21Shares AG

Annual Report 31 December 2024

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DIRECTORS' REPORT
for the year ended 31 December 2024

1. General Information about the Company

21Shares AG (hereinafter "**21Shares**" or "**the Company**") was incorporated on July 20, 2018, and registered on July 27, 2018, in the Commercial Register of Zug, Switzerland, under registration number CHE.347.562.100, as a stock corporation pursuant to Article 620 et seq. of the Swiss Code of Obligations. In September 2023, the Company relocated its registered office to Pelikanstrasse 37, 8001 Zurich, Switzerland. The share capital of 21Shares, amounting to CHF 100,000, is wholly owned by Jura Pentium AG, a company registered in Zurich, Switzerland. Both 21Shares and Jura Pentium AG are subsidiaries of 21co Holdings Limited and members of the 21co Group companies (altogether referred to as the "**Group**").

In 2024, the Company enhanced the structure and disclosure of its Management Report to improve clarity and transparency. Compared to prior years, the report has been improved to provide a more coherent narrative and clearer linkages between financial and operational performances. These improvements reflect the Company's ongoing commitment to delivering high-quality, transparent reporting as its business continues to grow and evolve.

Business Model of the Company

As a technology and financial services company, 21Shares specializes in the issuance of exchange-listed and exchange-traded products (ETPs) and related services in Switzerland and internationally.

21Shares is one of the largest issuers of crypto ETPs worldwide, facilitating accessible investments in cryptocurrencies. In 2018, the Company launched the world's first crypto ETP on the SIX Swiss Exchange – the 21Shares Crypto Basket Index ETP (HODL). As of December 31, 2024, 21Shares offered a total of 44 exchange-traded products, available in CHF, EUR, GBP, SEK, JPY, and USD across EMEA. Currently, these products are listed on the following exchanges: SIX Swiss Exchange, Deutsche Börse, Euronext Paris, Euronext Amsterdam, Nasdaq Stockholm, London Stock Exchange, BX Swiss, Nasdaq Dubai and other multilateral trading facilities (MTFs).

21Shares'ETPs are listed and admitted to trading on regulated markets pursuant to an approved securities prospectus. The EU securities prospectus has been approved by the Swedish Financial Services Authority in accordance with Regulation (EU) 2017/1129. Additionally, the Company has designated Germany as its Home Member State pursuant to Section 4 of the German Securities Trading Act (WpHG) for the purposes of EU Transparency Directive 2004/109/EC. Furthermore, 21Shares is under supervision by the German Federal Financial Supervisory Authority (BaFin).

2. Economic and Financial Report

2.1. Macroeconomic and Industry-Specific Conditions

The year 2024 was a resounding success for Bitcoin and the broader crypto space. Bitcoin's price surged by more than 100%, driven by a series of major milestones that underscored the industry's growing maturity and institutional relevance. The approval of spot Bitcoin ETFs in the U.S. stood out as a defining moment—marking one of the most successful ETF launches in financial history. These ETFs accumulated over 500,000 BTC throughout the year, more than double Bitcoin's annualized issuance, signaling strong demand from traditional investors and further cementing crypto's place on Wall Street. The long-anticipated Bitcoin halving in April contributed to upward market trends by limiting new supply, reinforcing Bitcoin's scarcity narrative. While the summer months saw a period of consolidation amid macroeconomic headwinds—including sticky inflation, geopolitical tensions, and crypto-native overhangs like liquidation events from Mt. Gox, Genesis, and the German government—momentum returned in the fall. Bitcoin broke out ahead of the U.S. presidential election, as crypto emerged as a key political topic. The year closed with Donald Trump winning the presidency and a largely pro-crypto Congress taking shape, fueling optimism and propelling Bitcoin to new all-time highs above the psychologically important $100,000 mark.

In 2025, the global macro environment has turned increasingly fragile, marked by slowing growth and escalating trade tensions. The U.S. imposed sweeping tariffs that disrupted global trade—especially with China—infusing markets with uncertainty and triggering a sharp equity market sell-off. While interest rates remain high, markets are anticipating several rate cuts in 2025, suggesting potential monetary easing that could inject new liquidity into the system. Consequently, global money supply continues to tick higher, setting the stage for potentially bullish tailwinds for risk-on assets in the second half of the year.

On the regulatory front, meaningful progress is being made. The implementation of MiCA in the EU has established the first comprehensive regulatory framework for digital assets. In the U.S., Paul Atkins' sworn in as SEC Chair in April 2025 is expected to bring clearer and more favorable crypto regulation, with a focus on stablecoins and market structure. This shift has bolstered optimism across the digital asset space.

Fundamentally, Bitcoin's Core metrics remain strong. The network's hashrate reached an all-time high, indicating increased mining activity and enhanced network security. Corporations continue to adopt Bitcoin as a treasury asset—MicroStrategy, now rebranded as Strategy, and Japan's Metaplanet have both increased their Bitcoin holdings, signaling growing corporate confidence in Bitcoin's role as a store of value. Additionally, the continued integration of stablecoins into traditional finance, along with burgeoning interest in tokenization, is paving the way for greater innovation leveraging blockchain technology.

While short-term market conditions remain influenced by geopolitical tensions and economic policies, the foundational elements of the crypto ecosystem—such as institutional adoption, regulatory clarity, and network robustness—continue to strengthen. These factors position the crypto market for potential growth as liquidity conditions improve and investor confidence returns.

The Board of Directors remains optimistic despite ongoing geopolitical and economic uncertainties. Favorable regulatory changes, continuous institutional adoption, and growing use cases for tokenization and stablecoins are setting the stage for a flourishing ecosystem—aimed at protecting investors while fostering continuous innovation.

2.2. Business Performance

The performance of 21Shares' business in 2024 reflects that of an industry-leading company at an inflection point for the industry. Although 21Shares AG's ETPs are primarily available in Europe, cryptocurrencies are global in nature and therefore impacted by events both inside and outside of Europe. In January 2024, the United States approved multiple Bitcoin ETFs for trading, which became a major catalyst for the entire cryptocurrency industry. Donald Trump's election to President of the United States further pushed the crypto price to a higher level in Q4 2024. Bitcoin price more than doubled over the course of 2024.

The assessment of 21Shares' business performance in 2024 reflects the Company's strategic objectives and is based on actual financial results as presented in the accompanying financial statements. The key performance indicators include digital assets at fair value (which indicates the total Asset Under Management, or "**AUM**") and revenue. The key performance indicators, among other financial information, are derived directly from the audited financial statements as of 31 December 2024 and reflect the outcome of business activities in line with the Company's strategic planning and expectations at the beginning of the year.

As of 31 December 2024, 21Shares held a market share of 35.94% in Europe based on Assets Under Management, compared to 39.15% as of 31 December 2023. This represents a slight decrease in market share over the period. However, in terms of turnover, 21Shares increased its market share to 35.06% as of 31 December 2024, up from 34.52% in the previous year, reflecting a modest improvement in transactional activity within the European market. In both years, 21Shares has maintained a leading position in the spot European crypto-ETP market.

As a crypto ETP market leader in Europe, 21Shares further developed its European footprints in 2024, completing the listing of ETPs on the London Stock Exchange in May 2024 and launching 11 additional ETPs in Europe. As of 31 December 2024, 21Shares had digital assets of USD 4.73 billion. Globally, the Company's affiliated entity, 21Shares US LLC, launched one of the first US Bitcoin ETFs upon SEC's approval on 10 January and Ethereum ETF soon after in May 2024, further strengthening 21Shares brand's competitive advantages.

For the year ended 31 December 2024, 21Shares reported total revenue of USD 99.0 million and total comprehensive income of USD 2.63 million.

2.2.1. Earnings Position

In 2024, we achieved remarkable success and generated USD 99.0 million in revenue, the highest in the Company's operating history. Revenue grew by USD 61.08 million, or 161% from USD 37.87 million in prior year. Continuous product innovation, positive net inflows as a result of increasing investor demand, and strong price appreciation are the key drivers of revenue growth in 2024. Revenue is mainly generated from management fees and staking rewards. Management fees represent the Company's main source of income and are determined by the Net Asset Value (NAV), the predetermined management fee rate for the respective ETP, and the price of cryptocurrencies. The Company earned management fees of USD 72.08 million (2023: USD 25.65 million). The Company also earned staking rewards of USD 25.19 million (2023: USD 11.31 million) from participating and contributing to the various blockchain networks. A portion of the staking rewards earned are accrued back to the

ETP products and shared with the ETP holders, where applicable. Other revenues amounted to USD 1.68 million in 2024 (2023: USD 917 thousand).

During 2024, the Company incurred revenue sharing costs with seeding and business partners of USD 14.03 million (2023: USD 6.72 million) and cost of services totaling USD 5.43 million (USD 4.23 million in 2023). Cost of services represents direct costs relating to our ETP product offerings. Gross profit reached USD79.49 million in 2024 (2023: USD 26.92 million), a gross margin of 80% and 71%, respectively, indicating a strong financial performance.

The gross profit generated was reduced by operating expenses and intercompany service fees. 2024 expenses include operating expenses of USD 1.45 million (2023: Nil), and intercompany service fees of USD million 76.87 million (2023: USD 26.81 million). Intercompany service fee represents the remaining profit passed on to its parent company, the much higher amount in 2024 is attributable to stronger financial performance and overall higher revenue and profit generated in 2024 as compared to 2023.

As a Special Purpose Vehicle (the "**SPV**"), 21Shares' ETP operation is supported by its parent company, other Group's affiliated entities and external service providers. Jura Pentium AG, the Company's parent company, serves as its principal service provider. The intercompany services provided, and the relevant financial arrangement are governed by the Group's transfer pricing policy and master services agreement. After deducting expenses on its book, the remaining profit of 21Shares is shared with Jura Pentium AG, its parent company and presented as "Intercompany service fees" on the financial statement. For the other service entities, intercompany service fees are calculated and periodically settled amongst the remaining affiliated companies.

The Company earned interest of USD 1.50 million from the intercompany loan arrangement for the year ended 31 December 2024 (2023: Nil).

During 2024, the Company changed its independent auditor from Copartner to KPMG to support its growth globally. The 2024 audited financial statements reflect certain reclassifications and restatements for 2023 financial information, including primarily, the impact of correcting the Company's accounting methodology for digital assets. In the past, the Company classified digital assets as inventory measured at fair value. Gains and losses from fair value changes of digital assets were netted with fair value changes arising from the related certificate liabilities. The net gain/loss amount is de minimus for 2023 or any historical year due to the nature of the Company's ETP operations (i.e. certificates of liabilities are 100% backed by its corresponding digital asset collateral). IAS38 accounting for digital assets has been applied prospectively from 31 December 2023 due to limitation of historical data for retrospective application. Effective 31 December 2023, the Company reclassified digital assets to intangible assets and has applied the revaluation model for their subsequent measurement in accordance with IAS 38, Intangible Assets. Refer to Note 4 of the accompanying financial statements for details.

