

Report of the Statutory Auditor on the Financial Statements to the General Meeting of  
**21Shares Ltd, Zug**

As statutory auditor, we have audited the accompanying financial statements of 21Shares Ltd, which comprise the balance sheet as at December 31, 2019, and the income statement, the cash flow statement and the notes for the year then ended.

*Board of Directors' Responsibility*

The Board of Directors is responsible for the preparation of these financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements for the year ended December 31, 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the company's articles of incorporation.

Without qualifying our opinion, we draw attention to the fact that the company is over-indebted as per art. 725 para. 2 CO. Due to the fact that creditors of 21Shares AG have subordinated their claims amounting to CHF 2'110'360, the Board of Directors has refrained from notifying the court.

## Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.



Based on our audit in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we have determined that an internal control system designed for the preparation of financial statements in accordance with the instructions of the Foundation Council is not documented in writing in all material respects.

In our opinion, the internal control system does not comply with Swiss law and therefore we cannot confirm the existence of an internal control system for the preparation of financial statements.

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

Basel, 29 June 2020

Copartner Revision AG



Simon Rey  
Licensed Audit Expert  
Auditor in charge



Martin Thommen  
Licensed Audit Expert

## Enclosure:

- Financial statements

## 21 Shares AG (Formerly Amun AG), Zug

Balance sheet as at 31 December  
(in United States Dollars)

	Notes	2019 USD	0.96837400 2019 CHF	2018 USD	0.98578400 2018 CHF
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3.1	435'390	421'620	13'753	13'557
Crypto Assets	3.2	40'612	39'327	24'431	24'084
Trade receivables		71'788	69'518	-	-
<i>due from third parties</i>		71'788	69'518	-	-
Accrued receivables		29'325	28'397	-	-
Crypto Assets in transit		14'589	14'128	-	-
Trading portfolio of assets	3.3	39'333'542	38'089'579	5'894'768	5'810'968
<b>Total current assets</b>		<b>39'925'246</b>	<b>38'662'569</b>	<b>5'932'952</b>	<b>5'848'609</b>
<b>Non-current assets</b>					
Deposit - rent		19'495	18'879	225	222
<b>Total non-current assets</b>		<b>19'495</b>	<b>18'879</b>	<b>225</b>	<b>222</b>
<b>Total assets</b>		<b>39'944'741</b>	<b>38'681'448</b>	<b>5'933'177</b>	<b>5'848'831</b>
<b>Liabilities and shareholder's equity</b>					
<b>Short-term liabilities</b>					
Trade payables		230'307	223'023	110'113	108'548
<i>due to third parties</i>		230'307	223'023	110'113	108'548
Other short-term liabilities		37	36	37	36
<i>tax provision</i>		37	36	37	36
Accrued expenses		276'966	268'206	13'392	13'202
Bank overdraft	3.1	-	-	1'525	1'503
Advance from ETPholders		14'589	14'128	-	-
Due to ETPholders		39'333'542	38'089'579	5'894'768	5'810'968
<b>Total short-term liabilities</b>		<b>39'855'441</b>	<b>38'594'973</b>	<b>6'019'835</b>	<b>5'934'257</b>
<b>Long-term liabilities</b>					
Other long-term liabilities		2'110'731	2'043'977	363'121	357'959
<i>due to related party</i>		286	277	286	282
<i>due to related entities</i>		85	82	-	-
<i>subordinated intergroup credit facility</i>	3.5	2'110'360	2'043'618	362'835	357'677
<b>Total long-term liabilities</b>		<b>2'110'731</b>	<b>2'043'977</b>	<b>363'121</b>	<b>357'959</b>
<b>Total liabilities</b>		<b>41'966'172</b>	<b>40'638'949</b>	<b>6'382'956</b>	<b>6'292'216</b>
<b>Shareholder's equity</b>					
Share capital		50'803	50'000	50'803	50'000
<i>Issued share capital</i>		101'607	100'000	101'607	100'000
<i>Unpaid share capital</i>		(50'804)	(50'000)	(50'804)	(50'000)
Retained earnings		(500'582)	(503'460)	-	-
Net result for the year		(1'571'652)	(1'561'681)	(500'582)	(503'460)
Currency translation adjustment		-	57'640	-	10'075
<b>Total shareholder's equity</b>		<b>(2'021'432)</b>	<b>(1'957'501)</b>	<b>(449'779)</b>	<b>(443'385)</b>
<b>Total liabilities and shareholder's equity</b>		<b>39'944'741</b>	<b>38'681'448</b>	<b>5'933'177</b>	<b>5'848'831</b>

