

Supplement to Base Prospectus

SUPPLEMENT DATED 28 FEBRUARY 2022
TO THE BASE PROSPECTUS DATED 12 NOVEMBER 2021



21Shares AG

(incorporated in Switzerland)

Exchange Traded Products Programme

This first supplement (the **Supplement**) to the Base Prospectus dated 12 November 2021 (the **Base Prospectus**), is prepared in connection with the Exchange Traded Products Programme established by 21Shares AG (the **Issuer** or **21Shares**). Capitalized terms used but not defined herein have the meanings assigned to such terms in the Base Prospectus.

The Base Prospectus was approved by SIX Exchange Regulation AG, in its capacity as a review body pursuant to article 52 of the Swiss Financial Services Act dated 15 June 2018 (the **FinSA**) (SIX Exchange Regulation AG in such capacity, the **Reviewing Body**), on 12 November 2021 as a base prospectus within the meaning of article 45 of the FinSA and the issuance programme has been registered as an issuance programme for the listing of exchange traded products (the **ETPs** or the **Products**) on the SIX Swiss Exchange in accordance with the listing rules of the SIX Swiss Exchange.

This Supplement is dated and has been approved by the Reviewing Body as of 28 February 2022.

This Supplement is supplemental to and should be read in conjunction with the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in this Supplement and (ii) any other statement in or incorporated by reference into the Base Prospectus, as supplemented prior hereto, the statements in this Supplement will prevail.

The Issuer assumes responsibility for the content of this Supplement and declares that the information contained in the Base Prospectus, as supplemented by the Supplement is, to the best of its knowledge, correct and no material facts or circumstances have been omitted therefrom.

AMENDMENTS TO THE "RISK FACTORS" SECTION

The risk factor "Potential Conflicts of Interest" on page 12 of the Base Prospectus, shall be deleted and replaced with the following:

Potential Conflicts of Interest

The Issuer or affiliated companies may participate in transactions related to the Products, either for their own account or for account of a client. Such transactions may not serve to benefit the Investors and may have a positive or negative effect on the value of the Underlying and, consequently, on the market value of the Products. In addition, the Issuer or its affiliates may act in other capacities with regard to the Products, such as Product Calculation Agent, the Global Paying Agent and/or Index Sponsor specified in the relevant Final Terms. In addition, the 21Shares Index is owned by Jura Pentium AG, which is under common control with the Issuer.

Furthermore, the Issuer, or affiliated companies of the Issuer, may issue other derivative instruments relating to the respective Underlying. Introduction of such competing products may affect the market value of the Products. The Issuer and its respective affiliated companies may also receive non-public information relating to the Underlying and neither the Issuer nor any of its affiliates will undertake to make this information available to Investors.

Unless otherwise disclosed, as at the date of this Base Prospectus, none of directors of the Issuer have a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that conflict with the interests of the Issuer. Directors of the Issuer may, however, have holdings in the Underlyings and the Underlying Components.

The risk factor "The 21Shares Index has no Operating History" on page 41 of the Base Prospectus, shall be deleted.

The risk factor "Conflict of Interests of the Issuer and Jura Pentium Limited" on page 50 of the Base Prospectus, shall be deleted and replaced with the following:

Conflict of Interests of the Issuer and Jura Pentium AG

While the Issuer does not act as the Product Calculation Agent or the Index Calculation Agent, the Issuer reserves the right to make significant changes to the terms and conditions of the Products, which may affect the value of the Products. In addition, the 21Shares Index is owned by Jura Pentium AG, which is under common control with the Issuer. The 21Shares Index methodology can be subject to significant changes, which may affect the value of the Products.

In accordance with the General Terms and Conditions, the Issuer shall be entitled to amend without the consent of the Investors any Condition or item in the relevant Final Terms for the purpose of (i) correcting a manifest error, or (ii) clarifying any uncertainty, or (iii) correcting or supplementing the provisions herein in such manner as the Issuer deems necessary or desirable, provided that the Investor does not incur significant financial loss as a consequence thereof. Furthermore, the Issuer shall at all times be entitled to amend any Condition or item in the relevant Final Terms where, and to the extent that the amendment is necessitated as a consequence of legislation, decisions by courts of law, or decisions taken by governmental authorities. No such changes will require Investor consent or approval.

In addition, the Investors are not party to the Product Documentation or the Transaction Documents. Accordingly, the Issuer may amend such documents without Investor consent or approval. Such changes may not be in the best interests of the Investors and may affect the value of the Products.

The Issuer and a number of parties associated with the Issuer, including, inter alia, members of the Issuer's board of directors, member of its management team, employees and shareholders

of the Issuer hold and transact in, and may continue to hold and transact in, Underlyings, Underlying Components and underlying indices for their own accounts. Such persons are under no obligation to disclose such holdings or transactions at any time and may conduct such transactions at any time for any reason. See "*Information About the Issuer—Founders*".