Under the revaluation model for intangible assets, increases in the fair value above the historical cost are recognized in other comprehensive income (OCI) whereas decreases in fair value below the historical cost are recognized in profit or loss, except to the extent that they reverse a previously recognized revaluation surplus for the same asset, in which case the decrease is charged to OCI to reduce the surplus. Upon disposal of a digital asset, any related revaluation surplus remaining in equity is transferred directly to retained earnings. The Company's 2024 Net fair value loss on digital assets and certificate liability totaled USD 2.25 billion for the year, which is included in the Operating loss for the year, whereas the Revaluation gain of digital assets (gross) of USD 2.25 billion is included in Other comprehensive income, netting to a difference of USD 1,653, a close to zero impact to the total comprehensive income of USD 2.6 million for 2024. This presentation of gains and losses on different financial statement lines can be perceived as a mismatch, however, is consistent with the current accounting principles under IAS 38. Accounting for digital assets is complex and continues to evolve. With the continued adoption of crypto assets, the crypto industry believes there will be an eventual convergence of IFRS and US GAAP, where digital assets will be measured at fair value through profit and loss in the future.

2.2.2. Financial Reporting Process and Controls

21Shares' financial reporting process and controls are designed to ensure accurate, complete and compliant presentation and disclosure of its financial position and performance. Financial information is based on underlying accounting and operational data maintained in its accounting and operation systems, with close coordination amongst internal finance and investment management functions, and outsourced service providers. 21Shares has outsourced certain functions to NAV Consulting Inc., who performs the fund accounting and administration functions for the ETPs. The Company maintains a monthly closing process, and prepares interim and annual financial statements in accordance with IFRS and regulatory requirements.

Daily and monthly reconciliations are in place to ensure proper recording of assets, liabilities, revenue, product costs, and operating expenses in accordance with contractual terms and with supporting documentation.

Intercompany service fees are calculated based on transfer pricing arrangements and are periodically reviewed and settled among 21co Group entities.

We have established effective risk management, governance and internal controls to support the reliability and integrity of financial reporting, and to ensure that the Company's Management Report and 2024 financial statements comply with applicable accounting and reporting standards.

2.2.3. Financial Position

2.2.3.1. Capital Structure

21Shares is a wholly owned subsidiary of Jura Pentium AG, a company registered in Zurich, Switzerland.

21Shares does not rely on external financing to support its operations. Certificate liabilities totaled USD 4.72 billion as at 31 December 2024 (2023: USD 2.34 billion) which is backed by the corresponding digital assets held as collateral at custodians. Certificate liabilities represent the obligations to investors for all issued ETPs. Each ETP is fully backed by digital assets held in cold storage with custodians, directly linking the liabilities to the valuation of the Company's digital assets. Investors have the right to redeem their holdings at any time, limited to the fair value of the digital assets underlying the specific ETP.

Trade payables and accrued expenses totaled USD 30.21 million (2023: USD 18.85 million) as of 31 December 2024, representing current liabilities and primarily comprising outstanding payable to business partners relating to seeding rebate fees and profit share arrangements. The majority of the outstanding liability has been fully settled in the first quarter of 2025.

The Company had a short term borrowing of USD 389 thousand as of 31 December 2024 (2023: USD 487 thousand), which was fully paid off subsequent to year-end.

2.2.3.2. Financial Position

Due to its strong liquidity position, the company was able to meet its due or maturing payment obligations at all times in the 2024 fiscal year and year to date in 2025. As of December 31, 2024, cash and cash equivalents amounted to USD 236 thousand held in deposit accounts at financial institutions, a decrease of USD 362 thousand compared to the previous year (USD 598 thousand).

21Shares' ETP AUM represents digital assets held at the Company’s custodians as collateral for the benefit of the ETP holders. Total AUM increased from USD 2.34 billion at 31 December 2023 to USD 4.73 billion at 31 December 2024 due to the steady inflows and rising prices of underlying cryptocurrencies. Other current financial assets totaled USD 25.49 million (USD 19.66 million as at 31 December 2023), primarily consisting of an intercompany loan to its parent company. The loan was paid down significantly in the first quarter of 2025.

Trade and other payables totaled USD 30.21 million (2023: USD 18.85 million), mainly representing payable to business partners and service providers. The outstanding payable balance was significantly reduced in the first quarter of 2025. There was no long term liability outstanding as at 31 December 2024.

The Company monitors its liquidity risk using a cash flow forecast model. This model considers the maturity of its current assets (trade receivables and other financial assets) and projected cash flows from operations. The Company has generated positive cash inflows and there is no shortage of funds. There is no exposure from certificate liabilities since Digital Assets are held as collateral in the equivalent amounts. For the year ended 31 December 2024, net cash from operating activities totaled USD 801 thousand, net cash used in investing activities totalled USD 1.1 million, and net cash used in financing activities totaled USD 98 thousand.

2.2.4. Net Asset Position

The equity of the Company amounted to USD 3.70 million at 31 December 2024 (31 December 2023: equity of USD 1.07 million). Equity consisted of USD 105 thousand paid-up share capital, reserves from capital contributions of USD 630 thousand. The Company reported an accumulated deficit of USD 1.73 billion (2023: USD 527.54 million) resulting from fair value loss and transfer of revaluation reserve upon disposal of digital assets, offsetting with a revaluation surplus of USD 1.74 billion (2023: USD 527.88 million) from digital assets held. The increase in accumulated deficit and revaluation surplus are attributable to the accounting under IAS 38 as discussed under Earnings Position.

The financial position and the net assets of the Company remain strong.

2.2.5. Overall statement on the economic situation

Based on the Board of Directors’ assessment, the Company’s financial situation remains positive. Revenue and other income was characterized by strong growth due to favorable market and regulatory developments, rising cryptocurrency prices, additional product offerings and continued investor interest in ETP products.

3. Risk Report

3.1. Business and Risk Strategy

21Shares operates as a SPV, with its corporate purpose and business activities exclusively focused on the issuance of ETPs backed by digital assets and other eligible underlying assets. This strategic focus on crypto ETPs constitutes the core business activity of the Company. The primary risks stem from the 21Shares’ ability to successfully sustain and expand this specialized business model while effectively managing the inherent risks associated with digital assets. The following risk analysis is primarily based on a qualitative risk assessment, drawing on reasonable judgment and a comprehensive understanding of the underlying factors and market dynamics.

A central risk for 21Shares lies in the market demand for digital assets and its ability to respond to potential market developments and changes in the regulatory landscape. Should demand for digital assets decline significantly in the future and the Company be unable to adapt to these changed market conditions, this could materially impair the business operations of 21Shares. In such a case, the value of the crypto ETP products may decline, adversely affecting the financial stability and results of operations of the Company.

It is important to emphasize that 21Shares does not operate under specific financial supervision or regulation within the meaning of financial market regulation. For the issuance of crypto ETPs, the Company is subject to the respective applicable regulations of the regulated markets on which the ETPs are listed. In order to mitigate these potential risks, 21Shares pursues a proactive risk management strategy that focuses on the continuous monitoring of market conditions and regulatory developments. This includes both strategic adjustments to the product portfolio and close cooperation with leading financial service providers and experts in the field of digital assets. The ability to respond swiftly and flexibly to changes in market and regulatory conditions represents an essential component of the Company’s long-term prospects for success.

3.2. Risks

3.2.1. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company’s total credit exposure.

The Company has no significant credit risks, other than those, which have already been allowed for, nor any concentrations in an industry or geographical region, which carries an unusually high credit risk. Credit risks primarily relating to trade receivables, financial assets and cash balances. The Company closely monitors business partner credit risk and has a due diligence process in place. There is no significant credit risk related to the collectability of the Company’s revenue due to the nature of its products and revenue generating model.

The Board of Directors assesses the credit risk as low.

3.2.2. Counterparty Risk

In its capacity as issuer, the Company is exposed to various counterparty risks arising from transactions and service relationships with a wide range of contractual counterparties. These include, inter alia, custodians, paying agents, market makers, authorized participants of the regulated markets, as well as the regulated markets themselves. The failure of any such counterparty to fulfill its contractual obligations could have a material adverse effect on the Company and its business operations. This applies in particular to reputational risk and settlement risk that may arise from counterparty defaults.

With respect to the custodians, the Company is exposed to the counterparty risk of the institutions with which it holds crypto and commodity assets and fiat money. The risk lies in the possibility that these custodians may fail to properly manage and safeguard such assets. Crypto assets are held in segregated accounts with the custodians in order to ensure protection in the event of the custodian’s insolvency. Nonetheless, the insolvency of a custodian could result in delayed access to the crypto assets serving as underlying assets for the ETPs. In such a case, investors may incur losses due to fluctuations in the prices of these assets.

Further, the Company's crypto collateral is held in wallets controlled by the respective custodians for safekeeping. For the purposes of custody and access, control is defined as the ability to access the private keys that permit the transfer of assets and/or the signing of transactions on behalf of 21Shares. Only the corresponding private key enables disposal of the balance associated with a public address. Loss of private keys will result in the permanent and irreversible loss of access to any cryptocurrency or digital assets held in the associated wallet. To mitigate this risk, custodians employ industry leading practices for key management and maintain market standard insurance policies, however, coverage is limited to specific risks and full recovery of losses is not guaranteed. In addition, the Company employs a multi-custodian approach to further diversify and mitigate concentration risk.

In the event of theft or other incidents (Extraordinary Events), the investor bears the risk of the loss of the underlying assets. In the event of a payment default by the Company, the assets held as collateral will be liquidated to fulfill obligations to the holders of the ETPs in the order stated in the applicable Base Prospectus. The ETPs grant investors no rights to the cryptocurrency or commodity assets held as collateral at the independent custodians. The proceeds from the sale of these assets in an event of default will be distributed in accordance with the established payment priority order. It is possible that the proceeds may not be sufficient to fully cover all liabilities. In such a case, investors may lose part of their investment.

The Board of Directors assesses the counterparty risk as medium.

3.2.3. Regulatory Risks

The legal status of crypto-assets and related services remains inconsistent across jurisdictions worldwide. While regulatory developments are observable, there are still significant differences between jurisdictions concerning the definition, applicability, and enforcement of relevant regulations. The legal classification of digital assets—whether as financial instruments, payment instruments, commodities, or property—has not been conclusively determined in many regions. In some countries, disagreements among regulatory authorities have led to regulatory fragmentation. These uncertainties persist and are further exacerbated by the rapid evolution of the market.

In 2024, new regulatory initiatives were introduced globally. In June 2024, the European Union's *Markets in Crypto-Assets Regulation* (MiCA) entered into force, establishing a unified legal framework for crypto service providers within the European Economic Area (EEA). The entry into force of the Regulation (EU) 2023/1114 (the "**MiCA Regulation**") presents new market opportunities for regulated providers of crypto-financial products and services within the EEA. The creation of a harmonized legal framework for issuers and service providers enhances legal certainty, strengthens institutional investor confidence, and facilitates cross-border product distribution.

