

**Report of the Statutory Auditor to the General Assembly of
21Shares AG, Zug**

As statutory auditor, we have audited the accompanying financial statements of 21Shares Ltd, which comprise the balance sheet as at December 31, 2020, the statement of income and comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Without qualifying our opinion, we draw attention to the fact that the company is over-indebted as per art. 725 para. 2 CO. Due to the fact that creditors of 21Shares AG have subordinated their claims amounting to USD 6'156'701.13 (CHF 5'442'179.02), the Board of Directors has refrained from notifying the court.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

Based on our audit in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we have determined that an internal control system designed for the preparation of financial statements in accordance with the instructions of the Board of Directors is not documented in writing in all material respects as the company is a special purpose vehicle and uses third parties for the preparation of its financial statements.

In our opinion, the internal control system does not comply with Swiss law and therefore we cannot confirm the existence of an internal control system for the preparation of financial statements.

We recommend that the financial statements submitted to you be approved.

Basel, 23. April 2021

Copartner Revision AG

Simon Rey
Licensed Audit Expert
Auditor in charge

Martin Thommen
Licensed Audit Expert

Enclosure:

- Financial statements

21 Shares AG (Formerly Amun AG) Zug

Statement of financial position as at 31 December (in United States Dollars)

| | Notes | 2020 USD | 2019 USD |
|---|-------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Crypto Assets | 5 | - | 40'612 |
| Trade and other receivables | | 3'712'033 | 135'197 |
| ETP Crypto Assets | 6 | 283'949'076 | 39'333'542 |
| Cash and cash equivalents | 4 | 919'424 | 435'390 |
| Total assets | | 288'580'533 | 39'944'740 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Trade and other payables | 7, 9 | 362'634 | 363'121 |
| Total non-current liabilities | | 362'634 | 363'121 |
| Current liabilities | | | |
| Trade and other payables | 7 | 290'820'580 | 41'603'051 |
| Bank overdraft | | 497'584 | - |
| Total current liabilities | | 291'318'164 | 41'603'051 |
| Total liabilities | | 291'680'798 | 41'966'171 |
| Net (liabilities) / assets | | (3'100'265) | (2'021'431) |
| Shareholder's equity | | | |
| Paid-up share capital | 8 | 50'804 | 50'804 |
| Retained earnings | | (2'072'235) | (500'582) |
| Net result for the period | | (1'078'834) | (1'571'652) |
| Total shareholder's equity | 11 | (3'100'265) | (2'021'431) |
| Total liabilities and shareholder's equity | | 288'580'533 | 39'944'740 |

The accompanying notes form an integral part of the financial statements.

21 Shares AG (Formerly Amun AG) Zug

Statement of Profit or loss and other comprehensive income for the period ending 31 December (in United States Dollars)

| | Notes | 2020 USD | 2019 USD |
|--|-------|--------------------|--------------------|
| Investor fee / ETP Revenue | | 2'098'367 | 535'388 |
| Cost of Sales | | (1'513'189) | (289'866) |
| Gross Profit | | 585'178 | 245'523 |
| Administrative expenses | | (2'736'928) | (1'689'476) |
| Loss from operations | | (2'151'750) | (1'443'953) |
| Financial income / (Loss) | | 613'590 | (130'560) |
| Fair value gains / (losses) | | (8'672) | 4'325 |
| Loss before tax | | (1'546'832) | (1'570'188) |
| Taxation | | (768) | (1'624) |
| Loss for the period | | (1'547'601) | (1'571'813) |
| Other comprehensive income | 10 | 468'767 | - |
| Total comprehensive income / (loss) | | (1'078'834) | (1'571'813) |

The accompanying notes form an integral part of the financial statements.

