has not and will not approve the content or dissemination of this structured product or of any other document relating to or in connection with this Credit Linked Note.

CH1150938111 Cell is a protected cell of X1 PCC Limited, was created for the specific purpose of issuing the Credit Linked Note, and is operated and controlled by the Directors of X1 PCC Limited. As a matter of Guernsey law, each cell of the Issuer is a protected cell of assets and liabilities, wholly separate and distinct from any assets or liabilities of any other protected cell(s) of the Issuer or any assets or liabilities

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of the Issuer which are not attributable to any protected cell of the Issuer.

Paying Agent

ISP Securities AG, Switzerland

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## PRODUCT INFORMATION

Description

This structured product (hereinafter “Note” or “CLN”) is a Credit Linked Note linked to a private loan agreement with DRAGON RUN FILM LTD. The CLN is convertible into cash and notes of the Tracker Certificate that would allow for participation in the revenue share from the exploitation of the film currently entitled “DRAGON RUN” (hereinafter “Tracker on DRAGON RUN”).

The holders of the Note (hereinafter, “Note Holders”) will receive a Coupon as long as no Early Redemption Event, Credit Event or Termination Event occurs.

The Issuer has the option to early redeem the Notes, partially or in full, on every Early Payment Date. If a full Early Redemption Event occurs, the Note will redeem a cash amount equal to Denomination times 100% (or 100% + Coupon), and no more Coupons will be due after the full Early Redemption Event. If a partial Early Redemption Event occurs, the Note will redeem a cash amount equal to the notional partially redeemed times 100% (or 100% + Coupon), and future Coupon Amounts will be adjusted to the new Denomination (“NewDenomination”) according to the cash amount early redeemed.

If a Conversion Event occurs, the CLN will be converted into cash and notes of the Tracker on DRAGON RUN via Corporate Action, and no Coupons will be due under the CLN.

If a Credit Event or a Termination Event occur, Coupons may not be paid anymore, and the cash amount redeemed to the Note Holders may be lower than the initial amount invested (i.e. 100% times Denomination). In the worst-case scenario, Note Holders may not get back their initial investment at all.

Underlying

Private loan to DRAGON RUN FILM LTD (“the Borrower”). For more information on the Borrower, see Annex 1.

Coupon

15.00% (paid at Maturity).

### Coupon Amount

On Coupon Payment Dates, the Notes will pay a cash amount equal to:

- Coupon x Denomination, if no partial Early Redemption Event has occurred before the relevant Coupon Payment Date
- Coupon x NewDenomination, if one or more partial Early Redemption Events have occurred before the relevant Coupon Payment Date

For avoidance of doubt, if an Early Redemption Event in full occurs on a Coupon Payment Date, the Note will pay the Coupon Amount due on that date and no further Coupon will be paid after such event.

### Coupon Payment Date

The Maturity Date, adjusted as per the Business Day Convention and subject to adjustment as described below:

- If an Early Redemption Event in full occurs on the relevant Coupon Payment Date, the Note will pay the Coupon Amount due on that date and no further Coupon will be paid after the event.
- If a Credit Event or a Termination Event occurs, no further Coupon will be paid from the Coupon Payment Date immediately preceding the event date, or, as the case may be, the Issue Date, and any failure to pay such Coupon does not constitute an event of default by the Issuer. If the Credit Event is cured the issuer may (but is not obligated to) reinstate payments of the Coupon.

### Coupon Ex-Date

Five business days before the Coupon Payment Date, as stated in the table above. For the avoidance of doubt, only Note Holders holding the Note on Coupon Ex-Date receive the Coupon Amount on that next immediate Coupon Payment Date.

### Early Redemption Event

The Issuer has the right to early redeem the Notes, partially or in full, on any Early Payment Date. The amount to be early redeemed will be determined on the corresponding Early Valuation Date.

### Early Payment Dates

At Issuer's discretion, from and including the Issue Date to and including the Maturity Date, adjusted as per the Business Day Convention.

### Early Valuation Dates

Ten business days before each Early Payment Date

### Consequences of an Early Redemption Event

When an Early Redemption Event in full occurs, the Note will redeem a cash amount equal to Denomination (or 100% times NewDenomination as the case may be) times (100% + Coupon), the Note will be deemed to be terminated on the relevant Early Payment Date and no further payments will be done.