At the same time, U.S. regulatory authorities, particularly the *Securities and Exchange Commission* (SEC) and the *Commodity Futures Trading Commission* (CFTC), intensified their enforcement actions. In this context, legal proceedings were initiated against several major market participants, including Binance, Coinbase, and other platforms.

Furthermore, other jurisdictions—including Switzerland, Singapore, and the United Kingdom—have signaled their intent to further develop technology-neutral and innovation-friendly regulatory approaches. In the first quarter of 2024, the *UK Financial Conduct Authority* (FCA) published a revised consultation paper on the future regulation of crypto-assets, proposing a simplified market entry process for structured crypto products.[1]

In certain countries—such as India[2] and China[3]—restrictions on the trading or ownership of specific crypto-assets have been maintained or tightened. Should a general tightening of regulations or a more restrictive interpretation of existing laws occur, this could negatively impact demand for the Company's products that replicate or are linked to digital assets. Such a development could adversely affect the Company's business operations.

The Company pursues listings on regulated markets throughout Switzerland, the European Union and the UK as well as Dubai.

[1] https://www.fca.org.uk/publications/discussion-papers/dp24-4-regulating-crypoassets; https://www.fca.org.uk/publication/documents/crypto-roadmap.pdf
[2] https://www.reuters.com/technology/india-reviewing-crypto-position-due-global-changes-senior-official-says-2025-02-02/?utm_source
[3] https://www.axios.com/2024/07/18/india-china-crypto-regulation-participation; https://krypto-online.de/news/usa-china-handelsstreit/

Despite positive developments within the EU, the Board of Directors continues to assess the regulatory risk as high.

3.2.4. Market Risks

The prices of the products issued by the Company are primarily influenced by factors such as actual and expected market liquidity, macroeconomic and political developments, and speculative trading behavior. In 2024, market volatility in the digital asset sector remained elevated. Monetary policy uncertainties, geopolitical tensions, and significant fluctuations in interest rate expectations led to substantial price movements in cryptocurrencies.

The growing interest from institutional investors, new allocation strategies among family offices, and crypto-related investment mandates from major asset managers are strengthening the market potential for specialized issuers. Furthermore, increasing adoption in retail channels and integration with traditional trading platforms (e.g., via crypto-ETPs on regulated exchanges) are opening new distribution opportunities.

The Company is actively positioning itself to capitalize on these developments through product diversification and market presence in strategically important regions.

The Board of Directors assesses the market risk as high due to the inherent volatility of the crypto sector and its direct impact on revenue and valuation.

3.2.5. Operational Risks

Operational risks encompass potential losses arising from inadequate or defective internal processes, human or technical failures, as well as legal risks (including litigation).

The Company has implemented an internal control system, along with clearly defined governance and compliance structures. Additionally, regular internal and external audits are conducted to ensure the effectiveness of these measures. Despite these precautions, residual risks remain, particularly in light of rapidly evolving market requirements and increasing regulatory complexity.

The growing standardization of business processes, the enhanced use of automation, and the integration of state-of-the-art technological solutions allow the Company to achieve efficiency gains in operational processes.

The Board of Directors assesses operational risk as medium, based on the implemented control mechanisms and previous experience.

3.2.6. Business Risks

Business risks arise from external or internal factors that could impair the Company’s ability to issue or distribute its products as planned. These factors include regulatory obstacles, failures of trading partners, restrictions on the custody or delivery of crypto-assets, and insufficient demand. In the event of market disruptions, audit results, or new regulatory requirements, the Company may be temporarily unable to issue new products or expand existing ones. This could negatively impact revenue development and creditworthiness.

To proactively mitigate potential business interruptions, the Company has implemented appropriate control processes and maintains a broad partner and infrastructure base.

The Company is strategically positioned to benefit from the increasing integration of digital assets into traditional portfolio structures. The expansion of the product portfolio, entry into new markets in North America, Asia, and Latin America, as well as partnerships with asset managers, banks, and foundations, are opening new sales channels.

The Board of Directors assesses this business risk as low.

3.2.7. Risks Associated with Staking

Certain crypto assets can be used for staking, and are subject to the risk of loss of tokens from incurring penalties through a process known as slashing. The two key misbehaviours that incur slashing are downtime and double signing. Where 21Shares is the recipient of the staking rewards, if any, 21Shares will be exposed to such risks. 21Shares has established a robust staking infrastructure and implemented continuous monitoring measures to mitigate operational risks. In addition, the proportion of assets allocated to staking activities is carefully managed, thereby limiting potential exposure. Furthermore, 21Shares has secured partial protection against potential slashing penalties through underlying insurance arrangements.

The Board of Directors assesses the risks associated with staking as low.

4. Forecast Report

4.1. Opportunities and Risks

4.1.1. Growth of the Crypto Market and Institutional Acceptance

The global cryptocurrency market has undergone dynamic growth in recent years, with strong momentum expected to continue into 2025. As institutional adoption accelerates—led by major banks, asset managers, and traditional financial institutions—21Shares is well positioned to capitalize on this trend. The increasing demand for regulated and transparent investment vehicles is driving interest in crypto-ETPs, a segment where 21Shares continues to lead.

The recognition of cryptocurrencies as a legitimate asset class—bolstered by enhanced regulatory clarity and improved security standards—is creating a favorable environment for institutional participation. This shift is amplifying the need for robust investment solutions, reinforcing the strategic relevance of 21Shares' offerings.

In 2025, institutional market growth is expected to be a key driver of expansion in AUM for 21Shares. As more financial institutions and professional investors seek exposure to digital assets, opportunities for new partnerships and distribution channels will multiply. By continuing to tailor its product suite to institutional needs, 21Shares is poised to further solidify its leadership in the crypto-ETP space.

Looking ahead, 21Shares anticipates a continued rise in institutional acceptance of crypto assets. Through strategic partnerships and ongoing product innovation, the company expects to achieve sustained AUM growth and strengthen its position as the go-to provider of institutional-grade crypto investment solutions.

4.1.2. Strategic Expansion of Product Portfolio and Market Positioning

In 2024, 21Shares strengthened its position as a leading provider through continuous development and innovation in the crypto-ETP sector. The company successfully expanded its product portfolio to meet the specific requirements of institutional investors, who are increasingly demanding customized and risk-adjusted investment products. Through these adjustments, 21Shares aims to further diversify its portfolio and continuously expand its offering of advanced crypto-ETPs.

A key milestone in its international expansion was the cross-listing of 21Shares on the London Stock Exchange in 2024 for professional investors. This development presents significant growth opportunities and strengthens 21Shares' position in international markets. Looking ahead to future market strategies, the company plans to further expand its cooperation with the London Stock Exchange, Euronext Milan, Nasdaq Stockholm, and B3 to capitalize on growth potential and establish itself as a leading global provider of crypto-ETPs. Additionally, 21Shares continues to work closely with leading enterprises in the crypto industry to offer innovative solutions tailored to investors' specific needs.

For 2025, the company expects continued rising demand for customized, risk-adjusted crypto investment solutions. 21Shares plans to further expand its portfolio and introduce new products tailored to the evolving needs and demands of institutional investors. This product expansion will allow the company to solidify its market position and further increase growth potential in the crypto-ETP sector.

4.1.3. Impact of the US Elections on the Crypto Industry

With Donald Trump's victory in the 2024 U.S. presidential election, his crypto-friendly regulatory policies are expected to have a significant impact on the digital asset and crypto-financial product markets, including crypto-ETPs.[4] Trump has historically advocated a deregulatory stance toward cryptocurrencies, signaling a potential easing of regulatory requirements.

This political approach could lead to increased institutional adoption and a positive market sentiment for crypto-ETPs. Additionally, 21Shares' expansion strategy in the U.S. market is likely to be favored by these developments, as growth momentum is expected due to increased market activity and investments in digital assets. A crypto-friendly policy could accelerate the growth of crypto-ETPs, expand institutional acceptance, and boost the market capitalization of cryptocurrencies. 21Shares could benefit from this trend by expanding its presence in the U.S. market.

Despite a positive market outlook, regulatory uncertainty and potential shifts in the regulatory landscape under the Trump administration could cause temporary market distortions, affecting 21Shares' business strategies and market access.

[4] https://www.forbes.com/sites/zacheverson/2023/08/11/donald-trump-is-invested-in-cryptocurrency/

It is expected that the crypto-friendly stance of the Trump administration will stabilize the U.S. cryptocurrency market and support the growth of crypto-ETPs, positively impacting 21Shares.

4.2. Business Expansion

4.2.1. International Expansion and Market Penetration

In recent years, 21Shares has successfully expanded into European, Australian and Middle East markets. The company's global presence will be further strengthened in 2025, particularly in regions that are not yet fully developed in the crypto market, such as the rest of Europe or Latin America.

In 2025, the company aims to expand its geographic reach, particularly in Brazil and the Nordic region, where increasing adoption of crypto products is expected. By adapting to local regulatory requirements and partnering with major financial institutions, 21Shares is expected to increase its market share in the coming years.

4.2.2. Diversification and Expansion of Product Portfolio

21Shares is expected to continue diversifying its product portfolio, particularly in multi-token product strategies. This expansion is intended not only to cater to existing clients but also to tap into new investor segments.

For 2025, portfolio growth is anticipated to address the needs of institutional investors as well as the growing demand from retail investors for secure, regulated crypto investment opportunities.

4.3. Increasing Regulatory Requirements

The regulatory landscape for crypto assets is evolving globally, with increasingly stringent requirements in both the European Union (EU) under the MiCA Regulation and in the U.S., where the Securities and Exchange Commission (SEC) is intensifying its regulatory oversight of crypto assets. These regulatory developments present both opportunities and challenges for 21Shares AG.

21Shares is well-positioned to meet regulatory requirements.

The MiCA Regulation was expected to be fully implemented by 2025, playing a crucial role in crypto-asset regulation. In the U.S., additional regulatory measures may be implemented to combat market manipulation and enhance investor protection policies.

21Shares will ensure compliance with new regulatory requirements through ongoing adjustments to its compliance processes, allowing it to continue operating in regulated markets. However, an expanding regulatory framework may introduce additional administrative and operational challenges.

4.4. Forecast

4.4.1. Market Development and Business Outlook

For 2025, 21Shares forecasts continued growth in the crypto-ETP market, driven by rising institutional investments, broader acceptance of crypto assets as an asset class, and increasing regulatory clarity in Europe and North America.

21Shares expects to further expand its market share in key regions in 2025, supported by the launch of new products and partnerships with leading financial institutions.