## 21 Shares AG (Formerly Amun AG), Zug

### Income statement for the year ended 31 December 2019

(in United States Dollars)	Notes	2019 USD	0.99365558 2019 CHF	2018 USD	1.00575000 2018 CHF
Investor fee		431'762	429'023	12'614	12'687
<b>Total income / Net revenues</b>		<b>431'762</b>	<b>429'023</b>	<b>12'614</b>	<b>12'687</b>
<b>Other operating expenses</b>		<b>(1'876'910)</b>	<b>(1'865'002)</b>	<b>(483'320)</b>	<b>(486'099)</b>
Advertising and marketing expenses			(35'667)	-	-
Rent			(69'140)	(1'847)	(1'858)
Staff costs			(672'262)	-	-
Legal fees			(286'685)	(406'507)	(408'844)
Custodian fees			(184'936)	(4'000)	(4'023)
Service fees			(248'700)	(6'055)	(6'090)
Professional fees			(314'767)	(42'475)	(42'719)
Other office expenses			(3'210)	-	-
Other taxes			(1'614)	-	-
Capital taxes		-	-	(37)	(37)
Subscriptions and Licence fees		(48'329)	(48'023)	(22'399)	(22'528)
<b>EBIT</b>		<b>(1'445'148)</b>	<b>(1'435'979)</b>	<b>(470'706)</b>	<b>(473'413)</b>
<b>Financial Result</b>		<b>(126'505)</b>	<b>(125'702)</b>	<b>(29'876)</b>	<b>(30'048)</b>
Unrealised exchange (loss) / gain			(129'705)	379'123	
Realised exchange (loss) / gain			(11'807)	-	
Bank charges			(268)	(1'525)	
Gain/(loss) on valuation of crypto assets			16'078	(27'470)	
Loss on valuation of trading portfolio		-	-	(380'004)	(382'189)
<b>Net result for the year</b>		<b>(1'571'652)</b>	<b>(1'561'681)</b>	<b>(500'582)</b>	<b>(503'460)</b>

## 21 Shares AG (Formerly Amun AG), Zug

### Cashflow statement for the year ended 31 December 2019

(in United States Dollars)

	2019 CHF	2019 CHF	2018 USD	2018 CHF
Net result for the year	(1'571'652)	(1'561'681)	(500'582)	(503'460)
Change in current receivables	(71'788)	(69'518)	-	-
Change in accrued receivables	(29'325)	(28'397)	-	-
Change in rental deposit	(19'270)	(18'657)	(225)	(222)
Change in trading portfolio of assets	(33'453'363)	(32'292'739)	(5'894'768)	(5'810'968)
Change in due to ETPholders	33'453'363	32'292'739	5'894'768	5'810'968
Change in short-term liabilities	382'328	368'059	125'067	123'289
(Gain) / loss on valuation of Crypto Assets	(16'181)	(16'078)	27'470	27'079
Currency translation adjustment	-	48'394	-	10'075
<b>Cash flow from operating activities</b>	<b>(1'325'888)</b>	<b>(1'277'878)</b>	<b>(348'270)</b>	<b>(343'239)</b>
Purchases of Crypto Assets	-	-	(51'901)	(51'163)
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>(51'901)</b>	<b>(51'163)</b>
Proceeds from loan from related entities	-	-	286	282
Proceeds from intergroup credit facility	1'747'525	1'685'941	362'835	357'677
Proceeds from issue of share capital	-	-	50'803	50'000
<b>Cash flow from financing activities</b>	<b>1'747'525</b>	<b>1'685'941</b>	<b>413'924</b>	<b>407'959</b>
<b>Change in cash and cash equivalents</b>	<b>421'637</b>	<b>408'063</b>	<b>13'753</b>	<b>13'557</b>
As at start of year	13'753	13'557	-	-
As at end of year	435'390	421'620	13'753	13'557
<b>Change in cash and cash equivalents</b>	<b>421'637</b>	<b>408'063</b>	<b>13'753</b>	<b>13'557</b>

