

**21Shares AG**

**Interim Financial Report**

**For the six months ended 30 June 2024**

in accordance with IAS 34 'Interim Financial Reporting'

**Directors**

Ophelia Snyder (appointed on 18 October 2018)  
Hany Rashwan (appointed on 27 July 2018)

**Registered number**

CHE-347.562.100

**Registered office since September 2023**

Pelikanstrasse 37  
8001 Zurich  
Switzerland

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## **21Shares AG**

### **Management Report**

#### **For the Six Months Period Ended 30 June 2024**

The Directors of 21Shares AG (“21Shares” or “the Company”) present the annual report and the unaudited financial statements for the six months period ended 30 June 2024.

#### **Directors' responsibility statement**

The Directors are responsible for preparing this Management Report and the financial statements in accordance with applicable law and regulations. Applicable company laws require the Directors to prepare financial statements for each financial period. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standards (IAS 1) require that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

#### **Fundamentals of the Company**

21Shares was incorporated (in a founders' meeting) on 20 July 2018 and registered on 27 July 2018 in Zug, Switzerland, as a stock corporation under Article 620 et seq. of the Swiss Code of Obligations in the Commercial Register under number CHE.347.562.100. The Company changed in September 2023 the registered office to Pelikanstrasse 37, 8001 Zurich, Switzerland.

Since 28 December 2022, 21Shares has been a wholly owned subsidiary of Jura Pentium AG whose registered address is at Pelikanstrasse 37, 8001 Zurich, Switzerland and registered in the Commercial Register under number CHE-345.211.664. Prior to 28 December 2022, the sole shareholder of 21Shares was 21co Holdings Limited (formally Amun Holdings Limited). 21co Holdings Limited remains the ultimate parent company of 21Shares and 21.co group.

The Board of Directors currently consists of two members, Hany Rashwan (Chairman) and Ophelia Snyder. Both directors are executive directors.

The Company's Legal Entity Identifier (LEI) in its capacity as an issuer of exchange traded products ("ETPs") is 254900UWHMJRRODS3Z64. The Company's websites are available at 21shares.com and 21.co.

21Shares offers the largest suite of cryptocurrency ETPs in the world, making cryptocurrency investing more accessible. In 2018, the Company launched the world's first crypto ETP on the SIX Swiss Exchange - the 21Shares Crypto Basket Index ETP product (HODL). As of 30 June 2024, 21Shares offered 42 exchange-traded products and two exchange-traded funds available across Europe, Australia and the Middle East in CHF, EUR, GBP, SEK, JPY and USD. Currently, the products are listed on the following exchanges: SIX Swiss Exchange, Cboe BZX Exchange, Inc., Deutsche Börse, Euronext Paris, Euronext Amsterdam, Nasdaq Stockholm, Wiener Börse, BX Swiss, Nasdaq Dubai and made available on a number of other Multilateral Trading Facilities ("MTFs").

The Issuer's exchange-traded products are issued and admitted to trading on the SIX Stock Exchange pursuant to a prospectus as amended from time to time. Products available and admitted to trading on regulated markets within the European Union are available pursuant to a prospectus as amended from time to time (the "EU Prospectus"). The EU Prospectus has been approved by the Swedish Financial Services Authority in accordance with European Union Regulation (EU) 2017/1129. In addition, the Company has chosen Germany as its Home Member State pursuant to section 4 of the WpHG for the purposes of the EU Transparency Directive 2004/109/EG.

21Shares is not authorized or regulated by FINMA or any other regulatory authority.

## **Economic Report**

### **Economic framework conditions and outlook**

So far in 2024, the crypto and broader financial markets have navigated a complex macro environment characterized by both challenges and opportunities.

The most notable development this year was the approval of Bitcoin Spot ETFs in the U.S., marking it the most successful ETF launch in financial history. This event underscores the growing institutional interest in Bitcoin, now increasingly regarded as an international asset.

