

21Shares AG

Annual Report 31 December 2025

CONTENTS

| | |
|---|----|
| Directors' Report | 2 |
| Independent Auditor's Report | 14 |
| Financial statements | |
| <i>Statement of profit or loss and other comprehensive income</i> | 19 |
| <i>Statement of financial position</i> | 20 |
| <i>Statement of changes in equity</i> | 21 |
| <i>Statement of cash flows</i> | 22 |
| Notes to the financial statements | 23 |

DIRECTORS' REPORT

for the year ended 31 December 2025

1. General Information about the Company

21Shares AG (hereinafter “**21Shares**” or “**the Company**”) was incorporated on July 20, 2018, and is registered in the Commercial Register of Zurich, Switzerland, under registration number CHE.347.562.100, as a stock corporation pursuant to Article 620 et seq. of the Swiss Code of Obligations. Its registered office is at Pelikanstrasse 37, 8001 Zurich, Switzerland. The share capital of 21Shares, amounting to CHF 100,000, is wholly owned by Jura Pentium AG, a company registered in Zurich, Switzerland. Both 21Shares and Jura Pentium AG are subsidiaries of 21co Holdings Limited. In November 2025, FalconX Holdings Limited, a leading institutional digital asset prime brokerage firm, acquired 21co Holdings Limited and its subsidiaries (hereinafter “**21co Group**”, or the “**Group**”).

Business Model of the Company

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

21Shares offers one of 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 (HODL). As of 31 December 2025, 21Shares offered a total of 57 exchange-traded products, available in CHF, EUR, GBP, SEK, JPY, and USD across EMEA. Currently, these products are listed on the following exchanges: SIX Swiss Exchange, Deutsche Börse, Euronext Paris, Euronext Amsterdam, Nasdaq Stockholm, London Stock Exchange, BX Swiss, Nasdaq Dubai, Euronext Milan (Borsa Italiana) and other multilateral trading facilities (MTFs). ETPs are fully collateralized by holdings of underlying assets, which primarily consist of crypto assets but also include other collateral, such as commodities (gold).

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

2. Economic and Financial Report

2.1. Macroeconomic and Industry-Specific Conditions

Throughout 2025, the global macro environment remained fragile, shaped by uneven growth, persistent geopolitical tensions, and a more fragmented trade landscape. While the tariff measures introduced during the year weighed on global activity, a trend of disinflation allowed central banks to begin a gradual easing cycle. As a result, liquidity conditions improved toward the end of the year, providing a more supportive backdrop for risk assets, albeit in a more selective manner than in previous cycles.

This selectivity was increasingly evident in digital asset markets, where performance dispersion between Bitcoin, Ethereum, and the broader altcoin market widened over the course of the year. Capital concentrated in higher-quality assets with clearer use cases and institutional backing.

On the regulatory front, 2025 momentum remained constructive. The lifting of the retail ban in the U.K., as well as the implementation of The Markets in Crypto-Assets Regulation (MiCA) in Europe translated into increased institutional participation and product innovation. In the United States, the regulatory environment shifted meaningfully with the passage of the Genius Act, establishing a federal framework for stablecoins. By year-end, the focus had moved toward implementation and market structure reforms, further reducing uncertainty and enabling institutional adoption at scale.

Fundamentally, Bitcoin continued to strengthen its role as the monetary anchor of the ecosystem throughout 2025. Network security remained robust, and adoption expanded beyond corporates to include sovereign and quasi-sovereign interest. At the same time, structural growth drivers such as stablecoins and tokenization gained traction, further integrating blockchain into traditional financial systems.

While short-term dynamics remained sensitive to macro and geopolitical developments, the underlying trajectory of the digital asset ecosystem continued to improve. Strengthening infrastructure, increasing regulatory clarity, and expanding real-world use cases provided a solid foundation for long-term growth.

2.2. Business Performance

The 2025 financial year was characterized by a highly volatile market environment that tested the operational resilience of the digital asset industry. While the Company's ETPs are primarily available in Europe, the performance of the business remains closely tied to global crypto asset trends and shifting international regulatory landscapes.