4.4.2. Outlook for Key Performance Indicators (KPIs)

The business performance of 21Shares in 2024 demonstrates solid alignment with its strategic growth objectives and expectations. Based on the audited financial statements for the year ended 31 December 2024, the following outlook can be made for the key performance indicators:

Assets Under Management Forecast

In 2024, 21Shares successfully expanded its market presence, notably through its listings on the London Stock Exchange and the launch of 11 new ETPs across Europe. As a result, AUM reached USD 4.73 billion by the end of 2024. This achievement, coupled with the success of affiliated activities by its sister company in the United States — particularly the launch of Bitcoin and Ether ETFs — positions the Company for continued AUM growth in 2025, supported by stronger brand recognition and broader product diversification.

Looking ahead, 21Shares forecasts continued growth in the crypto-ETP market in 2025, driven by increasing institutional investment, greater acceptance of crypto assets as a mainstream asset class, and the advancement of regulatory frameworks in Europe (following the election of Donald Trump). Further geographic expansion is anticipated, with new market entries planned, particularly in Latin America.

Strategic partnerships with key players in the crypto industry are expected to further enhance the Company's market positioning. In 2025, 21Shares aims to strengthen its presence in major markets, including Europe and Latin America, through the launch of new products and collaborations with leading financial institutions.

Given the tremendous AUM growth seen in 2024, 21Shares is focused on defending its industry leading market share of crypto ETP assets. Reaching this goal requires strong inflows into the Company's largest products such as ASOL, AXRP, and ABTC as well as continued growth in the remaining portfolio. The Company projects AUM to get over USD 5 billion over the course of 2025.

Revenue Forecast

In the 2024 financial year, 21Shares achieved total revenues of USD 99.0 million which outscores the projections set for the year. The company comfortably exceeded this goal. This development was primarily driven by strong client demand, continued product innovation, and the broader acceptance of crypto-based investment products among institutional and retail investors following the US elections.

For the 2025 financial year, 21Shares anticipates a continued positive trend in revenue development. Assuming that market conditions remain stable, particularly with regard to cryptocurrency market valuations, regulatory environments, and client demand patterns, revenues are expected to rise significantly compared to the previous year. The positive outlook is supported by the forecasted growth in AUM, the expansion of the product portfolio, the strengthening of strategic partnerships with leading financial institutions, referred to as above, and the 21Shares' further penetration into new geographic markets.

The Company's revenue growth is also expected to benefit from broader product diversification and the successful establishment of its brand in key regions such as North America, Europe, and selected emerging markets.

Overall, under the assumption of unchanged market conditions, 21Shares projects a strong increase in its total revenues for the 2025 financial year to continue a strong revenue trajectory history.

4.4.3. Financial Outlook

The financial results of 21Shares are expected to benefit from strong demand for crypto-ETPs, an efficient cost structure, and scalable business models. In 2025, the Company strives to achieve higher growth in revenue, driven by broader institutional interest, product innovation, and go to market strategies. Strong company positioning and market tailwinds result in the expectation of gradually improving profitability margin profiles, enabling the operating leverage embedded in the Company's cost model to increase profit.

5. Conclusion

The outlook for 21Shares for 2025 remains positive overall. The Company will benefit from the increasing institutional acceptance of crypto-ETPs, expansion into new markets, and continuous innovation in crypto products. At the same time, regulatory uncertainties and market risks persist, requiring ongoing monitoring and management. Through proactive adaptation to new regulatory requirements and diversification of its portfolio, 21Shares remains well-positioned to grow as a leading provider in the crypto-ETP industry.

Zurich, 29 April 2025

The Board of Directors

Russell Barlow, CEO

Duncan Moir, President

Edel Bashir, COO

Independent Auditor's Report to the General Meeting of
21Shares AG, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 21Shares AG (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (page 18 to 40).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements for the year ended 31 December 2023 were audited by another statutory auditor who expressed an unmodified opinion on those statements on 26 April 2024.

Key audit Matters

OWNERSHIP OF ON-BALANCE CRYPTO EXPOSURE

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

OWNERSHIP OF ON-BALANCE CRYPTOCURRENCY DIGITAL ASSETS EXPOSURE

Key Audit Matter

The total cryptocurrency digital assets exposure of 21Shares AG (the Company) as of 31 December 2024 amounts to MUSD 4'733.

Managing digital assets bears the inherent risk of a lack of accessibility of the respective digital assets (for instance due to damage or loss of the infrastructure or cyber security incidents). Hence, secure storage of private keys and encrypted master seeds for the restoration of private keys is essential.

For the purposes of custody and access, control is defined as the ability to access the private keys that permit the transfer of assets and/or the signing of transactions on behalf of 21Shares. Only the corresponding private key enables the disposal of the balance associated with a public address, as private keys are required to sign outbound transactions and prove ownership.

As the power of disposal cannot be derived directly from the public addresses managed by 21 Shares AG custody provider alone, there is a risk that assets associated to a public address allocated to the Company could not be accessible if the private keys are lost, damage or cyber security incidents occurred.

Our response

Our audit procedures with respect to digital assets included, among others, the following:

- Obtaining an understanding of the overall process of the handling of crypto assets and testing the design and implementation of key internal controls;
- Receiving and inspecting the service organization's controls report addressing process and controls implemented at the custodian service providers;
- Assessing 21Shares's power of disposal over the crypto assets by performing microtransactions and analyzing information on the blockchain using our own Software Audit Application;
- Examining whether the accounting principles regarding crypto assets have been described and disclosed appropriately.

For further information on the ownership of on-balance cryptocurrency digital assets exposure, refer to the following:
- Note 10 to the financial statements
- Note 20.3 to the financial statements

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

KPMG AG

Romano Feuerstein
Licensed Audit Expert
Auditor in Charge

Jeremy Koschenz
Licensed Audit Expert

Zurich, 29 April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December

in USD	Notes	**2024**	**2023** *
Gross revenue	5	98’950’585	37’868’465
Revenue sharing	6	(14’032’732)	(6’722’763)
Revenue		**84'917'853**	**31'145'702**
Cost of services	7	(5’429’235)	(4’228’635)
Gross profit		**79’488’618**	**26’917’067**
Other operating expenses	7	(1’446’646)	-
Intercompany service fees		(76’872’346)	(26’812’489)
Net fair value gain/(loss) on digital assets	10	(64’744’224)	a)
Net fair value gain/(loss) on certificate liability	15	(2’183’375’924)	a)
Profit (Loss) from operations		**(2’246’950’522)**	**104’578**
Finance income	8	1’967’092	-
Finance costs	8	(230’232)	(45’990)
Profit (Loss) before tax		**(2’245’213’662)**	**58’588**
Income tax (expenses) benefit	9	539’270’631	(19’800)
Profit (Loss) for the year		**(1’705’943’031)**	**38’788**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation gain of digital assets, gross	14	2’248’121’801	a)
Tax effect on revaluation of digital assets		(539’549’232)	a)
Total items that will not be reclassified to profit or loss		**1’708’572’569**	
Other comprehensive income for the year, net of tax		**1’708’572’569**	
Total comprehensive income for the year		**2’629’538**	**38’788**

*reclassified, see Note 4

a) New information - due to service provider data limitation, no information is available for FY 2023. See Note 4.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

ASSETS

in USD	Notes	**31 December 2024**	**31 December 2023**
			*
Current assets			
Digital assets at fair value	10	4’732’950’217	2’340’622’239
Trade receivables	11	203’693	188’527
Other current financial assets	12	25’494’683	19’657’859
Cash and cash equivalents	13	235’783	598’328
Total current assets		**4’758’884’376**	**2’361’066’953**
TOTAL ASSETS		**4’758’884’376**	**2’361’066’953**

EQUITY AND LIABILITIES

in USD	Notes	**31 December 2024**	**31 December 2023**
			*
Equity			
Share capital	14	104’917	104’917
Reserve from capital contributions	14	629’840	629’840
Revaluation surplus	14	1’735’013’101	527’875’694
Accumulated deficit		(1’732’047’074)	(527’539’205)
Total equity		**3’700’784**	**1’071’246**
Current liabilities			
Certificate liabilities	15	4’724’017’849	2’340’622’239
Provisions		354’021	-
Other current financial liabilities	16	388’781	487’037
Trade and other payables	17	30’210’587	18'852’628
Current income tax liabilities		212’355	33’803
Total current liabilities		**4’755’183’592**	**2’359’995’707**
Total liabilities		**4’755’183’592**	**2’359’995’707**
TOTAL EQUITY AND LIABILITIES		**4’758’884’376**	**2’361’066’953**

*reclassified and restated, see Note 4

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

in USD	Notes	**Share capital**	**Reserve from capital contributions**	**Revaluation surplus**	**Accumulated Deficit**	**Total equity**
Reclassified balance as at 1 January 2024		**104’917**	**629’840**	**527’875’694**	**(527’539’205)**	**1’071’246**
Comprehensive income						
Loss for the year		-	-	-	(1’705’943’031)	(1’611’390’608)
Other comprehensive income for the year		-	-	1’708’572’569	-	1’614’020’146
Total comprehensive income for the year		-	-	**1’708’572’569**	**(1’705’943’031)**	**2’629’538**
Transfer of revaluation reserve upon disposal of digital assets	14.3	-	-	(659’783’108)	659’783’108	-
Tax effect of transfer of revaluation reserve upon disposal of digital assets	14.3	-	-	158’347’946	(158’347’946)	-
Balance as at 31 December 2024		**104’917**	**629’840**	**1’735’013’101**	**(1’732’047’074)**	**3’700’784**

in USD	Notes	**Share capital**	**Reserve from capital contributions**	**Revaluation surplus**	**Retained earnings (Accumulated Deficit)**	**Total equity**
Balance as at 01 January 2023		**104’917**	**629’840**	**-**	**297’701**	**1’032’458**
Comprehensive income						
Profit for the year		-	-	-	38’788	**38’788**
Other comprehensive income for the year		-	-	-	-	**-**
Total comprehensive income for the year		**-**	**-**	**-**	**38’788**	**38’788**
Balance as at 31 December 2023 as previously reported		**104’917**	**629’840**	**-**	**336’489**	**1’071’246**
Impact of restatement	4	-	-	694’573’282	(694’573’282)	**-**
Tax effect of restatement		-	-	(166’697’588)	166’697’588	**-**
Balance as at 31 December 2023, restated		**104’917**	**629’840**	**527’875’694**	**(527’539’205)**	**1’071’246**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December

in USD	Notes	**2024**	**2023** *
Profit (loss) for the year		**(1'705'943'031)**	**38'788**
Adjustments for			
Net fair value loss on financial liabilities		2'183'375'924	a)
Net fair value loss on digital assets		62'918'673	a)
Income tax expense (benefit)	9	(539'270'631)	19'800
Other non-cash items		(10'430'430)	-
Changes in			
Trade receivables	11	(15'166)	(32'696)
Other current assets	12	(3'273'786)	2'346'251
Trade and other payables		11'357'959	3'850'722
Provisions		354'021	-
Other current liabilities	16	-	58'997
Income taxes paid	9	(100'053)	(96'262)
Net cash from operating activities		**800'684**	**6'185'600**
Cash flows from investing activities			
Loan provided to related party		(1'064'971)	(7'268'348)
Net cash used in investing activities		**(1'064'971)**	**(7'268'348)**
Cash flows from financing activities			
Proceeds from loans and borrowings		-	-
Repayments of loans and borrowings		(98'258)	-
Net cash used in financing activities		**(98'258)**	**-**
Net decrease in cash and cash equivalents		**(362'545)**	**(1'082'748)**
Cash and cash equivalents as at 1 January	13	598'328	1'681'076
Cash and cash equivalents as at 31 December	13	**235'783**	**598'328**

Non-cash Transactions during the period:	Notes	**2024** a)
Purchase of digital assets		2'215'242'185
Disposal of digital assets		(2'006'403'749)
Issuance of financial liabilities designated at fair value through profit or loss		(2'215'242'185)
Redemption of financial liabilities designated at fair value through profit or loss		2'015'178'421

*reclassified and restated, see Note 4

a) New information - due to service provider data limitation, no information is available for FY 2023. See Note 4.