The Bitcoin halving in April 2024 has further heightened market expectations, coinciding with Bitcoin and Ethereum ETF approvals in Hong Kong and ETPs for professional investors in the UK. While these events

underscore the momentum in crypto adoption, the market also faced selling pressure over the summer due to major liquidation events, including former exchange Mt. Gox, the German government, and crypto-trading business Genesis. Geopolitical tensions, notably the conflict in the Middle East, alongside the ongoing Ukraine-Russia war, added to market uncertainty.

Macroeconomic conditions have shown some improvement, particularly with the Federal Reserve's recent rate cut and the potential for further easing. Inflation is slowly cooling and the influx of liquidity has bolstered risk-on assets like Bitcoin. Nevertheless, risks remain. Recession fears persist, as reflected in an inverted yield curve and higher unemployment.

Additionally, Bitcoin and crypto have taken on a more political dimension in the U.S. Regardless of the presidential election's outcome, the increased attention on crypto seems to be a net positive for crypto's future. Tokenization continues to gain traction, with financial institutions increasingly embracing permissionless blockchain technology. Stablecoins remain another key product with strong market fit, with nearly \$180 billion in circulation and transaction volumes that continue to grow.

The directors remain optimistic despite persistent geopolitical and economic challenges. The approval of Bitcoin and Ethereum ETFs across major financial markets, the expanding use cases of tokenization, and regulatory progress such as MiCA in Europe are laying the groundwork for a more robust and secure ecosystem. With central banks easing monetary policy and liquidity entering the market, combined with historically positive market conditions in Q4, the outlook for the remainder of the year is positive.

### **Business results of the Company**

During the first half of 2024, the Company made a profit of USD42 thousand despite the challenges of the overall economic condition and the market volatility. Gross revenue totaled USD45.9 million for the first half of 2024 (2023 half year: USD18.3 million), mainly from management fee income and staking rewards.

Management fees represent the Company's main source of income and are determined by the amount of Assets Under Management ("AUM"), the predetermined management fee rate, and the price of cryptocurrencies. The Company earned a gross management fee of USD32.3 million and USD25.7 million net of revenue share (2023 half year: USD11.9 million gross and USD8.4 million net). The Company also earned staking rewards of USD12.7 million (2023 half year: USD6 million) from participating and contributing to the various blockchain networks. The revenue generated was offset by cost of sales and intercompany service fees. Cost of sales relate to direct expenses related to our revenue streams. Intercompany service fees are accounted for through transfer pricing.

2024 half year expenses include mainly cost of sales of USD2.8 million (2023 half year: USD1.7 million) and intercompany service fees of USD36.4 million (2023 half year: USD13.1 million). The Company also recorded a financial loss of USD6 thousand (2023 half year: USD6 thousand). Foreign exchange gains were USD24 thousand (2023 half year: USD49 thousand). This resulted in an after tax profit for the half year period of USD42 thousand (2023 half year: net profit of USD17 thousand).

### **Financial position of the Company**

We continue to see an increase in New Net Assets (“NNA”) during the first half of the year. The Company’s total assets increased from USD2.4 billion at 31 December 2023 to USD3.4 billion as of 30 June 2024, mainly due to the NNA and the rise in the prices of underlying cryptocurrencies.

The Company had cash and cash equivalents of USD830 thousand at 30 June 2024 (31 December 2023: USD598 thousand) held in deposit accounts at financial institutions.

Trade and other receivables were USD26.1 million at 30 June 2024 (31 December 2023: USD19.8 million), consisting of receivables due from affiliates and third parties.

Portfolio assets of USD3.3 billion at 30 June 2024 (USD2.4 billion at 31 December 2023) is in the form of cryptocurrencies held at the Company's custodians. The significant increase is due to the rise in the prices of underlying cryptocurrencies and NNA. Net AUM inflows measured in cryptocurrency units remained positive during the first six months of 2024.

The Company has always been able to meet its payment obligations in the 2024 financial year to date.

### **Risk report**

As a special purpose vehicle, the Company's corporate purpose and business focus are exclusively the issuance of ETP products with digital assets and other eligible assets as underlyings. The primary risks for the Company relate to its ability to operate that business and the risks associated with digital assets.