21 Shares AG (Formerly Amun AG) Zug

Statement of changes in equity for the year ended 31 December (in United States Dollars)

| | 2019 Share capital USD | 2019 Retained earnings USD | 2019 Total equity USD |
|---|---------------------------------|-------------------------------------|--------------------------------|
| At 1st of January 2019 | 50'804 | (500'582) | (449'779) |
| Comprehensive loss for the period | | | |
| Loss for the period | - | (1'571'652) | (1'571'652) |
| Total comprehensive income for the period | - | (1'571'652) | (1'571'652) |
| Contributions by and distribution to owners | | | |
| Paid-up share capital | - | - | - |
| Total contributions by and distributions to owners | - | - | - |
| At 31 December 2019 | 50'804 | (2'072'235) | (2'021'431) |
| | | | |
| | 2020 Share capital USD | 2020 Retained earnings USD | 2020 Total equity USD |
| At 1st of January 2020 | 50'804 | (2'072'235) | (2'021'431) |
| Comprehensive loss for the period | | | - |
| Loss for the period | - | (1'078'834) | (1'078'834) |
| Total comprehensive income for the period | - | (1'078'834) | (1'078'834) |
| Contributions by and distribution to owners | | | |
| Paid-up share capital | - | - | - |
| Total contributions by and distributions to owners | - | - | |
| At 31 December 2020 | 50'804 | (3'151'068) | (3'100'265) |

The accompanying notes form an integral part of the financial statements.

21 Shares AG (Formerly Amun AG) Zug

Statement of cash flows for the year ended 31 December (in United States Dollars)

| | 2020 USD | 2019 USD |
|---|----------------------|---------------------|
| Loss for the period | (1'078'834) | (1'571'813) |
| Movement in working capital | | |
| Change in trade and other receivables | (3'576'835) | (134'972) |
| Change in trading portfolio of assets | (244'615'535) | (33'438'774) |
| Change in trade and other liabilities | 7'267'451 | 397'032 |
| (Gain) / loss in valuation of Crypto Assets | 40'612 | (16'181) |
| Cash generated from operations | (241'963'141) | (34'764'707) |
| Net cash used in operating activities | (241'963'141) | (34'764'707) |
| Net cash used in investing activities | - | - |
| Cash flow from financing activities | | |
| Proceeds (repayments) from loan from related party | (486) | 85 |
| Proceeds from intergroup credit facility | 2'891'990 | 1'747'725 |
| Repayment of debt principal/payment of dividends | | |
| Proceeds from ETP holders | 239'555'671 | 33'438'374 |
| Proceeds from issue of share capital | | |
| Net cash from financing activities | 242'447'175 | 35'186'183 |
| Net cash increase in cash and cash equivalent | 484'034 | 421'637 |
| As at start of year | 435'390 | 13'753 |
| Cash and cash equivalents at end of the period | 919'424 | 435'390 |

The accompanying notes form an integral part of the financial statements.

21 Shares AG (Formerly Amun AG) Zug

Notes to the financial statements for the year ended 31 December 2020

1 Reporting entity

21 Shares AG, formerly Amun AG (the 'Company') is a limited company incorporated in Switzerland. The Company's registered office is at Dammstrasse 19, 6300 Zug. The Company's principal activity is a technology and finance company and to issue listed exchange-traded products ('ETP') and services in Switzerland and worldwide. On 14 February 2020, the Company changed its name from Amun AG to 21 Shares AG.

The Company has been established as a special purpose vehicle for the purposes of issuing exchange traded products (the ETP) and other financial products linked to the performance of crypto assets.

2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). They were authorised for issue by the Company's board of directors on 19 April 2021.

Details of the Company's accounting policies, including changes during the period, are included in note 3.

In preparing these set of financial statements, management has made judgements, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

There were no areas where judgements and estimates have been required in preparing the financial statements.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

| Items | Measurement basis |
|-----------------------------|------------------------------------|
| Crypto Assets | Market value at balance sheet date |
| Trading portfolio of assets | Market value at balance sheet date |
| Due to ETP Holders | Market value at balance sheet date |

2.2 Functional and presentation currency

These financial statements are prepared in United States dollars (USD), which is the Company's functional currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

2.3 Changes in accounting policies

New standards, interpretations and amendments effective from 1 January 2020

The following standards and interpretations were effective in 2020, but have not had a material impact on the Company:

| | Effective date |
|---|----------------|
| Amendment to IFRS 3 : Definition of a Business | 1 January 2020 |
| Amendment to IAS 1 and IAS 8: Definition of Material | 1 January 2020 |
| Amendments to IFRS 3 - Definition of a Business | 1 January 2020 |
| Amendments to IFRS 16 - Covid-19-Related Rent Concessions | 1 June 2020 |
| IFRS 17 - Insurance contracts | 1 January 2021 |

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Notes to the financial statements for the year ended 31 December 2020

New standards, interpretations and amendments not yet effective

The following standards and interpretations to published standards are not yet effective:

| | Effective date |
|---|----------------|
| IFRS 17 - Insurance contracts | 1 January 2021 |
| Amendments to IFRS 3 - Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to IAS 37 - Onerous Contracts | 1 January 2022 |
| Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use | 1 January 2022 |
| Amendments to IAS 1 - Classification of Liabilities | 1 January 2022 |

The directors anticipate that the adoption of these Standards in future periods may have an impact on the results and net assets of the Company, however, it is too early to quantify this.