The accompanying notes are an integral part of these financial statements.

1 Reporting entity

21Shares AG ("21Shares" or the "Company") is a public limited company (AG) incorporated in July 2018 in Switzerland and is a member of the 21.co Group. The Company's registered office is at Pelikanstrasse 37, 8001 Zurich, Switzerland. As a technology and financial services company, 21Shares' principal business activity is to issue cryptocurrency-backed exchange-traded products ('ETP') in Switzerland and worldwide. On 14 February 2020, the Company changed its name from Amun AG to 21Shares AG. The Company was wholly owned by Amun Holdings Limited ("AHL") which changed its name to 21co Holdings Limited effective 10 July 2024. On 28 December 2022, Jura Pentium AG became the direct parent company and sole shareholder of 21Shares (both are subsidiaries of 21co Holdings Limited and under the 21.co Group).

The Company has been established as a special purpose vehicle (SPV) for the purpose of issuing ETPs and other financial products linked to the performance of cryptocurrency assets.

21Shares offers a full range of single asset, basket and index trackers which are available to trade in multiple currencies. These ETPs are fully collateralized by holdings of crypto assets and the products track the financial performance of a single crypto asset or benchmark consisting of a basket of crypto products. In November 2018, 21Shares listed its first ETP on the SIX Swiss Exchange (SIX), and since then, the number of offerings has grown to include over 40 products listed primarily on European exchanges and traded in six currencies (USD, CHF, EUR, GBP, JPY, SEK).

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS. They were authorized for issue by the Company's board of directors on 29 April 2025. They are subject to approval by the shareholder meeting to be held on 29 April 2025. Details of the Company's material accounting policies are outlined in Note 21.

2.2 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
Digital assets	Fair value at balance sheet date
Certificate Liability	Fair value at balance sheet date

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 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.

3 Use of estimates

In preparing these financial statements, management has made estimates that affect the application of the Company's 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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3.1 Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 10 *Digital assets at fair value (intangible assets)* and Note 21.4 *Digital assets at fair value (intangible assets)*
- Note 15 *Certificate liabilities (current)* and Note 21.5 *Financial Instruments*

4 Reclassifications and restatements of financial statements

4.1 Correction of accounting for digital assets at fair value

Nature

During the year ended 31 December 2024, the Company made a correction of its accounting error for digital assets. In the past, the Company classified digital assets as inventory measured at fair value. Gains and losses from fair value changes of digital assets were netted with fair value changes arising from the related certificate liabilities. The Company did not present any gains or losses from fair value changes in the statement of profit or loss and other comprehensive income neither for digital assets nor for certificate liabilities. Effective 31 December 2023, the entity has reclassified digital assets to intangible assets and has applied the revaluation model for their subsequent measurement in accordance with IAS 38, Intangible Assets.

Application

Under the revaluation model for intangible assets, increases in the fair value above the historical cost are recognized in other comprehensive income (OCI) whereas decreases in fair value below the historical cost are recognized in profit or loss, except to the extent that they reverse a previously recognized revaluation surplus for the same asset, in which case the decrease is charged to OCI to reduce the surplus (see accounting policy). Upon disposal of a digital asset, any related revaluation surplus remaining in equity is transferred directly to retained earnings. This transfer is not recognized through profit or loss. There is generally no realized gain or loss on disposal because the carrying amount is revalued at the date of sale / derecognition (see Note 21.4.3).

IAS38 accounting for digital assets has been applied prospectively from 31 December 2023 because it was not practicable to establish the required granularity of information including gains/losses on digital assets either retrospectively, or prospectively from any date before 31 December 2023. Despite making every reasonable effort, reconstructing historical information for gains/losses which should have been recognized in profit or loss under IAS 38 (for digital assets) or under IFRS 9 (for certificate liabilities) in the past was not feasible, mainly due to limitation in the availability of historical data following a change of the service provider in 2023. Therefore, the correction was applied as follows: digital assets were reclassified from inventory to intangible assets for the comparative period (i.e. 31 December 2023). For digital assets which the entity still held on 31 December 2023 the Company determined the revaluation gain, if any, that would have arisen from the acquisition date until 31 December 2023. An amount of USD 527’875’694 (revaluation gain of USD 694’573’282 less related tax effect of USD 166’697’588) was retrospectively reclassified from retained earnings to the revaluation surplus as at 31 December 2023. Revaluation losses on digital assets and revaluation gains or losses on certificate liabilities which would have arisen and been recognized in profit or loss on balance sheet date or at the date of derecognition of digital assets in 2023 could not be determined retrospectively for the reasons explained above. Therefore, the statement of profit or loss and other comprehensive income for the year 2023 has not been restated for these gains and losses and, consequently, the profit presented for the year 2023 is not based on the corrected accounting policy and as such not comparable with 2024.

4.2 Restatement of digital assets at fair value and certificate liabilities

Nature

During the preparation of the financial statements 2024, the Company corrected its interpretation of an arrangement governing two ETPs in partnership with a business partner, which resulted in the exclusion of the relevant ETPs from its certificate liabilities and the corresponding digital assets balances as at 31 December 2024, based on ownership and control assessment. The 31 December 2023 balances have been restated to conform to the 2024 presentation according to IAS 8.

Application

The comparison between the Digital assets at fair value (intangible assets) and the Certificate liabilities (current) as of 31 December 2023 as restated is presented in the table below:

Digital Assets at fair value (intangible assets):

	31 December 2023 restated		**31 December 2023**	
	Units	in USD	Units	in USD
By currency				
Bitcoin	15’269	720’325’809	17’632	750’861’680
Ethereum	182’634	419’365’397	183’127	427’421’598
…	…	…	…	…
Digital assets at fair value		**2’340’622’239**		**2’379’191’668**
Due from (to) brokers and other assets		-		22’643
Balance as at 31 December	**232’406’203**	**2’340’622’239**	**232’409’059**	**2’379’214’311**

Certificate liabilities (current):

	31 December	**31 December**
in USD	**2023**	**2023**
	restated	
Global X 21Shares Bitcoin ETF (EBTC)	-	30’535’871
Global X 21Shares Ethereum ETF (EETH)	-	8’056’201
…	…	…
Total NAV	2’343’365’705	2’381’957’777
Other ETP related assets/ liabilities	(2’743'463)	(2’743'463)
Total ETP liabilities	**2’340’622’239**	**2’379’214’311**

4.3 Reclassification of “Trade and other receivables”

Nature

In the 2024 financial statements, the presentation of Trade and other receivables has been adjusted. This was made to enhance the presentation according to IFRS and to improve the transparency to the stakeholders. The change simply includes reclassifications, and the sums of the modified financial positions have not changed. The adjustment includes a presentation of the receivables from Jura Pentium AG, 21Shares’ parent company, in the other current financial assets. Additionally, trade receivables are presented separately. The other current financial assets have been further disclosed in Note 12.

Application

The financial positions are included in the financial statements as in the table below. It is highlighted that only financial positions affected from the reclassification are shown:

in USD	Notes	**31 December 2023**	**31 December 2023**
		reclassified	
Current assets			
Trade receivables	11	188’527	-
Trade and other receivables (prior year caption)		-	19’846’386
Other current financial assets	12	19’657’859	-
Total current assets		**19’846’386**	**19’846’386**
TOTAL ASSETS		**19’846’386**	**19’846’386**

4.4 Restatement of the Cash Flow Statement

Nature

The 2023 presentation of various captions in the cash flow statements was misstated. This included in particular non-cash transactions being recorded in the cash flow statement as well as mis-allocating items to the cash flow category, resulting in incorrect subtotals for operating, investing and financing cash flows. In addition, certain amounts were presented under incorrect line item captions.

Starting from 2024, non-cash transactions are disclosed separately. The comparative information for certain line items is not provided due to limitation in the availability of historical data following a change in service provider in 2023.

Application

The comparison between the Cash flow statement 2023 as presented and as restated is presented in the table below:

in USD	Notes	**2023** *restated*	**2023**
Profit for the year		**38’788**	**38’788**
Adjustments for			
Changes in fair value of digital assets		-	11’827
Net fair value loss on financial liabilities		a)	-
Net fair value loss on digital assets		a)	-
Income tax expense	9	19’800	-
Other non-cash items		-	-
Changes in			
Trade receivables	11	(32’696)	-
Other current assets	12	2’346’251	-
Trade and other receivables		3’850’722	2’313’555
Other current liabilities	16	58’997	-
Trade and other liabilities (prior year caption)		-	3’850’722
ETP digital and other assets		-	(1’565’431’270)
Income taxes paid	9	(96’262)	-
Net cash flows from operating activities		**6’185’600**	**(1’559’216’378)**
Cash flows from investing activities			
Loan provided to related party		(7’268’348)	-
Net cash flows used in investing activities		**(7’268’348)**	**-**
Cash flows from financing activities			
Repayment of intergroup borrowings (prior year caption)		-	(7’268’348)
Repayments of loans and borrowings		-	(17’465)
Change in due to ETP holders		-	1’565’419’443
Net cash flows from financing activities		**-**	**1’558’133’630**
Net decrease in cash and cash equivalents		**(1’082’748)**	**(1’082’748)**
Cash and cash equivalents as at 1 January	13	1’681’076	1’681’076
Cash and cash equivalents as at 31 December	13	**598’328**	**598’328**

a) New information - due to service provider data limitation, no information is available for FY 2023. See Note 4.

5 Gross revenue

A summary of the Company's revenue for the year 2024 and 2023 are as follows:

in USD	2024	2023
Management Fees	72’083’944	25’645’109
Staking Rewards	25’186’277	11’306’368
Other	1’680’364	916’988
Total Gross revenue	**98’950’585**	**37’868’465**

The Company’s revenue primarily consists of management fees, staking rewards, market making profit share and platform usage fees.