If digital assets become less in demand in the future and the Company is unable to adapt to such changed circumstances, the Company may not be able to successfully continue its business and the value of the ETP products may decline.

### ***Credit risk***

The Company maintains collateral of at least 100% of its obligations to holders of the ETPs. Despite this collateralisation, the creditworthiness of the Company in its capacity as Issuer may affect the market value of products and in the event of default, insolvency or bankruptcy, investors may not receive the amount based on their coin entitlement of the ETPs. .

The Company, in its capacity as Issuer, is exposed to the credit risk of a number of counterparties with whom it enters into transactions and receives services in connection with the ETPs. These include, but are not limited to the Administrator, the Wallet Provider, the Depositaries, the Paying Agents, the Market Makers, the Authorised Participants and the Exchanges.

Consequently, the Company, in its capacity as Issuer, is exposed to risks, including credit risk, reputational risk and settlement risk, arising from the failure of any of its counterparties to perform their respective obligations. If such risks materialise, it may have a material adverse effect on the Company's business and financial condition.

In relation to the depositary, the Company is exposed to the credit risk of the depositary institutions with which it holds cash and other crypto assets. Credit risk in this case is the risk that the depositary holding a financial instrument (cash or crypto) will fail to perform an obligation or commitment to the Company. The crypto assets of the Company in its capacity as issuer of ETPs are held by the custodians in segregated accounts which are intended to be protected in the event of an insolvency of the custodians. However, insolvency of a custodian may result in delayed access to crypto assets serving as underlying assets or underlying components, including those serving as collateral for ETPs. In such a situation, investors may suffer a loss due to fluctuations in the price of the assets.

It should be noted that no party, any depositary or the Company in its capacity as issuer of the ETPs, is liable for the loss of the underlying assets or the underlying components despite appropriate monitoring, control and warning systems. In the event of theft, the liability lies solely with the investor.

In the event of default by the Company, the assets held by the Company as collateral for the ETPs may be sold in order to meet the obligations towards holders of ETPs. The ETPs grant investors rights in the cryptocurrencies deposited or in the security interests of the independent collateral agent. Cash proceeds of the sale of any of those assets will be paid in the priority order of payments applicable to the products, with ETP investors first in the priority order. However, these proceeds may not be sufficient to meet all obligations and make all payments due on the securities. In these circumstances, investors may not recover the full value of their securities and may suffer a loss on their investment.



Management assesses credit risk at a medium level.

### ***Regulatory risks***

The legal status of crypto assets and services vary widely from country to country. In addition, the legal treatment of digital assets is often unclear, and there is uncertainty as to whether the underlying digital assets are a security, money, commodity or property. In some countries, different government agencies define crypto assets differently, leading to regulatory conflict and uncertainty. This uncertainty is exacerbated by the rapid evolution of regulations. Some countries may explicitly restrict, prohibit or limit the acquisition, use, trading or redemption of digital assets in the future. In such a scenario, the ownership or trading of securities replicating or linked to digital assets, such as the Company's products, could be deemed illegal and subject to sanctions.

However, in recent years, numerous large and established banks and asset managers have invested in companies in the cryptocurrency space or have become involved with investments in cryptocurrencies. This trend appears to be significant and ongoing in nature these days. Numerous financial regulators have now generally accepted that cryptocurrencies are likely to remain as an asset class and, accordingly, have adopted a pragmatic stance to address this growing interest in cryptocurrencies by the investment community, for example by providing an EU wide regulatory framework for crypto assets (MiCA) or by the FCA accepting crypto as underlying for financial products listed on the London Stock Exchange. The Company is therefore pursuing the objective of making its products more geographically accessible to a wider audience in part as a diversification strategy to mitigate this risk.

It is difficult to predict how the regulatory outlook and policies regarding cryptocurrencies could and will change. A shift to a generally more negative view could lead to a curtailment of investor appetite and a decline in relevant business activity. For example, there have been a number of enforcement actions in the U.S., including actions against Kraken, Terraform Labs, Genesis, and Gemini. It therefore remains to be seen whether the U.S. and other jurisdictions' regulatory enforcement approach to cryptocurrencies will change in the future.