The directors anticipate that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the financial statements of the Company.

3 Accounting policies

3.1 Revenue recognition

Revenue generated is investor fees. The ETP paid operation fees, which accrues at a rate per annum equal to the Investor fee. The issuer uses this fee to pay other service providers of the issuer and fund its own daily operations. The rate is set out in the relevant Final Terms and is applied to the Crypto Assets Collateral on a daily basis to determine the daily deduction of an amount of Crypto Assets from the Crypto Asset Collateral.

3.2 Assets in the trading portfolio

Underlying assets in the trading portfolio consist of Crypto Assets and are valued at their market value at balance sheet date. Gains or losses on valuation are taken to the profit or loss statement

3.3 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4 Cash and cash equivalents

| | 2020 USD | 2019 USD |
|-----------|-------------|-------------|
| Cash | 6'462 | 18'488 |
| Cardano | 2'263 | 79 |
| Bitcash | 1'573 | 73'516 |
| Binanceco | 337'006 | 83'730 |
| Bitcoin | 505'349 | 156'749 |
| EOS | 5'578 | 222 |
| ETCLASSIC | - | 10 |
| Ethereum | 40'687 | 50'822 |
| Litecoin | 8'560 | 5'980 |
| NEO | 1'060 | 54 |
| Tezos | 1'894 | 5'818 |
| Stellar | 124 | 35 |
| USDC | 8'123 | - |
| Ripple | 745 | 39'887 |
| | 919'424 | 435'390 |

21 Shares AG (Formerly Amun AG) Zug

Notes to the financial statements for the year ended 31 December 2020

5 Crypto Assets

| | 2020 | 2019 |
|--------------|------|--------|
| | USD | USD |
| Bitcoin | - | 35'427 |
| Ether | - | 5'184 |
| USDC | - | - |
| Total | - | 40'612 |

6 Trading portfolio of assets

| | 2020 | 2020 | 2019 | 2019 |
|------------------------------------|------------|-------------|------------|------------|
| | Quantity | USD | Quantity | USD |
| UI Cash | - | - | 200 | 200 |
| Cardano | 1'636'278 | 294'530 | 878'800 | 28'864 |
| Bitcash | 10'124 | 3'472'959 | 27'659 | 5'659'548 |
| Binanceco | 1'109'372 | 41'468'338 | 1'096'872 | 15'060'058 |
| Bitcoin | 5'967 | 173'058'774 | 1'326 | 9'537'203 |
| EOS | 109'501 | 284'702 | 26'591 | 68'604 |
| Ethereum Classic | - | - | 521 | 2'343 |
| Ethereum | 62'726 | 46'279'398 | 26'462 | 3'429'772 |
| Litecoin | 14'310 | 1'784'268 | 7'056 | 291'713 |
| NEO | 8'262 | 118'312 | 3'038 | 26'398 |
| Tezos | 5'827'839 | 11'772'235 | 1'857'706 | 2'494'062 |
| Stellar | 10'397'722 | 1'351'704 | 74'211 | 3'356 |
| Ripple | 18'031'434 | 3'966'892 | 14'160'221 | 2'731'422 |
| USDC | 96'985 | 1'885'015 | - | - |
| SBTC (Bank Frick - USD Collateral) | - | (1'788'051) | | |
| Total | | 283'949'076 | | 39'333'542 |

7 Trade and other payables

| | 2020 | 2019 |
|---|----------------------|---------------------|
| | USD | USD |
| Trade payables | 409'659 | 244'896 |
| Subordinated intergroup credit facility | 6'156'701 | 2'110'360 |
| Due to ETP holders | 283'949'076 | 39'333'342 |
| Payable to related party | - | 571 |
| Accruals | 667'740 | 276'966 |
| Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised costs | 291'183'177 | 41'966'134 |
| Other payables - tax provision | 37 | 37 |
| Total trade and other payables | 291'183'214 | 41'966'171 |
| Less: current position | | |
| Trade payables | (409'659) | (244'896) |
| Due to ETP holders | (283'949'076) | (39'333'342) |
| Tax provision | (37) | (37) |
| Subordinated intergroup credit facility, current | (5'794'067) | (1'747'725) |
| Payable to related party, current | - | (85) |
| Accruals | (667'740) | (276'966) |
| Total current position | (290'820'580) | (41'603'051) |
| Total non-current position | 362'634 | 363'121 |