The assessment of 21Shares' business performance in 2025 is based on the strategic objectives and actual financial results as presented in the accompanying financial statements. The key performance indicators include digital assets at fair value (which indicates the total Assets Under Management, or "AUM") and revenue. The key performance indicators, among other financial information, are derived directly from the audited financial statements as of 31 December 2025 and reflect the outcome of business activities in line with the Company's strategic planning and expectations at the beginning of the year.

As of 31 December 2025, 21Shares held a market share in the European physically backed crypto-ETP sector of 27.29% based on AUM¹, compared to 35.94% at the end of 2024. This decrease in market share is primarily a result of the expansion and maturation of the European competitive landscape. In both years, 21Shares has maintained a leading position in the spot European crypto-ETP market.

Despite headwinds, the Company showed strong financial performance. For the year ended 31 December 2025, 21Shares reported total revenue of USD 117.82 million, and total comprehensive income of USD 0.35 million.

2.2.1. Earnings Position

In 2025, we continued to grow and generated USD 117.82 million in gross revenue, the highest in the Company's operating history. Gross revenue grew by USD 18.87 million, or 19.1% from USD 98.95 million in the prior year. Continuous product innovation, positive net inflows as a result of increasing investor demand, and generally higher average asset valuations throughout the year, despite increased market volatility, were the key drivers of revenue growth in 2025. Revenue is mainly generated from management fees and staking rewards. Management fees represent the Company's main source of income and are determined by the Net Asset Value (NAV), the predetermined management fee rate for the respective ETP, and the price of underlying digital assets or commodity. The Company earned management fees of USD 85.73 million (2024: USD 72.08 million). The Company also earned staking rewards of USD 25.79 million (2024: USD 25.19 million) from participating in and contributing to the various blockchain networks. A portion of the staking rewards earned are accrued back to the ETP products and shared with the ETP holders, where applicable. Other revenues amounted to USD 6.30 million in 2025 (2024: USD 1.68 million). In 2025, the Company earned a redemption fee of USD 5.28 million from a business partner for an early redemption of an ETP seeding.

During 2025, the Company incurred revenue sharing costs with seeding and business partners of USD 9.62 million (2024: USD 14.03 million) and cost of services totaling USD 5.87 million (USD 5.43 million in 2024). Cost of services represents direct costs relating to our ETP product offerings. Gross profit reached USD 102.33 million in 2025 (2024: USD 79.49 million), representing a strong gross margin of 87% and 80%, respectively.

As a Special Purpose Vehicle (the "SPV"), the Company does not employ any staff and had an average of zero employees during 2025. 21Shares' operations are supported by its parent company, other affiliated entities, and external service providers. Jura Pentium AG, the Company's parent company, serves as its principal service provider. The intercompany services provided and the relevant financial arrangement are governed by the Group's transfer pricing policy and master services agreement. The gross profit generated was reduced by operating expenses and intercompany service fees. The intercompany service fee represents the remaining profit passed on to its parent company.

Total 2025 expenses include operating expenses of USD 2.45 million (2024: USD 1.45 million), and intercompany service fees of USD 98.77 million (2024: USD 76.87 million). For the other service entities, intercompany service fees are calculated and periodically settled amongst the remaining affiliated companies. The higher amount in 2025 is attributable to stronger financial performance and overall higher revenue and profit generated in 2025 as compared to 2024.

The Company earned interest income of USD 0.35 million from the intercompany loan arrangement for the year ended 31 December 2025 (2024: USD 1.50 million). The loan was terminated and repaid in full effective 1 August 2025.

Under the revaluation model for intangible assets, the Company recognizes increases in the fair value above the historical cost in other comprehensive income (OCI). Decreases in fair value below the historical cost are

¹ Based on Fund Total Assets based on data obtained from Bloomberg

recognized in profit or loss, unless they reverse a previously recognized revaluation surplus for the same asset, in which case the decrease is charged to OCI to reduce the surplus. Upon the disposal of a digital asset, any related revaluation surplus remaining in equity is transferred directly to retained earnings.