The Company earns revenue by issuing ETPs which track the performance of crypto assets. Management fees (also referred to as Investor Fees) are calculated at each ETP product level at applicable predetermined management fee rate and accrued daily over the period that the ETP is outstanding at the market price of the underlying crypto asset. Fees are generally deducted monthly from the ETP’s assets and transferred in a form of crypto assets to the Group's corporate digital asset accounts. The management fees charged include all the expenses related to the ETP product, including trading fees, custodianship and security fees.

The Company participates in the decentralized computer network that helps to confirm transactions and ensures that those recorded in a crypto’s blockchain are legitimate. Rewards are calculated based on the amount of the crypto assets the Company has made available to the network and other factors. For its contribution to the network, the Company is rewarded with crypto assets which constitute staking rewards. Staking rewards are expressed in USD value at prevailing market price of the crypto asset and accrued daily. Earned staking rewards are made available to the Company periodically and transferred to the Group's corporate digital asset accounts. Staking rewards are measured at the fair value of the additional tokens received, recognized in profit or loss when the entity gains control of the rewards. As a result, staking rewards are recognised as an additional intangible asset, and initially measured at fair value.

Other fees, including making profit share revenue and platform usage fees, are calculated in accordance with the terms of the applicable agreements between the Company and the counterparties. Such income or revenue share is recognized in the income statement monthly after the performance obligation has been satisfied.

Management fee and staking rewards is earned in kind. The revenue accruals are recognized in USD at the daily fair value of the digital assets. For detailed information on the measurement of fair value, please see Note 21.4.4.

6 Revenue sharing

During the normal course of business, the Company may enter into agreements with business partners who provide the initial funding for certain ETP products and become holders of the ETPs. The Company pays the seeding partners a seeding fee calculated based on the management fees generated by the ETP attributable to the seeding partner’s funding on a pro rata basis at a predetermined rebate rate. In addition, the Company may enter into contractual arrangements with business partners where a percentage of revenue and product costs are shared with the business partner in line with its roles and responsibilities in relation to the product issuance, maintenance and distribution. Revenue sharing qualifies as consideration payable to a customer and is, therefore, deducted from gross revenue.

7 Cost of services and other operating expenses

Cost of services are costs incurred that are directly attributable to the issuance and maintenance of ETP products, including but not limited to custodian costs, fund administration/fund accounting costs, transfer agent fees, listing fees at various exchanges.

The following costs are included in the Cost of Services:

in USD	**2024**	**2023** *
Custodian service fees	(2'408'955)	(1'759'261)
Listing fees	(807'212)	(637'110)
Transfer agent fees	(628'968)	(423'413)
Valuation fees	(415'458)	(142'997)
Fund administration fees	(326'571)	(359'309)
Staking costs	(161'136)	(400'184)
Other product costs	(680'934)	(506'361)
Total Cost of services	**(5'429'234)**	**(4'228'635)**

*New Information not presented in prior year's financial statements

During 2024, operating expense in the amount of USD 1'446'646 were recorded on 21Shares AG's books, primarily consist of legal, tax, other professional service fees and marketing expenses. Additionally operating expenses were incurred by Jura Pentium AG, serving as 21Shares' principal service provider and paying external service providers on 21Shares' behalf. Those third-party operating expenses, among compensation expenses, were charged back to 21Shares as part of the intercompany service fees. In 2023, all operating expenses were recognized in Jura Pentium AG's book and charged back to 21Shares as service fees. Refer to additional discussion under Note 19, Related party transactions.

8 Net financial result

in USD	**2024**	**2023**
Finance income		
Interest income - related parties	1'498'064	-
Foreign currency exchange gains	469'028	13'409
Other	-	3'250
Total finance income	**1'967'092**	**16'659**
Finance costs		
Interest expenses due to third parties	(10'209)	(15'077)
Foreign currency exchange losses	(219'556)	(47'572)
Bank charges	(467)	-
Total finance costs	**(230'232)**	**(62'649)**
Net finance result	**1'736'860**	**(45'990)**

9 Income taxes

The major components of income taxes are as follows:

in USD	**2024**	**2023**
Current income tax expense	539'270'631	(19'800)
Total current income taxes	**539'270'631**	**(19'800)**

Reconciliation of income taxes and the accounting profit before tax multiplied by the applicable domestic tax rate:

	2024	2023
Expected income tax rate	24%	24%

in USD	2024	2023
Loss before tax	**(2'245'213'662)**	**58'588**
Expected income tax benefit (expense)	**538'851'279**	**(14'061)**
Tax effect of:		
Other	419'352	(5'739)
Total income taxes	**539'270'631**	**(19'800)**

Current taxes that relate to items that are recognized in other comprehensive income are also recognized in other comprehensive income (refer to Note 14.3 for further details).

There are not deferred tax balances as there are no temporary differences.

There is no tax loss carry forward recognized.

10 Digital assets at fair value (intangible assets)

Due to a prospective error correction as of 31 December 2023 some tables for 2023 do not contain comparative information (refer to Note 4).

Digital assets held by the Company include cryptocurrency assets that are collateral for the certificate liabilities stemming from the issuance of various Exchange-Traded Products (ETPs). Revenues are earned in kind, and these digital assets are frequently transferred to the parent company. As of 31 December, the Company also holds cryptocurrency assets as its own investment.

The Company classifies its digital assets as intangible assets and applies the revaluation model for measurement. Since digital assets are fungible, the Company applies the First-In-First-Out (FIFO) method to carry the historical cost of such assets. Changes in their fair value are recorded either in profit and loss or in other comprehensive income, as detailed in the digital asset accounting policies section.

in USD	31 December 2024	31 December 2023
		*
Current digital assets at fair value	4'732'950'217	2'340'622'239
Total digital assets at fair value	**4'732'950'217**	**2'340'622'239**
thereof held as a collateral for the certificate liability	4'724'017'849	2'340'622'239
thereof held as the Company's own investment	8'932'368	-

*restated, see Note 4

The following digital assets are held by the Company:

	31 December 2024		31 December 2023	
	Units	*in USD*	Units	*in USD*
By currency				
Binance	1'023'681	710'053'957	1'027'385	320'241'056
Bitcoin	13'608	1'294'103'868	15'269	720'325'809
Ethereum	178'804	588'563'169	182'634	419'365'397
Ripple XRP	217'246'258	460'038'240	103'424'081	64'599'295

Pokadot	6'106'433	40'313'278	6'176'408	51'624'834
Polygon	29'257'555	13'244'900	14'569'149	14'233'534
Cardano	108'408'841	90'963'090	101'317'078	61'232'390
Solana	5'831'562	1'155'173'821	5'694'199	603'590'814
Other		380'338'198		85'386'467
ETP digital assets		**4'732'792'521**		**2'340'622'239**
Due from (to) brokers and other assets		157'696		-
Balance as at 31 December	**368'066'742**	**4'732'950'217**		**2'340'622'239**

Digital assets changes during the periods are presented as follows:

in USD	**2024**
Net digital assets at fair value as at 1 January	**2'340'622'239**
Purchases of digital assets	2'215'242'185
Sales of digital assets	(2'006'403'749)
Realised loss on disposals	(87'144'060)
Fair value gains / (losses) on digital assets through profit and loss	22'354'106
Fair value gains / (losses) on digital assets through revaluation surplus (OCI)	2'248'121'801
Balance as at 31 December	**4'732'792'521**

Depending on the existence of an active market, the Company's digital assets are classified in the following fair value hierarchies. Digital assets that have an active market and are freely tradable are valued at fair value and categorized as Level 1 under the IFRS fair value hierarchy:

in USD	**31 December 2024**	**31 December 2023**
Level 1 (quoted price based on an active market))	4'732'950'217	2'340'622'239
Total digital assets at fair value	**4'732'950'217**	**2'340'622'239**

11 Trade receivables

in USD	**31 December 2024**	**31 December 2023**
		*
Trade receivables - third party	203'693	188'527
Total trade receivables	**203'693**	**188'527**

*reclassified, see Note 4

Trade receivables are non-interest bearing and are generally on 30-90 days' terms.

Credit risk is considered as part of the risk disclosures in Note 20. Management has undertaken a review of the credit loss and calculated that the risk of credit loss to be minimal. When calculating the value of this, the amount was considered insignificant to the Company.

12 Other current financial assets

in USD	31 December 2024	31 December 2023
		*
Current assets		
Accrued recievables	4’133’355	1’382’260
VAT receivables	151’158	-
Prepayments	53’166	56’379
Other current receivables	374’746	-
Other current receivable from parent company	20’782’258	18’219’220
Total other current financial assets	**25’494’683**	**19’657’859**

*reclassified, see Note 4

On one hand, the interest-bearing receivables from parent company arise from revenues earned in kind by the Company and transferred to the corporate crypto account of Jura Pentium AG, the parent company. These receivables from the parent company are interest-bearing at the beginning of 2024. On the other hand, Jura Pentium AG provides intercompany services to 21Shares AG which expenses are offset with the outstanding debit balance. The receivables originate from the operational business, is a revolving balance, and are therefore of a short-term nature. The interest rate applied is 4.25% for 2024.

13 Cash and cash equivalents

in USD	31 December 2024	31 December 2023
Cash CHF	18’558	21’409
Cash USD	217’225	576’906
Cash EUR	-	13
Total cash and cash equivalents	**235’783**	**598’328**

Cash and cash equivalents in the statement of financial position and in the statement of cash flows comprise of cash at banks including short-term deposits with an original maturity of three months or less.

14 Equity

14.1 Share capital

The fully paid in share capital of the Company amounts to CHF 100,000 (USD 104,917) and is divided into 5,000,000 registered shares with a nominal value of CHF 0.02 each.

14.2 Reserve from capital contributions

During the financial year ended 31 December 2024 the capital reserves remained unchanged at USD 629,840.

14.3 Revaluation Surplus

	Fair value through OCI		
in USD	Gross	Tax Effect	Net
Balance as at 31 December 2023 *	694’573’282	(166’697’588)	527’875’694
Fair value increase/(decrease) during the year	2’248’121’801	(539’549’232)	1’708’572’569
Transfer of revaluation reserve upon disposal of digital assets	(659’783’108)	158’347’946	(501’435’162)
Balance as at 31 December 2024	**2’282’911’975**	**(547’898’874)**	**1’735’013’101**

*restated, see Note 4.