21 Shares AG (Formerly Amun AG) Zug

Notes to the financial statements for the year ended 31 December 2020

8 Share capital

| | Number | 2020 USD | 2019 USD |
|---|------------------------|---------------|---------------|
| Issued share capital treated as equity | | | |
| Issued share capital of CHF 100'000 (USD 101'607) | 5'000'000 shares/CHF 1 | 101'607 | 101'607 |
| Unpaid capital | | (50'804) | (50'804) |
| Total paid-up capital | | 50'804 | 50'804 |

9 Related party transactions

Details of transactions between the Company and its related parties are disclosed below:

| | 2020 USD | 2019 USD |
|---|------------------|------------------|
| H. Rashwan - expenses paid on behalf of Company | - | 286 |
| Jura Pentium Ltd (former Amun Technologies Limited) - subordinated intergroup credit facility | 4'792'698 | 2'110'360 |
| Jura Pentium Inc. - subordinated intergroup credit facility | 553 | 85 |
| Jura Pentium AG - subordinated intergroup credit facility | 35'727 | - |
| Amun Limited - subordinated intergroup credit facility | 174'010 | - |
| Amun Holdings Limited - subordinated intergroup credit facility | 1'153'713 | - |
| Total | 6'156'701 | 2'110'731 |

10 Other Income

These are amounts received by virtue of an agreement reached with a business partner on the classification of proceeds arising from the Company's relationship.

11 Going Concern

The Company is technically overindebted as at 31 December 2020. On 8 May 2019, however, the Company formalized a pre-existing arrangement by entering into an Assumption, Loan and Subordination Agreement with a related company Amun Technologies Limited (now known as Jura Pentium Limited, "JPL"), whereby the latter agreed to, with effect retroactively since the Company's incorporation, to assume all past, present and future liabilities of the Company other than as result of, of arising under, any ETP issued by the Company by way of an internal assumption of debt within the meaning of article 175 CO (interne Schuldübernahme) without any conditions. Moreover, JPL will communicate to the Company's creditors of such relevant debt that it will pay the Company's liabilities on the Company's stead. To the extent of such an assumption and/or payment, a claim of JPL for repayment against Company exists and and such claim is immediately converted into a loan that is fully generally subordinated (*Rangrücktritt according to article 725 para. 2 of the Swiss Code of Obligations*) to all other existing or future un-subordinated liabilities of the Company for the benefit of all other creditors of Company and such full general subordination shall continue to be effective as long as the loan, as amended from time to time, exists. For the time of such full general subordination, the subordinated claims are deferred (*gestundet*). As of the end of 31 December 2020, this arrangement also includes the outstanding trade payables and the expected payments from accruals as of 31 December 2020. JPL thus guarantees the continuation of the business activities of 21Shares AG. For this reason, the Board of Directors of 21Shares AG refrained from notifying the judge. In addition, the Company has liabilities to other entities within its group of companies (Jura Pentium AG, Jura Pentium Inc., Amun Holdings Limited and Amun Limited), all of which have also been fully generally subordinated (*Rangrücktritt according to article 725 para. 2 of the Swiss code of obligations*) to all other existing or future un-subordinated liabilities of the company for the benefit of all other creditors of company and such full general subordination shall continue to be effective as long as any amounts outstanding to such group companies exists. For the time of such full general subordination, the subordinated claims are deferred (*gestundet*).

Report of the Statutory Auditor on the Financial Statements to the General Meeting of **21Shares Ltd, Zug**

As statutory auditor, we have audited the accompanying financial statements of 21Shares Ltd, which comprise the balance sheet as at December 31, 2020, and the income statement, the cash flow statement and the notes for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the company's articles of incorporation.