AMENDMENTS TO THE "GENERAL TERMS AND CONDITIONS" SECTION

Under the heading "1. Definitions" on page 54 of the Base Prospectus, the definition of "Jura Pentium Servicing Entity" on page 58 shall be deleted and replaced with the following:

Jura Pentium Servicing Entity means Jura Pentium AG or any successor servicing entity.

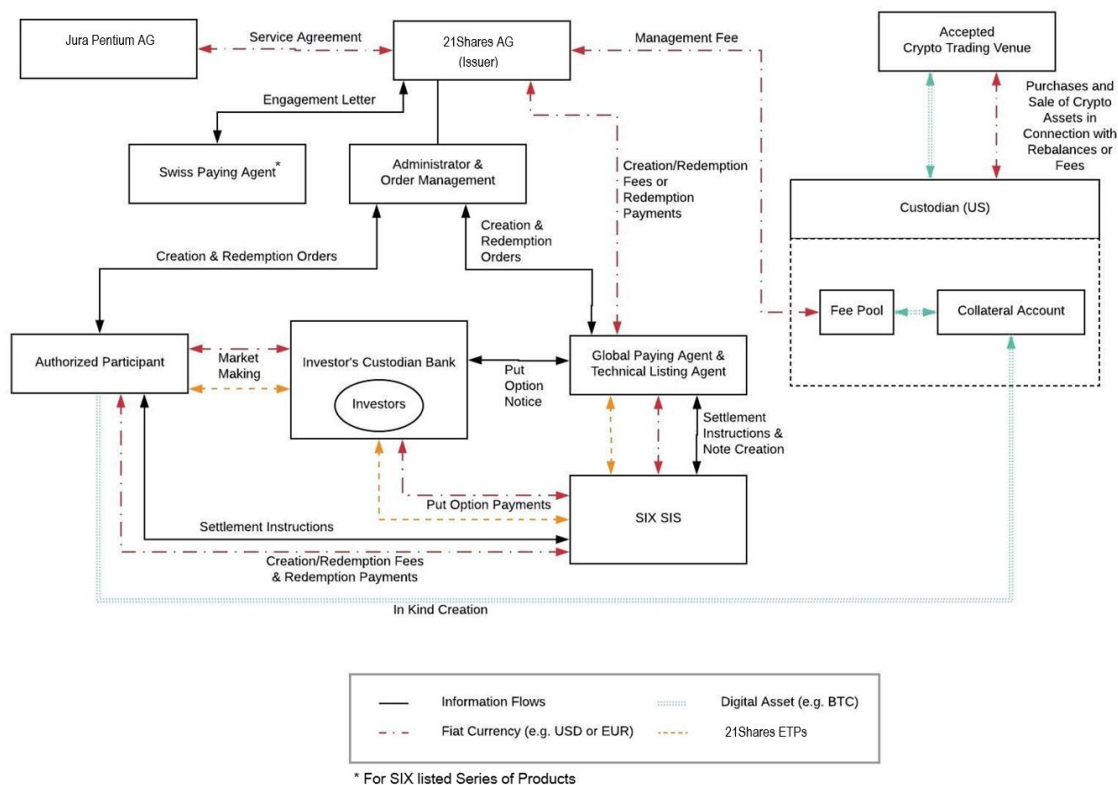
AMENDMENTS TO THE "SUMMARY OF THE PARTIES AND THE STRUCTURE" SECTION

Under the heading "Principal Transaction Documents" on page 82 of the Base Prospectus, the paragraph "Services Agreement with the Jura Pentium Servicing Entity" on page 86 et seq. shall be deleted and replaced with the following:

Services Agreement with the Jura Pentium Servicing Entity

On or about 13 November 2018, the Issuer entered into a Services Agreement with the Jura Pentium Servicing Entity, pursuant to which the Issuer appoints the Jura Pentium Servicing Entity to be the servicer, in its name and on its behalf, and the Jura Pentium Servicing Entity agrees to provide or procure the provision of services (the **Services**) required by the Issuer in connection with its establishment of the Programme and the issuance, marketing, creation and redemption of Products thereunder, as well as the performance of its obligations under the Transaction Documents and any other such services as the Issuer and the Jura Pentium Servicing Entity may agree from time-to-time. In consideration for the Jura Pentium Servicing Entity's provision of the Services, the Services Agreement provides that the Issuer shall pay to the Jura Pentium Servicing Entity a service fee. The Services Agreement is governed by the laws of England and Wales. With effect as of 28 February 2022, Jura Pentium AG replaced Jura Pentium Limited as the Jura Pentium Servicing Entity. The relevant Services Agreement is dated 28 February 2022 and ensures the provision of Services required by the Issuer in connection with its establishment of the Programme and the issuance, listing, marketing, creation and redemption of Products thereunder, as well as the performance of the Issuer's obligations under the Transaction Documents and any other such services as the Issuer and the Jura Pentium Servicing Entity may agree from time-to-time. The new Services Agreement is governed by the laws of Switzerland.

