

# 21SHARES

(Formerly Amun AG)

**Interim Financial Statements for the six months ended 30 June 2020**

**Directors** Ophelia Snyder (appointed on 18 October 2018)  
Hany Rashwan (appointed on 27 July 2018)  
Laurent Kssis (appointed 15 November 2019)

**Registered number** CHE-347.562.100

**Registered office** Dammstrasse 19  
6300 Zug  
Switzerland

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## 21 Shares AG

Statement of financial position as at 31 December (in United States Dollars)	(unaudited) 30 Jun 2020 USD	31 Dec 2019 USD	(unaudited) 30 Jun 2019 USD
<b>Assets</b>			
<b>Current assets</b>			
Crypto Assets	-	40,612	65,009
Trade and other receivables	1,263,210	135,197	24,595
ETP Crypto Assets	56,308,915	39,333,542	19,696,823
Cash and cash equivalents	422,975	435,390	141,474
<b>Total assets</b>	<b>57,995,100</b>	<b>39,944,740</b>	<b>19,927,901</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	4,194,160	2,110,731	891,322
<b>Total non-current liabilities</b>	<b>4,194,160</b>	<b>2,110,731</b>	<b>891,322</b>
<b>Current liabilities</b>			
Trade and other payables	634,392	521,899	311,766
ETP Holder Payables	56,308,915	39,333,542	19,696,824
Bank overdraft	-	-	-
<b>Total current liabilities</b>	<b>56,943,307</b>	<b>39,855,441</b>	<b>20,008,590</b>
<b>Total liabilities</b>	<b>61,137,467</b>	<b>41,966,171</b>	<b>20,899,912</b>
<b>Net (liabilities) / assets</b>	<b>(3,142,367)</b>	<b>(2,021,431)</b>	<b>(972,011)</b>
<b>Shareholder's equity</b>			
Paid-up share capital	50,803	50,803	50,803
Legal reserves from retained earnings	-	-	-
Retained earnings	(2,072,235)	(500,582)	(500,582)
Net result for the period	(1,120,936)	(1,571,652)	(522,230)
Currency translation adjustment			
<b>Total shareholder's equity</b>	<b>(3,142,368)</b>	<b>(2,021,431)</b>	<b>(972,009)</b>
<b>Total liabilities and shareholder's equity</b>	<b>57,995,100</b>	<b>39,944,740</b>	<b>19,927,902</b>

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

## 21 Shares AG

### Statement of Profit or loss and other comprehensive income for the six month period (in United States Dollars)

	(unaudited) 30 Jun 2020 USD	(unaudited) 31 Dec 2019 USD	(unaudited) 30 Jun 2019 USD
Investor fee	462,552	330,172	101,591
Administrative expenses	(1,690,053)	(1,191,885)	(683,671)
<b>Loss from operations</b>	<b>(1,227,501)</b>	<b>(861,713)</b>	<b>(582,080)</b>
Financial income / (Loss)	93,441	(155,596)	25,036
Fair value gains / (losses)	14,595	(30,489)	34,814
<b>Loss before tax</b>	<b>(1,119,465)</b>	<b>(1,047,798)</b>	<b>(522,230)</b>
Taxation	(1,471)	(1,624)	-
<b>Loss for the period</b>	<b>(1,120,936)</b>	<b>(1,049,422)</b>	<b>(522,230)</b>
<b>Other comprehensive income</b>	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>(1,120,936)</b>	<b>(1,049,422)</b>	<b>(522,230)</b>

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

## 21 Shares AG

### Statement of changes in equity for the six months ended 30 June 2020 and year ended 31 December 2019 (in United States Dollars)

	2019 Share capital USD	2019 Retained earnings USD	2019 Total equity USD
<b>Comprehensive loss for the period</b>		(500,582)	(500,582)
Loss for the period	-	(1,571,652)	(1,571,652)
Translation adjustment			-
<b>Total comprehensive income for the period</b>	-	(2,072,234)	(2,072,234)
<b>Contributions by and distribution to owners</b>			
Paid-up share capital	50,803	-	50,803
<b>Total contributions by and distributions to owners</b>	50,803	-	50,803
<b>At 31 December 2019</b>	50,803	(2,072,234)	(2,021,431)
	(unaudited) 2020	(unaudited) 2020	(unaudited) 2020
	Share capital USD	Retained earnings USD	Total equity USD
<b>Comprehensive loss for the period</b>			-
Loss for the period	-	(1,120,936)	(1,120,936)
Translation adjustment			-
<b>Total comprehensive income for the period</b>	-	(1,120,936)	(1,120,936)
<b>Contributions by and distribution to owners</b>			
Paid-up share capital	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>At 30 June 2020</b>	50,803	(3,193,170)	(3,142,367)