When a partial Early Redemption Event occurs, the Note will redeem a cash amount equal to the notional partially redeemed (“Partial Redemption Amount”) times (100% + Coupon), and the Denomination (or NewDenomination as the case may be) will be reduced by the Partial Redemption Amount, from and excluding the Early Payment Date.

#### Conversion Event

The Issuer has the right to early redeem the CLNs in cash and notes of the Tracker on DRAGON RUN via Corporate Action, on any trading date (the “Conversion Payment Date”) within the Conversion Period by notifying Note Holders 10 business days before (“the Conversion Notification Date”)

#### Conversion Period

From and excluding the Issue Date to and including the **11 April 2024**.

#### Conversion Amount

When an Early Redemption Event occurs and the Issuer opts for the settlement with cash and physical settlement, the Notes will be redeemed in notes of the Tracker on DRAGON RUN 1 to 1 and the Redemption Amount will be paid out. See more details in Annex 1.

#### Credit Event

A Credit Event occurs when the Borrower cannot meet its payment obligations under the private loan agreement (the Underlying).

#### Consequences of a Credit Event

Following a Credit Event:

- the Issuer may postpone the remaining Coupon Payment Dates and the Maturity Date up to one year or for such longer time as the Issuer may determine is necessary to recover outstanding amounts from the Borrower;
- the Coupon Amount and the Redemption Amount may be significantly reduced (residual cash amount), if not reduced to zero, and costs of enforcing the private loan agreement may be deducted therefrom;
- the Issuer may seek to dispose of the private loan and redeem the net proceeds of such disposition (which may be zero), in which case the Note will expire.

#### Redemption Amount

If the Notes have not been early redeemed in full or no Termination Event has occurred, the Note will redeem, on Maturity Date, a cash amount equal to:

- 100% times Denomination (or 100% times NewDenomination as the case may be), if no Credit Event has occurred
- Residual cash amount, if a Credit Event has occurred.

The Issuer, the Calculation Agent and the Paying Agent are not liable to Note Holders or other third parties for any loss or

liability arising from a negative performance of the Note or any actions or inactions following a Credit Event.

**Termination Amount**

The Note will redeem, on the Termination Date, a cash amount equal to:

- Max 100% times Denomination (or 100% times NewDenomination as the case may be), if no Credit Event has occurred
- Residual cash amount, if a Credit Event has occurred.

The Issuer, the Calculation Agent and the Paying Agent are not liable to Note Holders or other third parties for any loss or liability arising from a negative performance of the Note or any actions or inactions following a Credit Event.

**Termination Event**

The Issuer has the right to terminate the Note at any time (“the Termination Date”) without a specific reason, by notifying the Note Holders on the earliest possible date.

**Consequences of a Termination Event**

Following a Termination Event, the Notes will be early redeemed at the Termination Amount. Note Holders should be aware that the Termination Amount may be, due to unfavourable market conditions, considerably lower (including to zero) than the Issue Price or the last valuation of the product before the Termination Event.

**GENERAL TERMS**

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Total Amount	USD 1'000'000
Issue Size	1'000 Notes (with reopening clause)
Issue Price	100% times Denomination + Distribution Fee (if any)
Distribution Fee	Up to 5.00% times Denomination (if any)
Currency	USD
Denomination	USD 1'000
Payment Date / Issue Date	11 April 2022, being the date on which the Notes are issued, and the Issue Price is paid.
Maturity Date	18 April 2024, subject to an Early Redemption Event in full, a Credit Event or a Termination Event. Following a Credit Event, the Maturity Date may be postponed, as described above under the Consequences of a Credit Event, at the Issuer’s discretion.
Settlement	Cash settlement
Minimum Trade Size	10 Note(s) and multiples of 1 Note(s) thereafter