15 Certificate liabilities (current)

in USD	31 December 2024	31 December 2023
		*
21Shares Aave ETP (AAVE)	8’951’464	1’875’674
21Shares Algorand ETP (ALGO)	11’540’189	4’030’841
21Shares Aptos Staking ETP (APTOS)	1’659’056	-
21Shares Arbitrum Staking ETP (AARB)	2’376’482	545’198
21Shares Avalanche ETP (AVAX)	26’429’023	16’688’286
21Shares Binance BNB ETP (ABNB)	688’268’092	316’667’885
21Shares Bitcoin Cash ETP (ABCH)	11’660’334	6’908’184
21Shares Bitcoin Core ETP (CBTC)	238’722’209	59’331’006
21Shares Bitcoin ETP (ABTC)	851’439’404	533’152’210
21Shares Bitcoin Suisse Index ETP (ABBA)	35’142’341	32’779’197
21Shares Bitwise Select 10 Large Cap Crypto Index (KEYS)	28’618’683	22’091’344
21Shares Bytetree BOLD ETP (BOLD)	16’070’833	6’112’991
21Shares Cardano ETP (AADA)	81’151’477	50’012’914
21Shares Celestia Staking ETP (ATIA)	3’161’667	-
21Shares Chainlink ETP (LINK)	23’154’479	9’126’597
21Shares Cosmos ETP (ATOM)	167’582	2’172’665
21Shares Crypto Basket 10 CORE ETP (HODLX)	21’610’248	9’491’527
21Shares Crypto Basket Equal Weight ETP (HODLV)	14’323’947	6’185’324
21Shares Crypto Basket Index ETP (HODL)	213’807’080	151’710’816
21Shares Crypto Mid-Cap Index ETP (ALTS)	12’946’187	2’960’261
21Shares Decentraland ETP (MANA)	-	1’007’951
21Shares Ethereum Core Staking ETP (ETHC)	34’495’070	4’612’552
21Shares Ethereum Staking ETP (AETH)	473’538’660	346’807’973
21Shares Fantom ETP (AFTM)	16’242’731	2’511’758
21Shares Future of Crypto Index ETP (FUTR)	1’492’093	-
21Shares Immutable ETP (AIMX)	722’449	-
21Shares Injective Staking ETP (AINJ)	2’121’295	-
21Shares Lido Dao ETP (LIDO)	6’008’351	3’320’417
21Shares Maker ETP (AMKR)	1’390’021	-
21Shares Near Protocol Staking ETP (NEAR)	2’740’717	-
21Shares Ondo ETP (ONDO)	2’669’046	-
21Shares Maker ETP (ADOT)	-	534’330
21Shares Polkadot ETP (ADOT)	36’324’902	24’845’973
21Shares Polygon ETP (POLY)	13’092’600	12’863’401
21Shares Pyth Network ETP (PYTH)	1’258’107	-
21Shares Render ETP (RNDR)	1’767’963	-
21Shares Ripple XRP ETP (AXRP)	-	54’689’969
21Shares Short Bitcoin ETP (SBTC)	-	4’893’623
21Shares Short Ethereum ETP (SHETH)	-	289’270
21Shares Solana Staking ETP (ASOL)	1’127’819’805	583’988’576
21Shares Stacks Staking ETP (ASTX)	2’450’181	768’389
21Shares Staking Basket Index ETP (STAKE)	2’692’774	1’395’742
21Shares Stellar ETP (AXLM)	15’918’130	4’305’914
21Shares SUI STAKING ETP (ASUI)	105’896’211	-
21Shares Tezos Staking ETP (AXTZ)	4’568’980	2’329’146
21Shares Toncoin Staking ETP (TONN)	80’833’589	-
21Shares Uniswap ETP (UNI)	7’954’267	-

21Shares XRP ETP (AXRP)	429’735’917	-
21Shares The Sandbox ETP (SAND)	(0)	1’596’857
21Shares Uniswap ETP (USDY)	-	1’527’605
Sygnum Platform Winners Index ETP (MOON)	54’721’657	59’035’456
21Shares Optimism ETP (AOPT)	5’931’795	197’883
Total NAV	**4’723’588’088**	2’343’365’705
Other ETP related assets/ liabilities	429’761	(2’743’463)
Total Certificate liabilities	**4’724’017’849**	**2’340’622’239**

*restated, see Note 4.

Movement in Certificate liabilities:

in USD	**2024**	**2023**
Balance as at 1 January	**2’340’622’239**	**813’794’869**
ETP issued during the period	2’215’242’185	a)
ETP redemption during the period	(2’015’178’422)	a)
Fair value change during the period	2’183’331’847	a)
Balance as at 31 December	**4’724’017’849**	**2’340’622’239**

a) New information - due to service provider data limitation, no information is available for FY 2023. See Note 4.

Certificate liabilities represent the liabilities to investors for all issued ETPs. These liabilities are designated at fair value through profit or loss. All ETPs are 100% physically backed in cold storage at custodians and are therefore directly related to the measurement of the Company’s digital assets. The investors have an option of redemption at any point in time, which is limited to the fair value of the digital assets of the particular ETP. For further information about measurement, see Note 21.5 *Financial instruments.*

Key service providers:

The company entered into Custody Agreements with custodians, including Coinbase Custody Trust Company LLC, Copper Technologies (UK) Limited and Zodia Custody (Ireland) Limited, for each ETP product. These agreements ensure that crypto asset collateral is securely held in segregated collateral accounts, managed through an online portal and subject to security measures. Custodians will follow Company’s instructions for withdrawals and deposits. Multiple collateral accounts may be opened for each series of assets.

NAV Consulting, Inc (the “Administration Agent”) is appointed to provide fund accounting and administration services to the Company in respect of all securities issued under 21Shares AG.

Bank Frick & Co. AG (the “Transfer Agent”) is appointed as transfer agent and to provide record keeping services for purchases and sales of securities traded.

ISP Securities AG (the “Paying Agent”) is appointed to act as the paying agent for each securities issued, ensuring compliance with the regulations of the SIX Swiss Exchange.

16 Other current financial liabilities

in USD	**31 December 2024**	**31 December 2023**
Current liabilities		
Current loans and borrowings	388’781	487’039
Total other current financial liabilities	**388’781**	**487’039**

17 Trade and other payables

in USD	31 December 2024	31 December 2023
Trade payables - third party	26’773’375	16’701’469
Accrued expenses	3’437’212	2’151’157
Total Trade and other payables	**30’210’587**	**18’852’626**

The trade payable third party primarily comprises of outstanding balances in relation to liability arising from an agreement with a business partner. The payment obligation refers to seeding fee rebates generated by the seeded assets under management and the profit share based on the net profit in connection with the products. In March 2025, the liability was fully settled.

18 Commitments and contingencies

The Company has no commitments and contingencies to be disclosed.

19 Related party transactions

As a SPV, 21Shares’ ETP operation is supported by its parent company, other group companies and external service providers.

Jura Pentium AG is the Company’s parent company and principal service provider. In addition, other service entities, such as Jura Pentium Limited in UK and Jura Pentium Inc. in the US also provide services supporting the ETP business. The 21.co Group Master Intercompany Services and Financial Transactions Agreement (the “Agreement”) specifies the services provided and the relevant financial arrangement. Intercompany services provided by the service entities include research, product development and maintenance, investment management and operations, marketing and distribution, legal, compliance, finance, IT and human resource services. The intercompany service fees are calculated at a cost-plus model amongst the service entities and recognized in USD as part of the 21.co Group transfer pricing allocation process and settled periodically in USD or in kind. As 21Shares is a SPV, after deducting expenses on its book, the remaining profit is shared with Jura Pentium AG, its parent company and presented as “Intercompany service fees” on the financial statement. For offsetting purposes, receivables may be netted against payables, and notes receivable against notes payable or due from/due to balances, with the same counterparty or affiliated entities.

In-kind revenue generated by the Company is transferred to Jura Pentium AG and converted into fiat currency to fund its operations and those of affiliates that provide services to the ETP operations. On the other hand, Jura Pentium AG may settle payment obligations to vendors and business partners on behalf of 21Shares. Pursuant to the revolving loan agreement between 21Shaes and Jura Pentium AG, Jura Pentium AG may withdraw from the line of credit for operational needs and repay the outstanding balance and interest periodically. The loan is at arm’s length and carry an interest based on the rate published by the Swiss Federal Tax Administration in its circular letters for the relevant calendar year. The interest rate in effect for 2024 is 4.25%.

In accordance with the 21co Group transfer pricing policy, the Company shares net profit with Jura Pentium AG, its principal service provider operating in Zurich. 21Shares AG recorded USD 76.9 million and USD 26.8 million service fees to Jura Pentium AG during 2024 and 2023 respectively. Intercompany service fees primarily include compensation expense, facility, technology, data, marketing, legal, compliance, tax and other professional service fees.

Additional contribution in kind equivalent of 60'000 USD Coin (USDC), equivalent to USD 60'000, was made on 20 December 2022 by AHL. Following the additional contribution, the Articles of Association of the Company were updated on 16 January 2023 to reflect the fully paid up (voll liberiertes) share capital.

On 28 December 2022 Jura Pentium AG, formerly a sister company of 21Shares AG, became the sole shareholder of 21Shares AG by virtue of a corporate reorganization. This structure change has not affected the operations or business of the Company and was for strategic realignment.

The following transactions occurred with related parties during the year ended 31 December:

in USD	2024	2023
Interest income from other related parties	1’498’064	-
Intercompany service fees (profit share)	(76’872’346)	(26’812’489)

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

in USD	31 December 2024	31 December 2023
Other current receivables from parent company	20'782'258	18'219'220

"Other related parties" are entities that have a common shareholder or common management as the Company.

20 Financial risk management objectives and policies

The Company's principal financial instruments comprise short-term loans, certificate liabilities from issued exchange-traded products and cash. The Company has various other financial instruments such as trade receivables and payables and other financial assets and liabilities, which arise directly from its operations.

It is the Company's policy that no trading in financial instruments shall be undertaken.

20.1 Categories of financial instruments

Financial instruments can be categorized as follows:

- Financial assets measured at amortized costs: cash and cash equivalents, trade receivables, other current financial assets
- Financial liabilities measured at amortized costs: trade payables, other current financial liabilities
- Financial liabilities measured at fair value through profit or loss: certificate liabilities

The carrying amounts of the financial instruments are disclosed in the respective notes.

20.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are mainly affected by price risks.

20.2.1 Price risk

Price risk is the risk that changes in market prices of Digital Assets will affect the Company's income, expenses, Digital Assets and certificate liabilities held at fair value through profit or loss. The market prices of the Digital Assets have an impact on the Company's liabilities. An increase in the Company's Digital Assets goes through OCI whereas the corresponding increase of certificate liabilities for exchange-traded products (ETP) goes through profit or loss. However, there is no effect on the Company's total equity.

The price of Digital Assets can be influenced by several factors, including supply and demand, interest rates, currency exchange rates or future regulatory measures that restrict the trading of Digital Assets or the use of Digital Assets as a form of payment. There is no assurance that Digital Assets will maintain their long-term value in terms of purchasing power in the future, or that commercial Company's will continuously accept payments in Digital Assets.

In the event of an uplift in Digital Asset prices of 5%, the certificate liabilities designated at fair value through profit or loss would also increase in the amount of USD 236'647'511. For Digital Assets, any increase in fair value is recognized as a revaluation surplus within other comprehensive income, increasing equity. Conversely, if the fair value decreases, the decline is first offset against any existing revaluation surplus for the asset. If there is no surplus, or if the decrease exceeds the surplus, the excess loss is recognized as an expense in the statement of comprehensive income. For certificate liabilities, any changes are recognized through profit or loss.