Without qualifying our opinion, we draw attention to the fact that the company is over-indebted as per art. 725 para. 2 CO. Due to the fact that creditors of 21Shares AG have subordinated their claims amounting to CHF 5'442'179.02 (USD 6'156'701.13), the Board of Directors has refrained from notifying the court.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

Based on our audit in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we have determined that an internal control system designed for the preparation of financial statements in accordance with the instructions of the Board of Directors is not documented in writing in all material respects as the company is a special purpose vehicle and uses third parties for the preparation of its financial statements.

In our opinion, the internal control system does not comply with Swiss law and therefore we cannot confirm the existence of an internal control system for the preparation of financial statements.

We recommend that the financial statements submitted to you be approved.

Basel, 27 April 2021

Copartner Revision AG

Simon Rey
Licensed Audit Expert
Auditor in charge

Martin Thommen
Licensed Audit Expert

Enclosure:

- Financial statements

21 Shares AG (Formerly Amun AG), Zug

| Balance sheet as at 31 December (in United States Dollars) | | Notes | 2020 USD | 0.88394400 2020 CHF | 2019 USD | 0.96837400 2019 CHF |
|---|-----|-------|--------------------|---------------------------|--------------------|---------------------------|
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 3.1 | | 919'424 | 812'719 | 435'390 | 421'620 |
| Crypto Assets | 3.2 | | - | - | 40'612 | 39'327 |
| Trade receivables | | | 3'244'165 | 2'867'660 | 71'788 | 69'518 |
| <i>due from third parties</i> | | | 17'394 | 15'375 | 71'788 | 69'518 |
| <i>due from related entities</i> | | | 3'226'771 | 2'852'285 | - | - |
| Accrued receivables | | | 392'197 | 346'680 | 29'325 | 28'397 |
| Crypto Assets in transit | | | - | - | 14'589 | 14'128 |
| Trading portfolio of assets | 3.3 | | 283'949'076 | 250'995'082 | 39'333'542 | 38'089'579 |
| Total current assets | | | 288'504'862 | 255'022'143 | 39'925'246 | 38'662'569 |
| Non-current assets | | | | | | |
| Deposit - rent | | | 75'671 | 66'889 | 19'495 | 18'879 |
| Total non-current assets | | | 75'671 | 66'889 | 19'495 | 18'879 |
| Total assets | | | 288'580'533 | 255'089'031 | 39'944'741 | 38'681'448 |
| Liabilities and shareholder's equity | | | | | | |
| Short-term liabilities | | | | | | |
| Trade payables | | | 409'659 | 362'116 | 230'307 | 223'023 |
| <i>due to third parties</i> | | | 409'659 | 362'116 | 230'307 | 223'023 |
| Other short-term liabilities | | | 5'794'147 | 5'121'701 | 1'747'762 | 1'692'487 |
| <i>tax provision</i> | | | 80 | 71 | 37 | 36 |
| <i>subordinated intergroup credit facility</i> | 3.6 | | 5'794'067 | 5'121'631 | 1'747'725 | 1'692'451 |
| Accrued expenses | | | 667'697 | 590'207 | 276'966 | 268'206 |
| Bank overdraft | | | 497'584 | 439'836 | - | - |
| Advance from ETP holders | | | - | - | 14'589 | 14'128 |
| Due to ETP holders | | | 283'949'076 | 250'995'082 | 39'333'542 | 38'089'579 |
| Total short-term liabilities | | | 291'318'164 | 257'508'943 | 41'603'166 | 40'287'424 |
| Long-term liabilities | | | | | | |
| Other long-term liabilities | | | 362'634 | 320'548 | 363'006 | 351'525 |
| <i>due to related party</i> | | | - | - | 286 | 277 |
| <i>due to related entities</i> | | | - | - | 85 | 82 |
| <i>subordinated intergroup credit facility</i> | 3.6 | | 362'634 | 320'548 | 362'635 | 351'166 |
| Total long-term liabilities | | | 362'634 | 320'548 | 363'006 | 351'525 |
| Total liabilities | | | 291'680'798 | 257'829'491 | 41'966'172 | 40'638'949 |
| Shareholder's equity | | | | | | |
| Share capital | | | 50'804 | 50'000 | 50'804 | 50'000 |
| <i>Issued share capital</i> | | | 101'607 | 100'000 | 101'607 | 100'000 |
| <i>Unpaid share capital</i> | | | (50'804) | (50'000) | (50'804) | (50'000) |
| Retained earnings | | | (2'072'235) | (2'065'141) | (500'582) | (503'460) |
| Net result for the year | | | (1'078'834) | (1'012'035) | (1'571'652) | (1'561'681) |
| Currency translation adjustment | | | - | 286'716 | - | 57'640 |
| Total shareholder's equity | | | (3'100'265) | (2'740'460) | (2'021'431) | (1'957'501) |
| Total liabilities and shareholder's equity | | | 288'580'533 | 255'089'031 | 39'944'741 | 38'681'448 |