Management assesses the regulatory risk as high.

### ***Market risk***

The prices of the Company's products are determined by forces such as actual market volatility, expected market volatility and other economic and financial conditions and trading speculation. Market volatility may cause the Company to incur losses despite hedging arrangements. The Company, in its capacity as Issuer, is highly sensitive to this market volatility.

As an example of the products' unpredictable volatility, most cryptocurrencies grew more than 105% in 2023 from their respective all-time highs in November 2021, increasing hundreds of billions of dollars in market value.

The management assesses the market risk as high.

### ***Operational risk***

Operational risks are risks associated with losses that the Company may incur due to incorrect or inadequate processes, as well as errors that may be caused by people or systems and legal risks (including litigation).

Inadequate controls may adversely affect hedging arrangements, which may adversely affect the Company's results of operations and financial condition. As a result, the Company's operations and financial condition are subject to operational risks. However, the Company has appropriate risk management processes in place.

The management assesses the operational risk as low.

### ***Business risk***

If the Company fails an audit of its compliance, or if the Company is found to be in violation of applicable regulations, new laws or ordinances, and if the delivery of crypto assets is restricted or the approved exchanges are disrupted, the Company may not be able to issue additional securities, which may affect the Company's performance and creditworthiness in its capacity as an issuer. Corresponding risk control processes have been established.

Management classifies the business risk as low.

### **Regulatory developments**

Some of the recent and more significant developments in the regulation of digital assets include:

- In September 2020, the European Commission published a proposal for a Regulation on Markets in Crypto-assets (MiCA). The regulation came into force on 29 June 2023 and its provisions are effective in the member states from 1 January 2025. Once formally adopted and implemented, MiCA will be one of the first unified and comprehensive regulatory frameworks for digital assets in the world.

- The United States and other jurisdictions took and started a number of enforcement actions in 2023 regarding the cryptocurrency space. These related to a range of alleged breaches including unregistered securities offerings, unregistered exchange activities, and yield and other discretionary investment products. In addition, a number of prominent US cryptocurrency companies have been sued by the SEC and other government agencies, and that litigation is expected to continue in 2024.
- In January 2024 the SEC approved the first Spot Bitcoin ETFs in the US, leading to a broader acceptance of cryptocurrencies in the US and worldwide.
- Regulators have continued to focus on prudential regulation, with a particular focus on stablecoins, payment services, capital controls, and anti-money laundering compliance.

### **Events after the reporting period**

No significant events occurred after the end of the reporting period. The Company continues to launch new products and has included three new ETPs in its product suite so far in 2024, including ETPs with Injective, Sui, and Immutable as underlyings. We look forward to a strong second half of the year ahead.

21Shares AG

26 September 2024,

Zurich, Switzerland

The Board of Directors



Hany Rashwan



Ophelia Snyder

## 21Shares AG

### Statement of Financial Position

(in United States Dollars)

	Notes	30 June 2024 USD	31 December 2023 USD
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	4	24,142,682	19,846,386
ETP Products - Digital assets and other		3,344,417,133	2,379,214,311
Cash and cash equivalents		830,163	598,328
<b>Total assets</b>		<b>3,369,389,978</b>	<b>2,399,659,025</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	23,443,517	18,886,431
Due to ETP holders		3,344,417,133	2,379,214,311
Short-term borrowings	6	415,891	487,037
<b>Total current liabilities</b>		<b>3,368,276,541</b>	<b>2,398,587,779</b>
<b>Total liabilities</b>		<b>3,368,276,541</b>	<b>2,398,587,779</b>
<b>Net assets</b>		<b>1,113,437</b>	<b>1,071,246</b>
<b>Shareholder's equity</b>			
Paid-up share capital		104,917	104,917
Reserves from capital contributions		629,840	629,840
Retained earnings		336,489	297,701
Profit for the period		42,191	38,788
<b>Total shareholder's equity</b>		<b>1,113,437</b>	<b>1,071,246</b>
<b>Total liabilities and shareholder's equity</b>		<b>3,369,389,978</b>	<b>2,399,659,025</b>

