

21SHARES

(Formerly Amun AG)

Interim Financial Statements for the six months ended 30 June 2021

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

Registered number CHE-347.562.100

Registered office Dammstrasse 19
6300 Zug
Switzerland

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Statement of financial position as at 31 December (in United States Dollars)

(unaudited) (unaudited)
30 Jun 2021 30 Jun 2020
USD USD

Assets

Current assets

Crypto Assets	-	-
Trade and other receivables	12,186,178	1,263,210
ETP Crypto Assets	1,076,200,247	56,308,915
Cash and cash equivalents	7,268,511	422,975

Total assets 1,095,654,935 57,995,100

Liabilities

Non-current liabilities

Trade and other payables	362,634	4,194,160
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Total non-current liabilities 362,634 4,194,160

Current liabilities

Trade and other payables	20,199,707	634,392
ETP Holder Payables	1,076,200,247	56,308,915
Bank overdraft	516,905	-

Total current liabilities 1,096,916,859 56,943,307

Total liabilities 1,097,279,493 61,137,467

Net (liabilities) / assets (1,624,558) (3,142,367)

Shareholder's equity

Paid-up share capital	50,804	50,804
Retained earnings	(3,151,068)	(2,072,235)
Net result for the period	1,475,707	(1,120,936)

Total shareholder's equity (1,624,557) (3,142,367)

Total liabilities and shareholder's equity 1,095,654,935 57,995,101

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

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

	(unaudited) 30 Jun 2021 USD	(unaudited) 30 Jun 2020 USD
Investor fee	12,253,795	462,552
Cost of sales	(5,943,146)	-
Gross Profit	6,310,649	462,552
Administrative expenses	(7,488,067)	(1,690,053)
Gain/(loss) from operations	(1,177,418)	(1,227,501)
Financial income / (Loss)	2,560,703	93,441
Fair value gains / (losses)	99,690	14,595
Loss before tax	1,482,975	(1,119,465)
Taxation	(7,267)	(1,471)
Net result for the year, excluding foreign currency result	(7,267)	(1,471)
Foreign currency result		
Loss for the period	1,475,708	(1,120,936)
Other comprehensive income	-	-
Total comprehensive income / (loss)	1,475,708	(1,120,936)

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

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Statement of changes in equity for the six months ended 30 June 2021 and year ended 31 December 2020 (in United States Dollars)

	2020 Share capital USD	2020 Retained earnings USD	2020 Total equity USD
As at January 1, 2020	50,804	(2,072,235)	(2,021,431)
Comprehensive loss for the period			-
Loss for the period	-	(1,078,834)	(1,078,834)
Translation adjustment			-
Total comprehensive income for the period	-	(1,078,834)	(1,078,834)
Contributions by and distribution to owners			
Paid-up share capital	-	-	-
Total contributions by and distributions to owners	-	-	-
At 31 December 2020	50,804	(3,151,068)	(3,100,265)
	(unaudited)	(unaudited)	(unaudited)
	2021	2021	2021
	Share capital USD	Retained earnings USD	Total equity USD
Comprehensive loss for the period			-
Loss for the period	-	1,475,708	1,475,708
Translation adjustment			-
Total comprehensive income for the period	-	1,475,708	1,475,708
Contributions by and distribution to owners			
Paid-up share capital	-	-	-
Revaluation reserve	-	-	-
Total contributions by and distributions to owners	-	-	-
At 30 June 2021	50,804	(1,675,360)	(1,624,557)

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

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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) Jun 30, 2021 USD	(unaudited) June 30, 2020 USD
Loss for the period	1,475,708	(1,120,936)
Movement in working capital		
Change in trade and other receivables	(8,474,145)	(1,128,013)
Change in trading portfolio of assets	(792,251,170)	(16,975,374)
Change in trade and other liabilities	5,221,194	112,493
(Gain) / loss in valuation of Crypto Assets	-	40,612
Currency translation adjustment		
Cash generated from operations	(794,028,413)	(19,071,218)
Net cash used in operating activities	(794,028,413)	(19,071,218)
Cash flow from investing activities		
Purchases of Crypto Assets		
Net cash used in investing activities	-	-
Cash flow from financing activities		
Proceeds from loan from related party	-	(286)
Proceeds from intergroup credit facility	8,126,329	2,083,716
Proceeds from ETP holders	792,251,170	16,975,374
Proceeds from issue of share capital		
Net cash from financing activities	800,377,500	19,058,803
Net cash increase in cash and cash equivalent	6,349,087	(12,415)
As at start of year	919,424	435,390
Cash and cash equivalents at end of the period	7,268,511	422,976

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

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Notes to the financial statements for the six months ended 30 June 2021

1 Reporting entity

21Shares 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 21Shares AG.

21Shares AG 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 29 September 2021.

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. June 30, 2020 Cashflow figures have been reclassified in order to get a more comparable view of June 2021 financials.

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 2021

The following standards and interpretations were effective in 2021, but have not had a material impact on the Company:

	Effective date
IFRS 17 - Insurance contracts	1 January 2021

New standards, interpretations and amendments not yet effective

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

	Effective date
Amendments to IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37 - 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

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Notes to the financial statements for the six months ended 30 June 2021

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 over-indebted as of June 30, 2021. However, on May 8, 2019, the Company had formalized an agreement whereby an assumption, loan and subordination agreement was entered into with an affiliate, Amun Technologies Limited (now Jura Pentium Limited, "JPL"). JPL therein agreed to assume, retroactively from the Company's inception, all past, present and future liabilities of the Company other than those arising from an ETP issued by the Company, by way of an internal assumption of debt within the meaning of Article 175 of the Swiss Code of Obligations (CO) (internal assumption of debt) without any conditions.

To the extent of such assumption and/or payment, a repayment claim of JPL against the Company shall arise, which shall immediately be converted into a loan fully subordinated in favor of all other creditors of the Company to all other existing or future non-subordinated liabilities of the Company (subordination pursuant to Article 725 para. 2 CO). This full general subordination shall remain effective as long as the loan exists in its respective valid version.

As of June 30, 2021, this arrangement also includes the outstanding trade payables and the expected payments from provisions as of June 30, 2021. JPL thus guarantees the continuation of 21Shares AG's business activities. In addition, the Company has liabilities to other companies in its group (Jura Pentium AG, Jura Pentium Inc., Amun Holdings Limited and Amun Limited), all of which are also subordinated pursuant to Art. 725 para. 2 CO to all other existing or future non-subordinated liabilities of the Company in favor of all other creditors of the Company. This subordination shall also remain effective for as long as there are outstanding amounts due to these group companies. For the period of such full general subordination, the subordinated claims shall be deferred.

5 Significant events occurring after the balance sheet date

The Company had no significant events that occurred after the balance sheet date.