

LUNA ETP Updated FAQs

18 July 2022

Please also refer to the LUNA FAQs dated 12 May 2022 or dated 14 June 2022, the Collapse and Rebirth of Terra (7 June 2022) for a primer on the full situation with LUNA. Both documents can be found on the LUNA product page on 21Shares.com: <https://21shares.com/en-CH/product/luna>.

1. What is happening with LUNA?

Terraform Labs announced on 16 May 2022 that it will provide tokens in the new LUNA ("LUNA 2.0") to investors who were impacted by the May 2022 crash in a transaction known as an "airdrop". Based on that announcement, we understand that the new tokens will be distributed by Terraform Labs over time. An initial release of tokens occurred in May 2022 and the remainder will reportedly vest between now and May 2025. We note that any information regarding LUNA 2.0, including that contained in these FAQs, is based on information published by Terraform Labs. 21Shares cannot guarantee the reliability or accuracy of any information published by Terraform Labs, including any forward-looking statements.

2. Will LUNA ETP benefit from the airdrop of new LUNA 2.0 tokens?

The custodian for the LUNA ETP is developing support capabilities for the airdrop. Because the airdrop involves a new token (LUNA 2.0) that was not previously supported by the custodian, it has taken time to confirm whether technical support for LUNA 2.0 was possible. Again, based on Terraform Labs' public statements, the LUNA ETP is scheduled to receive all airdrop proceeds as they vest through May 2025, although there is no guarantee this will occur, as 21Shares is not the issuer of, nor does it have any involvement in, Terraform Labs' distribution of the airdrop proceeds.

Furthermore, as noted in the [Base Prospectus](#), the value of an Underlying in an ETP may increase or decrease over time by reference to a variety of factors, including fork events, airdrops, macro-economic factors, loss of reputation, and speculation.

3. What is LUNA ETP expected to receive from the airdrop? When will it receive airdrop proceeds?

LUNA ETP received an initial airdrop in May 2022. The tokens were initially unable to be processed because the LUNA ETP custodian needed to build out the technical capability to support the new LUNA 2.0, in part, because that token involves a new blockchain protocol. Due to Terraform Labs' structuring of the airdrop, any tokens related to the LUNA ETP's holdings of LUNA dated prior to 7 May 2022 14:59:37 UTC are subject to a 1-year cliff, meaning the LUNA ETP will not receive any LUNA 2.0 tokens until approximately May 2023.

It is important to note that the airdrop has been structured by Terraform Labs such that (with the exception of digital wallets holding fewer than 10,000 units of LUNA as of 6 May 2022) there is a 1-year cliff and either a 2-year or 4-year vesting period that applies.

As announced by Terraform Labs, additional LUNA 2.0 token proceeds are expected to be received between now and May 2025, as detailed by the release schedule below:

Scheduled Release Date	LUNA 2.0 Tokens Expected (Received)	Expected Value in USD *	Expected Value in USD per ETP share*
May 2022	(80.577101)	(\$148.1812887)	\$0.0000023142
24 Nov 2022— 23 May 2023	47.0033	\$86.4391	\$0.0000
23 May 2023— 13 Nov 2024	136,520.4617	\$227,530.4846	\$0.0036
13 Nov 2024— 12 May 2025	45,459.8172	\$75,757.0558	\$0.0012
Total	182,107.8593	\$303,522.1607	\$0.0047

4. Where is the USD value of the airdrop reflected?

As soon as it is supported by the LUNA ETP custodian, the USD value of the airdropped tokens will be reflected in the NAV of the LUNA ETP. As future airdrop proceeds are received, the USD value of those airdrops will be reflected in the LUNA ETP's NAV.

5. How will Investors be notified of developments?

21Shares will provide updates via social media as well as on the 21Shares website. In addition, we will be making official notices as warranted. Please feel free to reach out to us via email at etp@21shares.com if you have additional questions.

*Applying a market value of LUNA 2.0 of \$1.839 per CryptoCompare as of CET Close 15 July 2022