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

## 21 Shares AG

### Statement of cash flows

for the period ended 30 June 2020 and the years ended 31 December 2019 and 2018

(in United States Dollars)

	(unaudited) June 30, 2020	2019	2018
	USD	USD	USD
Loss for the period	(1,120,936)	(1,571,652)	(500,582)
<b>Movement in working capital</b>			
Change in trade and other receivables	(1,128,013)	(134,972)	(225)
Change in trading portfolio of assets	(16,975,374)	(33,438,774)	(5,894,768)
Change in trade and other liabilities	(47,114,142)	35,636	125,067
(Gain) / loss in valuation of Crypto Assets	40,612	(16,181)	25,946
Currency translation adjustment			
<b>Cash generated from operations</b>	(66,297,853)	(35,125,942)	(6,244,563)
<b>Net cash used in operating activities</b>	(66,297,853)	(35,125,942)	(6,244,563)
<b>Cash flow from investing activities</b>			
Purchases of Crypto Assets			(51,901)
<b>Net cash used in investing activities</b>	-	-	(51,901)
<b>Cash flow from financing activities</b>			
Proceeds from loan from related party	223,863	1,748,096	286
Proceeds from intergroup credit facility	3,970,298	362,634	362,834
Proceeds from ETP holders	62,091,278	33,438,374	5,894,768
Proceeds from issue of share capital			50,803
<b>Net cash from financing activities</b>	66,285,438	35,549,104	6,308,692
<b>Net cash increase in cash and cash equivalent</b>	(12,415)	423,162	12,228
As at start of year	435,390	12,228	-
<b>Cash and cash equivalents at end of the period</b>	422,976	435,390	12,228

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

## 21 Shares AG

### Notes to the financial statements for the six months ended 30 June 2020

#### 1 Reporting entity

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

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

#### 2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). They were authorised for issue by the Company's board of directors on 10 November 2020.

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

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

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

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

#### 2.1 Basis of measurement

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

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

#### 2.2 Functional and presentation currency

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

#### 2.3 Changes in accounting policies

##### *New standards, interpretations and amendments effective from 1 January 2019*

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

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



## 21 Shares AG

### Notes to the financial statements for the six months ended 30 June 2020

#### ***New standards, interpretations and amendments not yet effective***

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

	<b>Effective date</b>
IFRS 17 - Insurance contracts	1 January 2021
Amendments to IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Amendments to IAS37 - Onerous Contracts	1 January 2022
Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to IAS 1 - Classification of Liabilities	1 January 2022

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

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

### **3 Accounting policies**

#### **3.1 Revenue recognition**

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

#### **3.2 Assets in the trading portfolio**

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

#### **3.3 Financial instruments**

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

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

### **4 Going Concern**

The Company is technically overindebted as at 30 June 2020. On 8 May 2019, however, the Company formalized a pre-existing arrangement by entering into an Assumption, Loan and Subordination Agreement with its mother company Amun Technologies Limited ("Amun Tech"), whereby the latter agreed to, with effect retroactively since the Company's incorporation, to assume all past, present and future liabilities of the Company other than as result of, of arising under, any ETP issued by the Company by way of an internal assumption of debt within the meaning of article 175 CO (*interne Schuldübernahme*) without any conditions. Moreover, Amun Tech will communicate to the Company's creditors of such relevant debt that it will pay the Company's liabilities on the Company's stead. To the extent of such an assumption and/or payment, a claim of Amun Tech for repayment against Company exists and such claim is immediately converted into a loan that is fully generally subordinated (*Rangrücktritt according to article 725 para. 2 of the Swiss Code of Obligations*) to all other existing or future un-subordinated liabilities of the Company for the benefit of all other creditors of Company and such full general subordination shall continue to be effective as long as the loan, as amended from time to time, exists. For the time of such full general subordination, the subordinated claims are deferred (*gestundet*). As of the end of 30 June 2020, this arrangement also includes the outstanding trade payables and the expected payments from accruals as of 30 June 2019. Amun Tech thus guarantees the continuation of the business activities of Amun AG. For this reason, the Board of Directors of Amun AG refrained from notifying the judge.

## **21 Shares AG**

### **Notes to the financial statements for the six months ended 30 June 2020**

#### **5 Significant events occurring after the balance sheet date**

The global appearance of the coronavirus (COVID-19) since mid-March 2020 has had a negative impact on the business performance of many companies in Switzerland. It is very difficult to estimate the financial impact on 21Shares AG at the time of reporting and will depend on the overall economic and social effects. The Board of Directors and Executive Management have reacted promptly and with effective measures to this development and are accompanying it proactively.