The accompanying notes form an integral part of the financial statements

## 21Shares AG

### Statement of Profit or Loss and Other Comprehensive Income For the Six Month Period Ended 30 June

(in United States Dollars)	Notes	30 June 2024 USD	30 June 2023 USD
Gross revenue	7	45,861,301	18,291,997
Revenue sharing		(6,602,118)	(3,429,933)
Cost of sales		(2,822,513)	(1,740,722)
<b>Gross profit</b>		<b>36,436,670</b>	<b>13,121,342</b>
Intercompany service fees	8	(36,384,667)	(13,142,545)
<b>Profit/(loss) from operations</b>		<b>52,003</b>	<b>(21,203)</b>
Financial income/(expenses)		(5,759)	(5,784)
Foreign exchange gains		9,276	49,176
<b>Profit before tax</b>		<b>55,520</b>	<b>22,189</b>
Income tax expense		(13,329)	(5,000)
<b>Profit for the period</b>		<b>42,191</b>	<b>17,189</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<b>42,191</b>	<b>17,189</b>

The accompanying notes form an integral part of the financial statements

## 21Shares AG

### Statement of Changes in Equity for the Period Ended 30 June

(in United States Dollars)

	Paid-up share capital	Reserves from capital contributions	Retained earnings and profit for the period	Total equity
	USD	USD	USD	USD
<b>At 1 January 2023</b>	<b>104,917</b>	<b>629,840</b>	<b>297,701</b>	<b>1,032,458</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	17,189	<b>17,189</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>17,189</b>	<b>17,189</b>
<b>Contributions by and distribution to shareholder</b>				
Paid-up share capital	-	-	-	-
<b>Total contributions by and distributions to shareholder</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2023</b>	<b>104,917</b>	<b>629,840</b>	<b>314,890</b>	<b>1,049,647</b>
	Paid-up share capital	Reserves from capital contributions	Retained earnings and profit for the period	Total equity
	USD	USD	USD	USD
<b>At 1 January 2024</b>	<b>104,917</b>	<b>629,840</b>	<b>336,489</b>	<b>1,071,246</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	42,191	<b>42,191</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>42,191</b>	<b>42,191</b>
<b>Contributions by and distribution to shareholder</b>				
Paid-up share capital	-	-	-	-
<b>Total contributions by and distributions to shareholder</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2024</b>	<b>104,917</b>	<b>629,840</b>	<b>378,680</b>	<b>1,113,437</b>

The accompanying notes form an integral part of the financial statements

## 21Shares AG

### Condensed Statement of Cash Flows for the Period Ended 30 June

(in United States Dollars)

	30 June 2024 USD	30 June 2023 USD
<b>Cash flows from operating activities</b>		
Profit for the period	42,191	17,189
<b>Changes in operating assets and liabilities:</b>		
Change in trade and other receivables	(4,296,296)	(865,156)
Change in trading portfolio of assets	(965,202,822)	(343,962,892)
Change in trade and other liabilities	4,557,086	2,867,347
<b>Net cash outflow from operating activities</b>	<b>(964,942,032)</b>	<b>(341,960,701)</b>
<b>Cash flows from financing activities</b>		
Change in intergroup borrowings	-	(3,437,230)
Change in short-term borrowings	(71,146)	(56,809)
Change in due to ETP holders	965,202,822	343,962,892
<b>Net cash inflow from financing activities</b>	<b>965,131,676</b>	<b>340,468,853</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>231,835</b>	<b>(1,474,659)</b>
Cash and cash equivalents as at start of the period	598,328	1,681,076
<b>Cash and cash equivalents as at the end of the period</b>	<b>830,163</b>	<b>206,417</b>

The accompanying notes form an integral part of the financial statements

# 21Shares AG

## Notes to the Financial Statements for the Six months Ended 30 June 2024

### 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 21co Holdings Limited ("21HL", formally Amun Holdings Limited). 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 21co Group).