Valoren	115093811
ISIN	CH1150938111
Listing	Will be applied for MTF (Dritter Markt) at Vienna Stock Exchange
Business Day Convention	Following
Secondary Market	<p>Monthly secondary market trading orders are received and processed on a best effort basis on the 15<sup>th</sup> of the month (or the previous business day should the 15<sup>th</sup> fall on a banking holiday), with a bid offer spread of 1% under normal market conditions. Acceptance of an order cannot be guaranteed and is subject to, amongst other things, sufficient liquidity. Orders must be placed with the Paying Agent before 16:30 for same day trading. A Distribution Fee may apply on secondary market buy orders.</p> <p>On Secondary Market transactions, additional fees (e.g. ticket fees) may apply.</p>
Quoting	Dirty Pricing
Clearance Institution / Clearing Code	SIX SIS AG / ISP 116441

## **MISCELLEANEOUS**

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Selling Restrictions	<p>Russian Federation, Belarus, Canada, United Kingdom, Guernsey, United States of America, US Persons.</p> <p>Under no circumstances may the product be distributed to any sanctioned person, entity or country identified by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, Bailiwick of Guernsey sanctions regime, Swiss sanctions framework implemented by SECO or other relevant sanctions authority.</p> <p>In and from Switzerland the Note can only be sold to institutional and professional clients pursuant to the Swiss Financial Services Act. The Note shall be distributed only by way of private placement; public distribution is not permitted. The Note may not be issued to more than 50 investors. For jurisdiction-specific tax and any regulatory considerations, investors should consult their independent advisors.</p>
Product Representation	Notes to be represented by Intermediated Securities (Bucheffekten)

Applicable Law / Place of Jurisdiction

Swiss Law under exclusion of the Swiss Private International Law Act and of the CISG / City of Zurich

Risks

Regarding investments in the Note, there are several kinds of risks, inter alia:

- the credit risk linked to the Underlying,
- the counterparty risk with respect to the Issuer of the Notes
- the liquidity risk: there might be no liquidity at all in the secondary market

The liquidity of the Note as well as the liquidity of the underlying is very limited and may not exist during the lifetime of the Note.

In the worst-case scenario, Note Holders may lose their total investment.

Obligations of the Issuer

The Note will not be insured or guaranteed by any of the entities involved in the transaction or any of their respective affiliates or any other person or entity and none of the foregoing assumes or will assume any liability or obligation to any Note Holder if the Issuer fails to make any payment due in respect of the Note.

Enforcement of the Underlying is at the discretion of the Issuer and there will be no liability or obligation to any Note Holder in connection with any actions or inactions taken by the Issuer or its affiliates or any other person or entity in connection therewith.

Limitation of Transferability

The Note can only be sold back to the Issuer.

Tax Treatment in Switzerland

The interest payments are subject to income tax for Swiss resident private investors.

The Note is not subject to the Swiss withholding tax. The Note is not subject to Swiss securities transfer tax. Secondary market transactions are subject to Swiss stamp duty of up to 0.15%. There is no securities transfer tax upon redemption of the Note. For Swiss paying agents, payments under the Note are not subject to the EU savings tax.

Common Depository

SIX SIS AG

**ANNEX 1**

<b>Description of the Borrower</b>	DRAGON RUN FILM LTD, UK, is a special purpose entity established purposes to create, develop, produce, finance and distribute the DRAGON RUN movie and acquire, own and hold all underlying rights, titles and interest in the movie.
<b>Purpose of the Underlying</b>	Financing the production costs of the DRAGON RUN movie ( <a href="https://www.imdb.com/title/tt5910682/">https://www.imdb.com/title/tt5910682/</a> ) in accordance with the predefined finance plan.
<b>Description of the Underlying</b>	The loan is to be repaid from revenues derived from the exploitation of the DRAGON RUN movie, on a pro-rata basis with the funding provided by the owners of the DRAGON RUN FILM LTD.
<b>Description of the Tracker on DRAGON RUN</b>	In the case of a Conversion Event the CLN will convert into cash and notes of a Tracker on DRAGON RUN. This Tracker will allow the investors to participate in the revenue share from the exploitation of the film currently entitled “DRAGON RUN”. The entitlement to the royalties in one note of the Tracker on DRAGON RUN is calculated at the Issuer discretion and is estimated to be given by the following formula: $15\% \times 0.001$

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