## 21 Shares AG (Formerly Amun AG), Zug

### Notes to the financial statements for the year ended 31 December 2019

#### 1 General

Amun AG ('the Company') was incorporated on 27 July 2018, in the Canton of Zug, Switzerland under the number CHE- 347.562.100. On 24 February 2020, the Company change its name from Amun AG to 21 SharesAG.

The purpose of the Company is to act as technology and finance company and to issue listed exchange-traded products ('ETP') and services in Switzerland and worldwide.

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 Accounting principles applied in the preparation of the financial statements

##### General aspects

The Company's financial statements are prepared in accordance with Swiss GAAP core-FER. Those financial statements have been prepared on a going-concern basis and applying the accruals principle.

##### 2.1 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. Gains or losses on valuation are taken to the income statement.

##### 2.2 Revenue recognition

Revenue generated is investor fee. The ETP pays 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.

##### 2.3 Foreign currency transactions

The accounts are held in the functional currency USD and are converted to presentation currency CHF for the purpose of the present statutory accounts.

Unrealized gains (or losses) resulting from the translation of financial statements in a functional currency USD to presentation currency CHF are not included in the profit and loss account.

The Currency Translation Adjustment is disclosed in the Balance Sheet, under equity position. The exchange rates USD/CHF used are as follows:

	2019	2018
FX closing rate USD/ CHF	0.96837400	0.98578400
FX average rate USD/ CHF	0.99365558	1.00575000

## 21 Shares AG (Formerly Amun AG), Zug

Notes to the financial statements for the year ended 31 December 2019

### 3 Information on balance sheet and income statement items

#### 3.1 Cash and cashequivalents

	2019 USD	2019 CHF	2018 USD	2018 CHF
Cash	18'488	17'903	200	197
Cardano	79	76	-	-
Bitcash	73'516	71'191	-	-
Binanceco	83'730	81'082	-	-
Bitcoin	156'749	151'792	6'441	6'348
EOS	222	215		
ETCLASSIC	10	9		
Ethereum	50'822	49'214	2'468	2'433
Litecoin	5'980	5'790	403	397
NEO	54	53		
Tezos	5'818	5'634		
Stellar	35	34		
Ripple	39'887	38'625	4'242	4'181
<b>Total</b>	<b>435'390</b>	<b>421'620</b>	<b>13'753</b>	<b>13'557</b>

#### 3.2 Crypto Assets

	2019 USD	2019 CHF	2018 USD	2018 CHF
Bitcoin	35'427	34'307	18'906	18'637
Ether	5'184	5'020	5'525	5'447
<b>Total</b>	<b>40'612</b>	<b>39'327</b>	<b>24'431</b>	<b>24'084</b>

#### 3.3 Trading portfolio of assets

	2019 Quantity	2019 USD	2019 CHF	2018 Quantity	2018 USD	2018 CHF
UICASH	200	200	194	-	-	-
Cardano	878'800	28'864	27'951	-	-	-
Bitcash	27'659	5'659'548	5'480'559	1'491	237'825	234'444
Binanceco	1'096'872	15'060'058	14'583'769	-	-	-
Bitcoin	1'326	9'537'203	9'235'579	749	2'853'521	2'812'955
EOS	26'591	68'604	66'434	-	-	-
Ethereum Classic	521	2'343	2'268	-	-	-
Ethereum	26'462	3'429'772	3'321'302	8'469	1'169'985	1'153'353
Litecoin	7'056	291'713	282'487	11'235	349'529	344'560
NEO	3'038	26'398	25'563	-	-	-
Tezos	1'857'706	2'494'062	2'415'185	-	-	-
Stellar	74'211	3'356	3'250	-	-	-
Ripple	14'160'221	2'731'422	2'645'038	3'553'563	1'283'908	1'265'656
<b>Total</b>		<b>39'333'542</b>	<b>38'089'579</b>		<b>5'894'768</b>	<b>5'810'968</b>

#### 3.4 Full-time equivalents

The Company had 6 employees at end of year 31 December 2019 (2018 - NIL).