The Company's net fair value gain on digital assets and certificate liability totaled USD 0.49 billion for the year (2024: net fair value loss of USD 2.25 billion), which is included in Profit or loss, whereas the Revaluation loss of digital assets (gross) of USD 0.49 billion is included in Other comprehensive income (2024: revaluation gain of USD 2.25 billion), netting to a difference of (USD 45 thousand) (2024: USD 2 thousand), which resulted in a minimal impact on the total comprehensive income.

This presentation of gains and losses on different financial statement lines can be perceived as a mismatch, however, it is consistent with the current IFRS Accounting Standards (IAS 38). Accounting for digital assets is complex and continues to evolve. With the continued adoption of crypto assets, the crypto industry believes there will be an eventual convergence of IFRS and US GAAP, where digital assets will be measured at fair value through profit and loss in the future.

2.2.2. Financial Reporting Process and Controls

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

Daily and monthly reconciliations are performed to ensure proper recording of assets, liabilities, revenue, product costs, and operating expenses in accordance with contractual terms and with supporting documentation. Intercompany service fees are calculated based on transfer pricing arrangements and are periodically reviewed and settled among the Group entities.

Given the Company's structure as an SPV, the Internal Controls System specifically encompasses the oversight of outsourced service providers, notably NAV Consulting Inc., to ensure the integrity of fund accounting and the accurate recording of digital asset transactions.

The Company has established effective risk management, governance and internal controls to support the reliability and integrity of financial reporting, and to ensure that the Company's Directors' Report and 2025 financial statements comply with applicable accounting and reporting standards.

2.2.3. Financial Position

2.2.3.1. Capital Structure

21Shares is a wholly owned subsidiary of Jura Pentium AG, a company registered in Zurich, Switzerland. The Company does not rely on external financing to support its operations as it is established as a SPV with the primary function of issuing ETPs and generates sufficient cash flows.

Certificate liabilities totaled USD 3.68 billion as at 31 December 2025 (2024: USD 4.72 billion), which are backed by the corresponding digital assets and physical gold held as collateral at custodians. These certificate liabilities represent the obligations to investors for all issued ETPs. Each ETP is fully backed by digital assets and gold held in secure storage with custodians, directly linking the liabilities to the fair valuation of the underlying collateral. Investors have the right to redeem their holdings at any time, limited to the fair value of the assets underlying the specific ETP.

2.2.3.2. Financial Position

Due to its strong liquidity position, the Company was able to meet its due or maturing payment obligations at all times during the 2025 fiscal year and year to date in 2026. As at 31 December 2025, cash and cash equivalents amounted to USD 739 thousand held in deposit accounts at financial institutions, representing an increase of USD 504 thousand compared to the previous year (2024: USD 236 thousand).

The Company's AUM represents digital assets and physical gold held at the Company's custodians as collateral for the benefit of the ETP holders. Total AUM was USD 3.68 billion at 31 December 2025, compared to USD 4.73 billion at 31 December 2024. This year-over-year decrease was primarily driven by market price fluctuations of underlying collateral. Although average asset prices remained higher throughout much of 2025, contributing to

record annual revenue, the year-end valuation reflects a period of heightened market volatility and lower price levels for certain digital assets relative to the prior year-end. Other current financial assets totaled USD 8.10 million (USD 25.49 million as at 31 December 2024), primarily consisting of an operational receivable from parent company. The comparative balance as at 2024 includes an intercompany loan that was fully repaid effective 1 August 2025.

Trade and other payables totaled USD 4.82 million (2024: USD 30.21 million), mainly consisting of payables to business partners and service providers relating to seeding rebate fees and profit share arrangements. There were no long-term liabilities outstanding as at 31 December 2025 and 2024.