21 Shares AG (Formerly Amun AG), Zug

Income statement for the year ended 31 December 2020

| Income statement for the year ended 31 December 2020 | | | 0.938081890 | | 0.99365558 |
|--|-------|-------------|-------------|-------------|-------------|
| (in United States Dollars) | Notes | 2020 USD | 2020 CHF | 2019 USD | 2019 CHF |
| Investor fee / ETP Revenue | | 2'098'367 | 1'968'440 | 431'762 | 429'023 |
| Cost of sales | | (1'513'189) | (1'419'495) | (186'117) | (184'936) |
| Gross Profit | | 585'178 | 548'945 | 245'646 | 244'087 |
| Other income | 3.4 | 468'767 | 439'742 | - | - |
| Total income | | 1'053'945 | 988'686 | 245'646 | 244'087 |
| Other operating expenses | | (2'736'470) | (2'567'033) | (1'690'793) | (1'680'066) |
| Advertising and marketing expenses | | (97'707) | (91'657) | (35'894) | (35'667) |
| Administrative expenses | | (161'250) | (151'266) | - | - |
| Rent | | (164'242) | (154'073) | (69'581) | (69'140) |
| Staff costs | | (822'743) | (771'800) | (676'554) | (672'262) |
| Legal fees | | (102'874) | (96'504) | (288'515) | (286'685) |
| Service fees | | (1'174'231) | (1'101'525) | (250'288) | (248'700) |
| Professional fees | | (156'039) | (146'378) | (316'776) | (314'767) |
| Other office expenses | | (23'478) | (22'024) | (3'231) | (3'210) |
| Other taxes | | (5'283) | (4'955) | (1'624) | (1'614) |
| Capital taxes | | (43) | (40) | - | - |
| Subscriptions and Licence fees | | (28'580) | (26'810) | (48'329) | (48'023) |
| EBIT | | (1'682'525) | (1'578'346) | (1'445'148) | (1'435'979) |
| Financial Result | | 603'691 | 566'312 | (126'505) | (125'702) |
| Unrealised exchange (loss) / gain | | (1'925) | (1'806) | (130'534) | (129'705) |
| Realised exchange (loss) / gain | | 606'843 | 569'268 | (11'882) | (11'807) |
| Bank charges | | (1'227) | (1'151) | (270) | (268) |
| Gain /(loss) on valuation of crypto assets | | - | - | 16'181 | 16'078 |
| Net result for the year | | (1'078'834) | (1'012'035) | (1'571'652) | (1'561'681) |

21 Shares AG (Formerly Amun AG), Zug

Cash flow statement for the year ended 31 December 2020

(in United States Dollars)

| | 2020 USD | 2020 CHF | 2019 USD | 2019 CHF |
|---|----------------------|----------------------|---------------------|---------------------|
| Net result for the year | (1'078'834) | (1'012'035) | (1'571'652) | (1'561'681) |
| Change in trade, other and accrued receivables | (3'535'249) | (3'116'426) | (101'112) | (97'915) |
| Change in rental deposit | (56'175) | (48'010) | (19'270) | (18'657) |
| Change in trading portfolio & Crypto Assets in Transit | (244'600'945) | (212'891'375) | (33'453'363) | (32'292'739) |
| Change in trade, other and accrued liabilities | 570'127 | 461'128 | 382'328 | 368'059 |
| Change in short term financial liabilities (bank overdraft) | 497'584 | 439'836 | - | - |
| (Gain) / loss on valuation of Crypto Assets | 40'612 | 39'327 | (16'181) | (16'078) |
| Currency translation adjustment | - | 229'075 | - | 48'394 |
| Cash flow from operating activities | (248'162'882) | (215'898'479) | (34'779'251) | (33'570'617) |
| Proceeds from intergroup credit facility | 4'045'970 | 3'398'202 | 1'747'525 | 1'685'941 |
| Proceeds from ETP Holders | 244'600'945 | 212'891'375 | 33'453'363 | 32'292'739 |
| Cash flow from financing activities | 248'646'916 | 216'289'578 | 35'200'888 | 33'978'680 |
| Change in cash and cash equivalents | 484'034 | 391'099 | 421'637 | 408'063 |
| As at start of year | 435'390 | 421'620 | 13'753 | 13'557 |
| As at end of year | 919'424 | 812'719 | 435'390 | 421'620 |
| Change in cash and cash equivalents | 484'034 | 391'099 | 421'637 | 408'063 |

