

SUPPLEMENT NO. 1
dated 21 June 2021
to the Base Prospectus of
21Shares AG

The prospectus

This document constitutes a supplement to 21Shares AG's base prospectus approved and registered by the Swedish Financial Supervisory Authority (**SFSA**) on 19 November 2020 (SFSA reg. no. 20-23667) (the **Base Prospectus**).

This supplement

This supplement forms an integral part of and should be read together with the other parts of the Base Prospectus. This supplement has been prepared by 21Shares AG pursuant to the provisions of Article 23 of the Prospectus Regulation (EU) 2017/1129. This supplement was approved and registered by the SFSA on 21 June 2021 (SFSA reg. no. 21-16821).

Reasons for this supplement

This supplement has been prepared for the following reasons:

- The Issuer has decided to retain the services of a new service provider in connection with delegated staking service (a consensus algorithm used by some blockchains to validate agreements); and
- One additional risk factor, associated with staking, is introduced.

Right of withdrawal

Only investors who have already agreed to purchase or subscribe for any Products offered under the Base Prospectus before this supplement was published shall have the right, exercisable within three working days after the publication of this supplement, to withdraw their acceptances, provided that the circumstances stated above arose or were noted before the closing of the relevant offer or the delivery of the Products, whichever occurs first.

Such investors can exercise their right of withdrawal during the period from publication of this supplement up to and including **24 June 2021**. This right of withdrawal cannot be exercised after said date.

Such investors should contact the relevant financial intermediary through which the investor has purchased or subscribed for the Products in question should they wish to exercise the right of withdrawal.

AMENDMENT TO THE SECTION “RISK FACTORS”

In the sub-section “Risk Factors relating to the ETPs” on page 11 of the Base Prospectus, a new risk factor headed “Risks associated with Staking” shall be added last in the sub-section headed “Risk factors relating to digital assets” as follows:

“Risks associated with Staking

Certain Crypto Assets can be used for staking, a consensus algorithm used by some blockchains to validate agreements. Such Crypto Assets are subject to the risk of slashing. Slashing is a mechanism built into proof of stake blockchain protocols to discourage validator misbehavior. Slashing is designed to incentivize node security, availability, and network participation. The two key misbehaviors that incur slashing are downtime and double signing. While the specifics of slashing are defined within each protocol, the mechanism is similar: a predefined percentage of a validator’s tokens are lost when it does not behave consistently or as expected on the network.

Risk Rating: low.”

AMENDMENTS TO THE SECTION “GENERAL INFORMATION”

The third paragraph on page 96 of the Base Prospectus shall be supplemented by the insertion of “Coinbase Crypto Services, LLC (doing business as Bison Trails)” such that the paragraph reads as follows:

“None of the Authorised Participants, the Administrators, Bank Frick & Co. AG (the **Global Paying Agent**), Coinbase Crypto Services, LLC (doing business as Bison Trails), the Custodian, the Collateral Agent, any Product Calculation Agent, any Index Calculation Agent, any Swiss Paying Agent or any listing agent has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by such parties as to the accuracy or completeness of the information contained herein, or any other further information prepared by the Issuer and supplied in connection with the Programme or any of the Products or their distribution.”

The Base Prospectus shall be supplemented by the insertion of the following paragraph on page 99 in the sub-section “General Information – Description of Service Providers” before the heading “The Law Debenture Trust Corporation p.l.c.”:

“Coinbase Crypto Services, LLC (doing business as Bison Trails)

Coinbase Crypto Services, LLC (USA), doing business as Bison Trails (**Bison Trails**), will act as a delegated staking service with respect to certain Underlyings or Underlying Components serving as Collateral. Bison Trails is a Delaware limited liability company with its head office located at 16 Vestry Street, New York, NY 10013, and with its registered office located at 1209 Orange St., Wilmington, DE 19801. Bison Trails is organized under Delaware law, was formed as a Delaware limited liability company via filing of its Certificate of Formation with the State of Delaware on December, 7, 2020 with an indefinite intended duration, and has been assigned registration file number 4368135. Bison Trails was initially formed as Bison Trails Co., a Delaware corporation, and was subject to a merger resulting in the existence of Bison Trails in its current form as Coinbase Crypto Services, LLC.

As provided in Article III of the Amended and Restated Articles of Incorporation of Bison Trails Co., the stated purpose of Bison Trails is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

Bison Trails is a wholly owned subsidiary of Coinbase Global, Inc., a Delaware corporation.”