The Company monitors its liquidity risk by using a cash flow forecast model that considers the maturity of its liabilities and projected cash flows from operations. The Company has generated positive cash inflows and maintains sufficient funds to meet all payment obligations. There is no exposure from certificate liabilities since digital assets and gold are held as collateral in the equivalent amounts. For the year ended 31 December 2025, net cash used in operating activities totaled (USD 12.75 million) (2024: net cash from operating activities USD 0.8 million), net cash from investing activities totaled USD 13.64 million (2024: net cash used in investing activities USD 1.1 million), and net cash used in financing activities totaled (USD 0.4 million) (2024: net cash used in financing activities USD 0.1 million).

The Company did not engage in any research and development activities during 2025.

2.2.4. Net Asset Position

The equity of the Company amounted to USD 4.05 million at 31 December 2025 (31 December 2024: USD 3.70 million). Equity consisted of USD 105 thousand paid-up share capital, reserves from capital contributions of USD 630 thousand. The Company reported an accumulated deficit of USD 0.26 billion (2024: USD 1.73 billion) resulting from the transfer of revaluation reserve upon disposal of digital assets, offset by a revaluation surplus of USD 0.26 billion (2024: USD 1.74 billion) from digital assets held. The movements in the accumulated deficit and revaluation surplus are attributable to the accounting treatment under IAS 38, as discussed under the Earnings Position.

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

2.2.5. Overall Statement on the Economic Situation

The Board of Directors considers the Company's economic situation to be resilient and well-positioned for future growth. Despite a volatile global macroeconomic environment and a year-end decrease in digital asset valuations that brought AUM to USD 3.68 billion, 21Shares achieved its most successful financial year to date. Gross revenue reached a record USD 117.82 million, representing a 19.1% growth over the prior year, underpinned by a strong gross margin of 87%. This financial performance was further strengthened by the strategic acquisition of the Group by FalconX Holdings Limited in November 2025, positioning 21Shares within a leading institutional digital asset ecosystem.

The Company maintained product and geographic momentum in 2025, with 57 active ETPs as of 31 December 2025 (2024: 44), achieved #1 UK retail turnover, and entered the Brazilian market.

With a leading 27.29% market share in the European physically backed crypto-ETP sector and a strong balance sheet, the Company maintains a superior liquidity position and significant revenue-earning capacity. The Board remains confident that the integration with FalconX, combined with evolving regulatory clarity in the EU and U.S., provides a solid foundation for further growth and innovation in 2026.

3. Risk Report

3.1. Business and Risk Strategy

21Shares operates as a SPV, with its corporate purpose and business activities exclusively focused on the issuance of ETPs backed by digital assets and other eligible underlying assets. This specialized business model focuses on providing investors with institutional-grade access to the digital asset market through a physically collateralized structure.

The Company's risk strategy is centered on maintaining the structural integrity of its ETPs. The Board's primary strategic objective is to maintain the 1:1 physical backing of all outstanding liabilities to ensure an equity-neutral risk profile. Consequently, the Company's risk management focuses on the operational integrity of the issuance process, the security of asset custody, and proactive compliance with evolving digital asset regulations.

The primary risks stem from 21Shares' ability to successfully sustain and expand this specialized business model while effectively managing the inherent risks associated with digital assets. The following risk analysis is primarily

based on a qualitative risk assessment, drawing on reasonable judgment and a comprehensive understanding of the underlying factors and market dynamics.

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

3.2. Risk Management System

The Company's risk management system is designed to identify, assess, and manage risks that could jeopardize its business objectives or its status as a going concern. While the Company leverages the functional infrastructure of the 21.co Group, the Board of Directors holds ultimate responsibility for the Company's risk profile and defines the strategic framework for risk-taking. To ensure specialized oversight, the Company's activities are monitored by the Risk Committee. This committee meets regularly to review risk reports, evaluate the effectiveness of internal controls, and ensure that the Company's exposure remains within the limits defined by the Board. Risks are identified through continuous market surveillance, regulatory tracking, and internal reviews. Every identified risk is evaluated qualitatively based on its nature and "intensity" (Low, Medium, High), focusing on how it could impact the Company's net assets, financial position, or results. The Company implements specific structural safeguards—such as multi-custodian segregation—to manage residual exposure. Key functions provide periodic updates to the Risk Committee and the Board, ensuring that management can react swiftly to market or regulatory shifts.