Under the heading "Flow of Funds" on page 90 of the Base Prospectus, the table shall be deleted and replaced with the following:



AMENDMENTS TO THE "PROGRAMME INDICES" SECTION

Under the heading "PROGRAMME INDICES" on page 105 of the Base Prospectus, the introduction paragraph and the section headed "The 21Shares Index" shall be deleted and replaced with the following:

The information in this section (Programme Indices) consists only of information provided to the Issuer by Jura Pentium AG and MVIS. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Jura Pentium AG and MVIS, no facts have been omitted which would render such reproduced information inaccurate or misleading. The information below is subject to change. The current index guide at any time will be available on <https://www.mvis-indices.com/indices/digital-assets> or <https://21shares.com/ir/#index-guide>. No information from the Issuer's website or any other website listed herein is incorporated by reference into this Base Prospectus. For the purposes of this section (Programme Indices) only, the term "calculation agent" means CryptoCompare (as defined below) or any other calculation agent appointed by MVIS.

The 21Shares Index

The aim of the 21Shares Crypto Basket Index (**21CB, HODL 5** or the **21Shares Index**) is to track the financial performance of the top and most liquid crypto-assets, as well as to provide a professional benchmark for the broader Crypto Asset class. Due to the fact that the crypto market is relatively new, the health of the 21Shares Index will be evaluated on an ongoing basis every quarter by the 21Shares Index Committee.

The 21Shares Index is owned by Jura Pentium AG. Jura Pentium AG has selected an index administrator, MV Index Solutions GmbH (**MVIS**) to maintain the 21Shares Index. MVIS is a third party service provider and is not related to the Issuer or Jura Pentium AG.

The 21Shares Index is calculated with the constituent prices converted to U.S. Dollars, on a daily basis between 00:00 and 24:00 (CET/CEST seasonally). Dissemination is in conducted in U.S. Dollars. Real-time index values are calculated with the latest available CCCAGG Price Index prices each 15 seconds. The closing values are calculated at 17:00:00 CET/CEST with fixed 17:00 CET/CEST exchange rates.

The 21Shares Index has the following identifiers:

Index Type	ISIN	SEDOL	WKN	Bloomberg	Reuters
Price Return Index	DE000SLA6E78	BGMJ4K4	BGMJ4K4	HODL5	HODL5

The 21Shares Index was launched on 6 September 2018, with a base index value of 100.00 as at 31 December 2016.

Under the heading "PROGRAMME INDICES - The 21Shares Index - Ongoing Maintenance" on page 107 et seqq. of the Base Prospectus, the sub-sections headed "Review of 21Shares Index Concept" and "Changes to the 21Shares Index Guide" on pages 108 and 109 shall be deleted and replaced with the following:

Review of 21Shares Index Concept

Due to a very dynamic market of Crypto Assets and tokens the index methodology, parameters and thresholds will be reviewed at least once a year. Market participants' feedback is being considered in the process whether or not to make amendments to the methodology and the data sourcing process. Any changes will be communicated by Jura Pentium AG and MVIS with a 60 day lead time to enable customers to adjust their processes.

Changes to the 21Shares Index Guide

Any changes to the 21Shares Index Guide, of which this is a summary, will be reviewed and approved by Jura Pentium AG and MVIS's Legal and Compliance Department. MVIS's Legal and Compliance Department may also request a description and further information about any proposed change and may consult MVIS's Operations Department on such changes. The key elements that will be considered by MVIS's Legal and Compliance Team in this phase of the change process include robustness, transparency, reliability and integrity of the Index Guide following such change. The result of the review will be communicated to MVIS's Operations Department, which will archive the result of the review.

Changes that might immediately alter the composition of an index or that are otherwise material also need to be approved by MVIS's independent oversight function (IOF) prior to their publication and implementation.

In case of material changes, an advance notice will be published and provided to users. MVIS will generally disseminate a notification related to an Index Guide change 60 days prior to the change. A shorter period of time may be applied at MVIS's discretion if the relevant index has not received necessary licenses. The notice will describe a clear time frame that gives the opportunity to analyse and comment upon the impact of such proposed material change. Any material comments received in relation to the Index Guide change and MVIS's response to those comments will be made publicly accessible after any consultation, except where confidentiality has been requested by the originator of the comments.

AMENDMENTS TO THE "APPENDIX I - GLOSSARY OF FREQUENTLY USED DEFINED TERMS"

SECTION

Under the heading " APPENDIX I - GLOSSARY OF FREQUENTLY USED DEFINED TERMS " on page 132 et seqq. of the Base Prospectus, the definitions of "21CB of HODL 5 of the 21Shares Index" (page 132), "Jura Pentium Servicing Entity" (page 134), and "Servicing Agreement" (page 135) shall be deleted and replaced with the following:

21CB or HODL 5 or the 21Shares Index means the 21Shares Index owned by Jura Pentium AG.

Jura Pentium Servicing Entity means Jura Pentium AG.

Servicing Agreement means the servicing agreement entered into between the Issuer and the Jura Pentium Servicing Entity dated 28 February 2022.

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Copies of this Supplement, as well as of the Base Prospectus, are available, free of charge from 21Shares AG, Dammstrasse 19, 6300 Zug, Switzerland, or via e-mail etp@21shares.com.