21 Shares AG (Formerly Amun AG), Zug

Notes to the financial statements for the year ended 31 December 2020

1 General

21 Shares AG, formerly Amun AG (the 'Company') is a limited company incorporated in Switzerland. The Company's registered office is at Dammstrasse 19, 6300 Zug. The Company's principal activity is a technology and finance company and to issue listed exchange-traded products ('ETP') and services in Switzerland and worldwide. On 14 February 2020, the Company changed its name from Amun AG to 21 Shares AG.

The Company has been established as a special purpose vehicle for the purposes of issuing exchange traded products (the ETP) and other financial products linked to the performance of crypto assets.

2 Accounting principles applied in the preparation of the financial statements

General aspects

The Company's financial statements are prepared in accordance with Swiss GAAP core-FER. Those financial statements have been prepared on a going-concern basis and are applying the accruals principle.

2.1 Assets in the trading portfolio

Underlying assets in the trading portfolio consist of Crypto Assets and are valued at their market value on the balance sheet. Gains or losses on valuation are taken to the income statement.

2.2 Revenue recognition

Revenue generated is investor fees. The ETP paid operation fees, which accrues at a rate per annum equal to the Investor fee. The issuer uses this fee to pay other service providers of the issuer and fund its own daily operations. The rate is set out in the relevant Final Terms and is applied to the Crypto Assets Collateral on a daily basis to determine the daily deduction of an amount of Crypto Assets from the Crypto Asset Collateral.

2.3 Foreign currency transactions

The accounts are held in the functional currency USD and are converted to presentation currency CHF for the purpose of the present statutory accounts.

Unrealized gains (or losses) resulting from the translation of financial statements in a functional currency USD to presentation currency CHF are not included in the profit and loss account.

The Currency Translation Adjustment is disclosed in the Balance Sheet, under equity position. The exchange rates USD/CHF used are as follows:

| | 2020 | 2019 |
|---------------------------|------------|------------|
| FX closing rate USD / CHF | 0.88394400 | 0.96837400 |
| FX average rate USD / CHF | 0.93808189 | 0.99365558 |

3 Information on balance sheet and income statement items

3.1 Cash and cash equivalents

| | 2020 USD | 2020 CHF | 2019 USD | 2019 CHF |
|-----------|-------------|-------------|-------------|-------------|
| Cash | 6'462 | 5'712 | 18'488 | 17'903 |
| Cardano | 2'263 | 2'000 | 79 | 76 |
| Bitcash | 1'573 | 1'391 | 73'516 | 71'191 |
| Binanceco | 337'006 | 297'895 | 83'730 | 81'082 |
| Bitcoin | 505'349 | 446'700 | 156'749 | 151'792 |
| EOS | 5'578 | 4'931 | 222 | 215 |
| ETCLASSIC | - | - | 10 | 9 |
| Ethereum | 40'687 | 35'965 | 50'822 | 49'214 |
| Litecoin | 8'560 | 7'567 | 5'980 | 5'790 |
| NEO | 1'060 | 937 | 54 | 53 |
| Tezos | 1'894 | 1'674 | 5'818 | 5'634 |
| Stellar | 124 | 109 | 35 | 34 |
| Ripple | 8'123 | 7'180 | 39'887 | 38'625 |
| USDC | 745 | 659 | - | - |
| | 919'424 | 812'719 | 435'390 | 421'620 |

21 Shares AG (Formerly Amun AG), Zug

Notes to the financial statements for the year ended 31 December 2020

3.2 Crypto Assets

| | 2020 | 2020 | 2019 | 2019 |
|--------------|------|------|---------------|---------------|
| | USD | CHF | USD | CHF |
| Bitcoin | - | - | 35'427 | 34'307 |
| Ether | - | - | 5'185 | 5'020 |
| Total | - | - | 40'612 | 39'327 |