3.3. Risks

Risks are assessed and reported on a net basis, representing the residual exposure after all existing mitigation measures and internal control systems are taken into account. This approach provides a transparent view of the actual risk managed by the Board over a twelve-month forecast period. The Company determines the significance of each risk qualitatively by weighing its intensity and potential impact on net assets, financial position, and results. A Low assessment indicates that risks are effectively contained by structural safeguards with minor potential impact, while a Medium rating identifies exposures requiring active management oversight and specific mitigation protocols. A High assessment is utilized for inherent sector-wide factors, such as market volatility or regulatory shifts, where significant external developments could impact results despite the presence of robust internal controls.

3.3.1. Default Risks

3.3.1.1. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company has no significant credit risks, other than those which have already been allowed for, nor any concentration in an industry or geographical region, which carries an unusually high credit risk.

Credit risks relate primarily to trade receivables, other current financial assets and cash and cash equivalents. To address these exposures, the Company utilizes a multi-layered mitigation strategy. The Company collects its revenue directly from the ETP accounts, a structural safeguard that management assesses as a highly effective measure for reducing credit risk. Furthermore, management assesses its rigorous due diligence process—which includes financial and reputational assessments of business partners prior to onboarding and periodic reviews of aging reports—as a robust control for managing counterparty default risk. Cash and cash equivalents are held only at banks with high credit ratings, and management assesses the risk related to these balances as acceptable based on ongoing periodic institutional assessments.

The Board of Directors assesses the credit risk as medium.

3.3.1.2. Counterparty Risk

In its capacity as issuer, the Company is exposed to various counterparty risks arising from transactions and service relationships with a wide range of contractual counterparties. These include, inter alia, custodians, administrator, wallet providers, depositaries, paying agents, market makers, authorized participants and other parties. The failure of any such counterparty to fulfill its contractual obligations could have a material adverse effect on the Company and its business operations particularly regarding reputational and settlement risks that may arise from counterparty defaults.

With respect to the custodians, the Company is exposed to the counterparty risk of the institutions with which it holds digital assets, physical gold and cash. To mitigate this risk, crypto assets and physical gold are held in segregated collateral accounts with the custodians to ensure protection in the event of the custodian's insolvency. Management assesses this segregation as a highly effective structural safeguard that ensures the legal and operational separation of collateral, preventing any integration with the custodian's proprietary holdings or general assets. Nonetheless, the insolvency of a custodian could still result in delayed access to the underlying assets, potentially leading to investor losses due to fluctuations in the prices of these assets.

Further, the Company's crypto collateral is held in wallets controlled by the respective custodians for safekeeping. For the purposes of custody and access, control is defined as the ability to access the private keys that permit the transfer of assets and/or the signing of transactions on behalf of 21Shares. Only the corresponding private key enables disposal of the balance associated with a public address. Loss of private keys will result in the permanent and irreversible loss of access to any cryptocurrency or digital assets held in the associated wallet. To mitigate this risk, custodians employ industry leading practices for key management, including cold storage solutions and market standard insurance policies. Management assesses these practices—specifically the offline nature of cold storage—as highly effective in reducing the risk of cyberattacks or unauthorized access. To further mitigate concentration risk, the Company employs a multi-custodian approach, a strategy management assesses as a robust control for diversifying exposure across multiple institutional providers. These measures are supported by a rigorous due diligence process and ongoing performance monitoring, which management assesses as robust and sufficient to maintain counterparty risk at acceptable levels.

In the event of theft or other incidents (Extraordinary Events), the investor bears the risk of the loss of the underlying assets. In the event of a payment default by the Company, the assets held as collateral will be liquidated to fulfill obligations to the holders of the ETPs in the order stated in the applicable Base Prospectus. The ETPs grant investors no direct rights to the underlying assets and the proceeds from liquidation may not be sufficient to fully cover all liabilities. In such a case, investors may lose part of their investment.

The Board of Directors assesses the counterparty risk as low.