## 21 Shares AG (Formerly Amun AG), Zug

### Notes to the financial statements for the year ended 31 December 2019

#### 3.5 Going concern

The Company is technically overindebted as at 31 December 2019. 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, or 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 2019, this arrangement also includes the outstanding trade payables and the expected payments from accruals as of 31 December 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.

#### 3.6 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.



Report of the Statutory Auditor to the General Assembly of  
**21Shares AG, Zug**

As statutory auditor, we have audited the accompanying consolidated financial statements of 21Shares Ltd, which comprise the consolidated balance sheet as at December 31, 2019, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

*Board of Directors' Responsibility*

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements for the year ended December 31, 2019 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Without qualifying our opinion, we draw attention to the fact that the company is over-indebted as per art. 725 para. 2 CO. Due to the fact that creditors of 21Shares AG have subordinated their claims amounting to CHF 2'110'360, the Board of Directors has refrained from notifying the court.

*Report on Other Legal Requirements*

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

Based on our audit in accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we have determined that an internal control system designed for the preparation of financial statements in accordance with the instructions of the Foundation Council is not documented in writing in all material respects.

In our opinion, the internal control system does not comply with Swiss law and therefore we cannot confirm the existence of an internal control system for the preparation of financial statements.

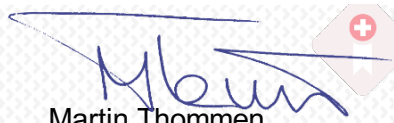
We recommend that the consolidated financial statements submitted to you be approved.

Basel, 29 June 2020

Copartner Revision AG



Simon Rey  
Licensed Audit Expert  
Auditor in charge



Martin Thommen  
Licensed Audit Expert

Enclosure:

- Consolidated financial statements

## 21 Shares AG (Formerly Amun AG) Zug

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

	Notes	2019 USD	2018 USD
<b>Assets</b>			
<b>Current assets</b>			
Crypto Assets	5	40'612	24'431
Trade and other receivables		135'197	225
Trading portfolio of assets	6	39'333'542	5'894'768
Cash and cash equivalents	4	435'390	13'753
<b>Total assets</b>		<b>39'944'740</b>	<b>5'933'177</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	7, 10	363'121	363'121
<b>Total non-current liabilities</b>		<b>363'121</b>	<b>363'121</b>
<b>Current liabilities</b>			
Trade and other payables	7	41'603'051	6'018'310
Bank overdraft	8	-	1'525
<b>Total current liabilities</b>		<b>41'603'051</b>	<b>6'019'835</b>
<b>Total liabilities</b>		<b>41'966'171</b>	<b>6'382'956</b>
<b>Net (liabilities) / assets</b>		<b>(2'021'431)</b>	<b>(449'779)</b>
<b>Shareholder's equity</b>			
Paid-up share capital	9	50'803	50'803
Retained earnings		(500'582)	-
Net result for the period		(1'571'652)	(500'582)
<b>Total shareholder's equity</b>		<b>(2'021'432)</b>	<b>(449'779)</b>
<b>Total liabilities and shareholder's equity</b>		<b>39'944'740</b>	<b>5'933'177</b>

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

## 21 Shares AG (Formerly Amun AG) Zug

### Statement of Profit or loss and other comprehensive income for the period ending 31 December (in United States Dollars)