20.2.2 Currency risk

The following exchange rates have been applied during the period:

	Average rate 2024	Closing rate 31.12.2024	Average rate 2023	Closing rate 31.12.2023
USD - CHF	0.8668	0.9043	0.8988	0.8146

Change in the exchange rates is assessed as insignificant.

20.3 Custodian risk

The Company has established relationships with independent third-party custodians for the safekeeping of its crypto collateral. Under these arrangements, the Company's crypto collateral is held in wallets controlled by the respective custodians. The Company does not have the ability to independently instruct transfers of assets and relies entirely on the operational processes and internal controls established by the custodians.

For the purposes of custody and access, control is defined as the ability to access the private keys that permit the transfer of assets and/or the signing of transactions on behalf of 21Shares. Only the corresponding private key enables disposal of the balance associated with a public address, as private keys are required to sign outbound transactions and prove ownership. Loss of private keys will result in the permanent and irreversible loss of access to any cryptocurrency or digital assets held in the associated wallet.

To mitigate this risk, custodians employ industry leading practices for key management, including the creation of secure backup copies of private keys and, in some cases, the use of trusted third-party service providers to safeguard backup materials. Each custodian also maintains market standard insurance policies. Coverage is limited to specific risks such as fraud or theft, and even then, full recovery of losses is not guaranteed.

The custodians utilize hot and cold storage solutions. Cold storage meaning private keys are generated and held offline, with no exposure to the internet. This significantly reduces the risk of cyberattacks or unauthorized access. A portion may be held in hot wallets from time to time to facilitate the settlement of creation, redemption, or rebalance transactions.

The Company actively manages custodian risk through a robust due diligence process prior to the appointment of any custodian. This includes ongoing due diligence reviews and regular performance monitoring. In addition, the Company employs a multi-custodian approach to further diversify and mitigate concentration risk.

The Company's ability to meet its obligations under the ETP is contingent upon the performance of the custodians under their respective custody agreements. The directors have reviewed and considered the credit and counterparty risk associated with each custodian, particularly in light of the materiality of the Digital Assets to the Company's overall financial position. Based on current due diligence and risk mitigation procedures, the directors are of the opinion that counterparty risk remains acceptable.

20.4 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The Company has no significant credit risks, other than those, which have already been allowed for, nor any concentrations in an industry or geographical region, which carries an unusually high credit risk. Credit risks relating to trade receivables and cash balances are monitored regularly. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned in the following notes:

- Note 11 Trade receivables
- Note 12 Other current financial assets
- Note 13 Cash and Cash equivalents

Trade receivables

Trade receivables primarily consist of receivable from business partners for platform usage fees and product setup and maintenance fees. The Company closely monitors business partner credit risk and have due diligence process in place before onboarding vendors and business partners and as part of its ongoing periodic assessment.

Other current financial assets

The other current financial assets represent mainly receivable from Jura Pentium AG, the Company's parent company, and receivable from third parties relating to business partner profit share arrangements. The Company monitors its parent's financial condition and liquidity strength and assesses repayment risk. Third party vendor management policies and controls are in place and periodic due diligence procedures are performed to manage credit risk. Specifically, business partners are subject to financial and reputational due diligence assessment prior to onboarding. In addition, regular reviews of aging reports and financial health are conducted. The Company also closely monitors triggering events such as late payments or negative market news.

Cash and cash equivalents

The Company's cash and cash equivalents are deposited at banks with a high rating and periodic assessment of the financial institutions are in place.

There is no significant credit risk related to the collectability of the Company's revenue due to the nature of its products and revenue generating model as 21Shares collects its revenue from the digital assets held account and reduces the liabilities towards their investors.

20.5 Liquidity risk

The Company monitors its risk to a shortage of funds using a cash flow forecast model. This model considers the maturity of its current assets (trade receivables and other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility using funds from group companies. There is no exposure from certificate liabilities since Digital Assets are held as collateral in the equivalent amounts. The Company maintains the following major liabilities:

	31 December 2024		**31 December 2023**	
31 December 2024 *in USD*	**Maturity less than 1 year**	**Total carrying amount**	**Maturity less than 1 year**	**Total carrying amount**
Certificate liabilities	4'724'017'849	4'724'017'849	2'340'622'239	2'340'622'239
Trade payables	26'773'375	26'773'375	18'852'628	18'852'628
Accrued expenses	3'437'212	3'437'212	2'151'157	2'151'157
Current loans and borrowings	388'781	388'781	487'039	487'039
Total financial liabilities	**4'754'617'217**	**4'754'617'217**	**2'371'234'013**	**2'371'234'013**

Since the ETP Securityholders have the option to redeem the securities any time, the financial liabilities designated at fair value through profit or loss have been classified as due in less than one year. The carrying amount is equal to the fair value of each liability as stated in the statement of financial position.

20.6 Capital risk management

The Company is a special purpose vehicle set up to issue exchange-traded products (ETP). Share capital of CHF 100,000 (USD 104,917) was issued in line with applicable Swiss Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

Based on the business model the company does not need a substantial share capital and has no need for substantive financing from third parties to finance the operations. For all other activities, the Company monitors the capital needs on an ongoing basis.

21 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

21.1 Revenue

Information about the Company's accounting policies relating to contracts with customers is provided in Note 5 and 6.

21.2 Finance income and finance expenses

Interest income or expense is recognised using the effective interest method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

21.3 Income taxes

Income tax expense comprises current tax expenses. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income in which case income tax is also recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

21.4 Digital assets at fair value (intangible assets)

Digital assets held by the Company comprising cryptographic assets are classified as intangible assets. These assets are initially recognized at cost upon acquisition and subsequently measured under the revaluation model.

21.4.1 Useful life and amortization

The Company considers digital assets to have an indefinite useful life, as they do not have a foreseeable limit to the period over which they are expected to generate economic benefits, given their non-physical nature and ongoing use for collateral for the certificate liability. Consequently, no amortization is applied.

21.4.2 Acquisition cost

This value is typically based on the transaction price at the time of purchase.

Digital assets are fungible in nature, meaning individual units are interchangeable and lack unique characteristics. As such, the Company determines the historical cost for each digital asset using a FIFO approach. The cost as at acquisition comprises typically the transaction price at the time of purchase plus any fees paid or the fair value of the digital asset when received as a non-cash consideration in accordance with the accounting policy for revenue recognition.

21.4.3 Revaluation model

Under the revaluation model, digital assets are revalued to fair value on an ongoing basis.

Revaluation gains: Increases in fair value above the historical cost are recognized in other comprehensive income (OCI) and accumulated in equity within a revaluation surplus reserve. This surplus is presented net of any applicable deferred tax effects.

Revaluation losses: Decreases in fair value below the historical cost are recognized in profit or loss, except to the extent that they reverse a previously recognized revaluation surplus for the same asset, in which case the decrease is charged to OCI to reduce the surplus.

Realized gains and losses: Upon disposal of a digital asset, any related revaluation surplus remaining in equity is transferred directly to retained earnings. This transfer is not recognized through profit or loss. There is generally no realized gain or loss on disposal because the carrying amount is revalued at the date of sale / derecognition.

21.4.4 Fair value measurement

The Company uses digital assets spot prices which are derived from CryptoCompare, Vinter API and BitWise daily at 5pm CET. This provides a reliable and transparent reference for the prices of digital assets, which are also used to determine the values of the ETPs.

21.5 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at the trade date at which the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to their acquisition or issue. Trade receivables that do not contain a significant financing component are measured initially at the transaction price.

Subsequent measurement of financial assets

All financial assets are subsequently measured at amortised cost. They include cash and cash equivalents, trade receivables, other current financial assets.

Subsequent measurement of liabilities

Certificate Liabilities are designated as financial liabilities at fair value through profit or loss. This classification reflects the nature of the certificate liabilities as instruments that are managed and for which performance is evaluated on a fair value basis. Net fair value gains and losses directly relate to the underlying Digital Assets and includes all realised and unrealised fair value changes and foreign exchange differences. Any gains and losses arising from changes in the fair value of the certificate liabilities are recorded in the net fair value gain/(loss) on certificate liability in the Statement of profit or loss. Please refer to Note 21.4.4 *Fair value measurement* for detailed information about the calculation of fair value.

Other financial liabilities are initially measured at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and loss are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

21.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

A number of the Company's accounting policies and disclosures require the measurement of fair values (see Note 2.2).

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

22 Segment reporting

For management purposes, the Company is organized into one main segment which issues crypto ETP. The Company offers cryptocurrency exchange-traded products (ETPs) investments products for institutional and retail investors. 21Shares has issued ETPs on 13 different exchanges. There is no reliance on a single investor which exceeds 10% of 21Shares revenues. The entity acts as special purpose vehicle and all activities are inter-related, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the entity as one segment. The financial results from this segment are equivalent to the financial statements of the entity.

23 New IFRS standards

Several new accounting standards and interpretations have been published. The newly effective requirements as of 2024 had no impact on the Company's' financial statements. Forthcoming requirements that are not mandatory for reporting periods ending 31 December 2024 have not been early adopted by the Company. Except for the changes of IFRS 18, these standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Newly effective requirements		**Effective date**
IFRS 16	Lease Liability in sale and leaseback - amendment	January 2024
IAS 1	Classification of liabilities as current or Non-current and Non-current liabilities with covenants	January 2024
IAS 7	Statement of Cashflows and Financial instruments: Disclosures	January 2024

Forthcoming requirements		Effective date	Planned application
IAS 21	Lack of Exchangeability - Amendment	January 2025	
IFRS 9 & 7	Classification and measurement of financial instruments	January 2026	
IFRS 9 & 7	Contracts referencing nature-dependent electricity	January 2026	
IFRS 18	Presentation and disclosure in financial statements	January 2027	
IFRS 19	Subsidiaries without public accountability: disclosures	January 2027	
IFRS 10 & IAS 28	Sale or Contribution of assets between an investor and its associate or joint venture	to be determined	

On 9 April 2024, the International Accounting Standards Board (IASB) has published its new standard IFRS 18 *Presentation and Disclosures in Financial Statements* that will replace IAS 1 *Presentation of Financial Statements*. The new standard aims at improving how entities communicate in their financial statements and will be effective for annual periods beginning on or after 1 January 2027. Management is currently assessing the impact on the Company's financial statements.

24 Audit fees and additional fees

During 2024, KPMG charged 21Shares AG approximately USD 472'500 for the 2024 financial year for services in connection with auditing the annual financial statements according to Swiss Code of Obligations and IFRS. For additional services, primarily non-financial assurance services and tax advisory, KPMG charged approximately USD 270'000.

25 Subsequent events

The Company has evaluated subsequent events through 29 April 2025, the date on which the financial statements were approved for issuance. Based on this evaluation, the Company has determined that there were no material subsequent events that require adjustment or disclosure in the financial statements.