3.3.2. Market Environment Risks

3.3.2.1. Regulatory Risks

In 2025, crypto-assets and cETNs continued their evolution from largely unregulated instruments toward full integration into established financial markets. Regulators across the European Union, the United Kingdom, and Switzerland, advanced frameworks that provide legal certainty, strengthen investor protection, and define clear obligations for market participants. These developments reflect a broader trend of harmonizing oversight for digital assets, ensuring that crypto-linked products are subject to the same rigorous standards as traditional financial instruments while supporting innovation and market integrity. To mitigate the complexities of this evolving landscape, the Company relies on the specialized legal and compliance functions provided by the 21.co Group. Management assesses this centralized expertise as a highly effective mitigation measure, ensuring that the Company remains consistently aligned with international best practices and emerging supervisory standards.

In the European Union, the Markets in Crypto-Assets Regulation (MiCA), in force since 2024, started shaping the unified legal framework within the European Economic Area (EEA). Throughout 2025, European Securities and Markets Authority (ESMA) published² reports and supervisory guidance to support the consistent application of MiCA regulation, including materials relating to the authorization and supervision of crypto asset service providers, investor protection requirements, market abuse monitoring and operational data and reporting standards.

The French Autorité des marchés financiers (AMF) has adapted its doctrine on the marketing of complex financial instruments to allow certain crypto asset-linked debt securities (including ETNs) to be marketed to non-professional investors under specific conditions³. Furthermore, Euronext announced⁴ the admission of cryptocurrency-linked ETNs to the professional segment of Borsa Italiana in late 2025 as part of a strategy to harmonize product offerings across its venues.

In October 2025, the United Kingdom advanced its domestic framework⁵ and, notably, changed retail market access to listed crypto products. Retail investors have now access to crypto exchange-traded notes (cETNs) admitted to UK recognized investment exchanges, subject to the UK financial promotions regime and consumer-protection safeguards. 21Shares was one of the first issuers to enter the UK retail cETN market and acquire a

² <https://www.esma.europa.eu/esmas-activities/digital-finance-and-innovation/markets-crypto-assets-regulation-mica>

³ <https://www.amf-france.org/sites/institutionnel/files/private/2020-10/20101015-marketing-of-complex-financial-instruments.pdf> and https://www.amf-france.org/sites/institutionnel/files/private/2025-12/doc-2013-12_decembre-2025.pdf

⁴ <https://www.euronext.com/en/about/media/euronext-press-releases/euronext-enhances-institutional-access-digital-assets-new>

⁵ <https://www.fca.org.uk/news/press-releases/fca-opens-retail-access-crypto-etns>

significant market share. Additionally, the United Kingdom has been progressing a comprehensive domestic regulatory framework for crypto assets that is conceptually comparable to the EU's MiCA regime. In December 2025, HM Treasury laid before Parliament the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2025⁶, which, once finalized, will bring defined crypto asset activities (including trading platforms, custody, stablecoin issuance and related services) into the scope of UK financial services regulation under the Financial Conduct Authority (FCA). Alongside this primary legislation, the FCA has published a series of consultation papers⁷, setting out detailed proposals for how the new regime will operate. The new regime is expected to commence in October 2027, with a formal authorization gateway opening in September 2026, and will require firms carrying out regulated crypto asset activities to obtain full FCA authorization and comply with tailored conduct, prudential and market integrity requirements.

In October 2025, the Swiss Federal Council launched a consultation⁸ on proposed amendments to the Financial Institutions Act (FinIA) and related laws to create a clearer and more comprehensive regulatory framework for crypto-asset activities. The draft legislation proposes two new license categories — a Payment Instrument Institution (to replace the existing fintech license and cover stablecoin issuance) and a Crypto Institution (to regulate custody, trading and other crypto-related services). This reform aims to integrate crypto services into Swiss financial market law while balancing innovation, financial stability and consumer protection, aligning domestic rules with evolving international standards. Switzerland is also participating in the OECD's Crypto-Asset Reporting Framework (CARF), with domestic crypto reporting obligations set to take effect from January 2027 and the first international exchange of information anticipated thereafter, bolstering transparency for crypto-asset transactions. Separately, FINMA continues to provide supervisory clarity⁹ on the custody of crypto-assets and the treatment of crypto-based structured products under existing frameworks, reinforcing Switzerland's position as a regulated jurisdiction for digital-asset services.