	Notes	2019 USD	2018 USD
Investor fee		431'762	12'614
Administrative expenses		(1'875'555)	(484'808)
<b>Loss from operations</b>		<b>(1'443'793)</b>	<b>(472'194)</b>
Financial income / (Loss)		(130'560)	379'124
Fair value gains / (losses)		4'325	(407'475)
<b>Loss before tax</b>		<b>(1'570'028)</b>	<b>(500'545)</b>
Taxation		(1'624)	(37)
<b>Loss for the period</b>		<b>(1'571'652)</b>	<b>(500'582)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss)</b>		<b>(1'571'652)</b>	<b>(500'582)</b>

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

## 21 Shares AG (Formerly Amun AG) Zug

### Statement of changes in equity for the year ended 31 December (in United States Dollars)

	2018 Share capital USD	2018 Retained earnings USD	2018 Total equity USD
<b>Comprehensive loss for the period</b>			
Loss for the period	-	(500'582)	(500'582)
<b>Total comprehensive income for the period</b>	-	(500'582)	(500'582)
<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 2018</b>	50'803	(500'582)	(449'779)

	2019 Share capital USD	2019 Retained earnings USD	2019 Total equity USD
<b>At 1st of January 2019</b>	50'803	(500'582)	(449'779)
<b>Comprehensive loss for the period</b>			
Loss for the period	-	(1'571'652)	(1'571'652)
<b>Total comprehensive income for the period</b>	-	(1'571'652)	(1'571'652)
<b>Contributions by and distribution to owners</b>			
Paid-up share capital	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-
<b>At 31 December 2019</b>	50'803	(2'072'234)	(2'021'431)

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

## 21 Shares AG (Formerly Amun AG) Zug

### Statement of cash flows for the year ended 31 December (in United States Dollars)

	2019 USD	2018 USD
Loss for the period	(1'571'652)	(500'582)
<b>Movement in working capital</b>		
Change in trade and other receivables		(225)
Change in trading portfolio of assets		(5'894'768)
Change in trade and other liabilities		125'067
(Gain) / loss in valuation of Crypto Assets		27'470
<b>Cash generated from operations</b>	<b>(34'764'546)</b>	<b>(6'243'038)</b>
<b>Net cash used in operating activities</b>	<b>(34'764'546)</b>	<b>(6'243'038)</b>
<b>Cashflow from investing activities</b>		
Purchases of Crypto Assets		(51'901)
<b>Net cash used in investing activities</b>	-	(51'901)
<b>Cashflow from financing activities</b>		
Proceeds from loan from related party	85	286
Proceeds from intergroup credit facility	1'747'725	362'835
Proceeds from ETP holders	33'438'374	5'894'768
Proceeds from issue of share capital		50'803
<b>Net cash from financing activities</b>	<b>35'186'183</b>	<b>6'308'692</b>
<b>Net cash increase in cash and cash equivalent</b>	<b>421'637</b>	<b>13'753</b>
As at start of year	13'753	-
<b>Cash and cash equivalents at end of the period</b>	<b>435'390</b>	<b>13'753</b>

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

## 21 Shares AG(Formerly Amun AG) Zug

### Notes to the financial statements for the year ended 31 December 2019

#### 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 24 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 25 June 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 2019, but have not had a material impact on the Company:

	Effective date
Amendments to IFRS 3 - Business combinations	1 January 2019
Amendments to IFRS 9 - Financial instruments	1 January 2019
Amendments to IFRS 11 - Joint Arrangements	1 January 2019
IFRS 16 - Leases	1 January 2019
IFRS 17 - Insurance contracts	1 January 2021
Amendments to IAS 12 - Income Taxes	1 January 2019
Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to IAS 23 - Borrowing costs	1 January 2019
Amendments to IAS 28 - Investments in Associates and Joint Ventures	1 January 2019
Amendment to IFRS 3 : Definition of a Business	1 January 2020
Amendment to IAS 1 and IAS 8: Definition of Material	1 January 2020
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 15 as from 31 December 2018. The Company is using the cumulative effect method.