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

21Shares offers a full range of single asset, short, 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 42 products listed primarily on European exchanges and traded in six currencies (USD, CHF, EUR, GBP, JPY, SEK).

### 2 Basis of preparation

These unaudited financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They were authorised for issuance by the Company's board of directors on 26 September 2024. In preparing these set of financial statements, management has made judgements, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these statements are to be read in conjunction with the annual financial report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Certain comparative figures have been reclassified to conform to the current period presentation.

### 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

Due to ETP Holders  
ETP digital and other assets

#### Measurement basis

Market value at balance sheet date  
Market 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.

### 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 Accounting policies

#### Changes in accounting policies and new accounting pronouncements

##### New Standards, interpretations and amendments adopted as at 1 January 2024

The Company has applied the following amendments for the first time for its annual reporting period commencing 1 January 2024:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

The adoption of the amendments has had no significant impact on the financial statements of the Company as at 30 June 2024.

##### Revenue recognition

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 on a daily basis over the period that the ETP is outstanding at the market price of the underlying crypto asset. Fees are deducted from the ETP's assets and transferred over in a form of crypto assets to the Group's corporate digital asset account periodically. The management fees charged include all of 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 on a daily basis. Earned staking rewards are made available to the Company and transferred to the Group's corporate digital asset account periodically.

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

##### Financial instruments

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

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

##### Cash and cash equivalents

Cash and cash equivalents represents cash held in deposit accounts at financial institutions.

#### 4 Trade and other receivables

	30-Jun-2024	31-Dec-2023
	USD	USD
Intergroup Receivables	18,986,074	18,219,220
Accrued Receivable	4,683,558	1,382,260
Accounts Receivable	219,710	188,527
Prepayments	253,341	56,379
<b>Total</b>	<b>24,142,682</b>	<b>19,846,386</b>

#### 5 Trade and other payables

	30-Jun-2024	31-Dec-2023
	USD	USD
Accounts Payable	19,003,182	14,343,991
Accrued Expenses	4,420,915	4,542,440
Other	19,420	-
<b>Total current liabilities</b>	<b>23,443,517</b>	<b>18,886,431</b>

#### 6 Short-term borrowings

The Company was granted a Line of Credit ("LOC") for a maximum amount of USD 568'518 (CHF 510'203) as part of the COVID-19 Start-up Loan Guarantee program in 2020 from Bank Zarattini & Co. SA in its role as a lender. The LOC bears interest rate of 3 months average SARON rate plus a spread. The Company had a balance of USD 386'111 (CHF 347'671) outstanding as at June 30, 2024. The Company intends to reduce the loan balance within a year.

#### 7 Gross Revenue

A summary of the Company's revenue for the six month period are as follows:

	30-Jun-2024	30-Jun-2023
	USD	USD
Management Fees	32,335,070	11,864,888
Staking Rewards	12,668,394	5,966,246
Other	857,837	460,863
<b>Total</b>	<b>45,861,301</b>	<b>18,291,997</b>

#### 8 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, Jura Pentium Inc., and Jura Pentium Limited are the intra group service providers for 21co Holdings Limited affiliated business entities and manage corporate activities for the group. Intercompany service costs are settled internally through transfer pricing. In accordance with the 21co Limited group company transfer pricing policy, the Company pays intercompany service fees to Jura Pentium AG Holdings, its primary service providers operating in Zurich.

Details of the intergroup receivable/(payable) balances between the Company and its related parties are disclosed below:

	30-Jun-2024	31-Dec-2023
	USD	USD
Jura Pentium AG	18,986,074	18,219,220
<b>Net intercompany receivable</b>	<b>18,986,074</b>	<b>18,219,220</b>

#### 9 Events after the reporting period

New listings and delistings are a routine practice in the ETP industry. Since 30 June 2024, the Company has listed three additional ETPs (AINJ, AIMX, and ASUI).