3.3 Trading portfolio of assets

| | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
|------------------------------------|------------|--------------------|--------------------|------------|-------------------|-------------------|
| | Quantity | USD | CHF | Quantity | USD | CHF |
| UICASH | - | - | - | 200 | 200 | 194 |
| Cardano | 1'636'278 | 294'530 | 260'348 | 878'800 | 28'864 | 27'951 |
| Bitcash | 10'124 | 3'472'959 | 3'069'902 | 27'659 | 5'659'548 | 5'480'559 |
| Binanceco | 1'109'372 | 41'468'338 | 36'655'689 | 1'096'872 | 15'060'058 | 14'583'769 |
| Bitcoin | 5'967 | 173'058'774 | 152'974'265 | 1'326 | 9'537'203 | 9'235'579 |
| EOS | 109'501 | 284'702 | 251'661 | 26'591 | 68'604 | 66'434 |
| Ethereum Classic | - | - | - | 521 | 2'343 | 2'268 |
| Ethereum | 62'726 | 46'279'398 | 40'908'396 | 26'462 | 3'429'772 | 3'321'302 |
| Litecoin | 14'310 | 1'784'268 | 1'577'193 | 7'056 | 291'713 | 282'487 |
| NEO | 8'262 | 118'312 | 104'581 | 3'038 | 26'398 | 25'563 |
| Tezos | 5'827'839 | 11'772'235 | 10'405'997 | 1'857'706 | 2'494'062 | 2'415'185 |
| Stellar | 10'397'722 | 1'351'704 | 1'194'830 | 74'211 | 3'356 | 3'250 |
| Ripple | 18'031'434 | 3'966'892 | 3'506'510 | 14'160'221 | 2'731'422 | 2'645'038 |
| USDC | 96'985 | 1'885'015 | 1'666'248 | - | - | - |
| SBTC (Bank Frick - USD Collateral) | - | (1'788'051) | (1'580'537) | - | - | - |
| Total | | 283'949'076 | 250'995'082 | | 39'333'542 | 38'089'385 |

3.4 Other Income

These are amounts received by virtue of an agreement reached with a business partner on the classification of proceeds arising from the Company's relationship.

3.5 Full-time equivalents

The Company had 3 employees at end of year 31 December 2020 (2019 - 6).

3.6 Going concern

The Company is technically overindebted as at 31 December 2020. On 8 May 2019, however, the Company formalized a pre-existing arrangement by entering into an Assumption, Loan and Subordination Agreement with a related company Amun Technologies Limited (now known as Jura Pentium Limited, "JPL"), whereby the latter agreed to, with effect retroactively since the Company's incorporation, to assume all past, present and future liabilities of the Company other than as result of, or arising under, any ETP issued by the Company by way of an internal assumption of debt within the meaning of article 175 CO (interne Schuldübernahme) without any conditions. Moreover, JPL will communicate to the Company's creditors of such relevant debt that it will pay the Company's liabilities on the Company's stead. To the extent of such an assumption and/or payment, a claim of JPL for repayment against Company exists and and such claim is immediately converted into a loan that is fully generally subordinated (*Rangrücktritt according to article 725 para. 2 of the Swiss Code of Obligations*) to all other existing or future un-subordinated liabilities of the Company for the benefit of all other creditors of Company and such full general subordination shall continue to be effective as long as the loan, as amended from time to time, exists. For the time of such full general subordination, the subordinated claims are deferred (*gestundet*). As of the end of 31 December 2020, this arrangement also includes the outstanding trade payables and the expected payments from accruals as of 31 December 2020. JPL thus guarantees the continuation of the business activities of 21Shares AG. For this reason, the Board of Directors of 21Shares AG refrained from notifying the judge. In addition, the Company has liabilities to other entities within its group of companies (Jura Pentium AG, Jura Pentium Inc., Amun Holdings Limited and Amun Limited), all of which have also been fully generally subordinated (*Rangrücktritt according to article 725 para. 2 of the Swiss code of obligations*) to all other existing or future un-subordinated liabilities of the company for the benefit of all other creditors of company and such full general subordination shall continue to be effective as long as any amounts outstanding to such group companies exists. For the time of such full general subordination, the subordinated claims are deferred (*gestundet*).