## 21 Shares AG (Formerly Amun AG) Zug

### Notes to the financial statements for the year ended 31 December 2019

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

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

	<b>Effective date</b>
Amendments to IFRS3 - 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
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 - 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

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 Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
Cash	18'488	200
Cardano	79	
Bitcash	73'516	
Binanceco	83'730	
Bitcoin	156'749	6'441
EOS	222	
ETCLASSIC	10	
Ethereum	50'822	2'468
Litecoin	5'980	403
NEO	54	
Tezos	5'818	
Stellar	35	
Ripple	39'887	4'242
	<b>435'390</b>	<b>13'753</b>



## 21 Shares AG(Formerly Amun AG) Zug

Notes to the financial statements for the year ended 31 December 2019

5	Crypto Assets	2019	2018
		USD	USD
	Bitcoin	35'427	18'906
	Ether	5'184	5'525
	<b>Total</b>	<b>40'612</b>	<b>24'431</b>

6	Trading portfolio of assets	2019	2019	2'018	2018
		Quantity	USD	Quantity	USD
	UI Cash	200	200	-	-
	Cardano	878'800	28'864	-	-
	Bitcash	27'659	5'659'548	1'491	237'825
	Binanceco	1'096'872	15'060'058	-	-
	Bitcoin	1'326	9'537'203	749	2'853'521
	EOS	26'591	68'604	-	-
	Ethereum Classic	521	2'343	-	-
	Ethereum	26'462	3'429'772	8'469	1'169'985
	Litecoin	7'056	291'713	11'235	349'529
	NEO	3'038	26'398	-	-
	Tezos	1'857'706	2'494'062	-	-
	Stellar	74'211	3'356	-	-
	Ripple	14'160'221	2'731'422	3'553'563	1'283'908
	<b>Total</b>		<b>39'333'542</b>		<b>5'894'768</b>

7	Trade and other payables	2019	2018
		USD	USD
	Trade payables	244'896	110'113
	Subordinated intergroup credit facility	2'110'360	362'835
	Due to ETPholders	39'333'342	5'894'768
	Payable to related party	571	286
	Accruals	276'966	13'392
	<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised costs</b>	<b>41'966'134</b>	<b>6'381'394</b>
	Other payables - tax provision	37	37
	<b>Total trade and other payables</b>	<b>41'966'171</b>	<b>6'381'431</b>
	Less: current position		
	Trade payables	(244'896)	(110'113)
	Due to ETPholders	(39'333'342)	(5'894'768)
	Tax provision	(37)	(37)
	Subordinated intergroup credit facility, current	(1'747'725)	-
	Payable to related party, current	(85)	-
	Accruals	(276'966)	(13'392)
	<b>Total current position</b>	<b>(41'603'051)</b>	<b>(6'018'310)</b>
	<b>Total non-current position</b>	<b>363'121</b>	<b>363'121</b>

8	Loan and borrowings	2019	2018
		USD	USD
	<b>Current</b>		
	Bank overdrafts	-	1'525
	<b>Total loans and borrowings</b>	<b>-</b>	<b>1'525</b>

9	Share capital	2019	2018
		Number	USD
	<b>Issued share capital treated as equity</b>		
	Issued share capital of CHF 100'000 (USD 101'607)	5'000'000 shares/CHF 0.02	101'607
	Unpaid capital	(50'804)	(50'804)
	<b>Total paid-up capital</b>	<b>50'803</b>	<b>50'803</b>

## 21 Shares AG(Formerly Amun AG) Zug

### Notes to the financial statements for the year ended 31 December 2019

#### 10 Related party transactions

Details of transactions between the Company and its related parties are disclosed below:

	2019	2018
	USD	USD
H. Rashwan - expenses paid on behalf of Company	286	286
Amun Technologies Limited - subordinated intergroup credit facility	2'110'360	362'835
Jura Pentium Inc.	85	-
	2'110'731	363'121

#### 11 Going Concern

The Company is technically overindebted as at 31 December 2019. 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 2019, this arrangement also includes the outstanding trade payables and the expected payments from accruals as of 31 December 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.

#### 12 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.