In the United States, the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) have launched a joint initiative called "Project Crypto" to harmonize their rules.¹⁰ In July 2025, the Genius Act (allowing for issuance of stablecoins) was signed into law but the vote on the Clarity Act (allowing for clearer regulation between the SEC and CFTC on digital assets) has been postponed.¹¹ A new "Crypto Task Force" was established to focus on creating a clear registration path rather than filing lawsuits.¹² The SEC also dismissed several crypto related cases, effectively ending "regulation by enforcement".¹³ Additionally, SAB 121 was rescinded in early 2025 which allows banks more discretion in how they report digital assets and offer institutional custody services.

With the exception of the US, 21Shares pursues listings on the above territories (EU, UK, Switzerland) as key markets. Despite the positive signals in the EU, UK and Swiss markets, the Board of Directors continues to assess overall regulatory risk as high, given persistent cross-border divergence and the potential for sudden shifts in enforcement or policy.

3.3.2.2. Market Risks

The prices of the products issued by the Company are primarily influenced by factors such as actual and expected market liquidity, macroeconomic and political developments, and speculative trading behavior. In 2025, market volatility in the digital asset sector remained elevated. Monetary policy uncertainties, geopolitical tensions, and significant fluctuations in interest rate expectations led to substantial price movements in cryptocurrencies. These market prices have a direct impact on the Company's certificate liabilities and underlying assets. To mitigate the risks associated with price volatility and potential valuation discrepancies, the Company ensures that all exchange-traded products (ETPs) are 100% physically backed by underlying assets held in secure storage. Management assesses this full collateralization—combined with the consistent application of fair value measurement for both assets and certificate liabilities—as a highly effective structural control as it eliminates net equity exposure that would otherwise arise from market price fluctuations.

⁶ <https://statutoryinstruments.parliament.uk/instrument/I0mFwJLP>

⁷ <https://www.fca.org.uk/publications/consultation-papers/cp25-40-regulating-cryptoasset-activities> and <https://www.fca.org.uk/publications/consultation-papers/cp25-41-regulating-cryptoassets-admissions-disclosures-market-abuse-regime-cryptoassets> and <https://www.fca.org.uk/publications/consultation-papers/cp25-42-prudential-regime-cryptoasset-firms>

⁸ <https://www.are.admin.ch/en/newsb/x4TMWQ1SWofNoFx7XyHhY>

⁹ <https://www.finma.ch/en/news/2026/01/20260112-mm-am-01-26/>

¹⁰ <https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-joint-sec-cftc-harmonization-event-project-crypto-012926>

¹¹ <https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-president-donald-j-trump-signs-genius-act-into-law/>

¹² <https://www.sec.gov/newsroom/press-releases/2025-30>

¹³ <https://anzlaw.thomsonreuters.com/w-046-0363>

Furthermore, the Company maintains a diversified portfolio of over 50 products traded in six currencies. Management assesses this diversification as a significant mitigation measure that reduces reliance on any single digital asset or currency.

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

3.3.3. Operational and Business Risks

3.3.3.1. Operational Risks

Operational risks encompass potential losses arising from inadequate or defective internal processes, human or technical failures, as well as legal risks (including litigation). As a SPV, the Company's operations are supported by its parent company, Jura Pentium AG, and other group entities, which perform key management and administration functions.

The Company has implemented an internal control system, along with clearly defined governance and compliance structures. Management assesses these governance frameworks as highly effective, as they leverage the established infrastructure of the 21.co Group to maintain high operational standards across the ETP lifecycle. Additionally, regular external audits and internal testing procedures are conducted to ensure the effectiveness of these measures. Management assesses these oversight activities as robust, providing a critical layer of verification that ensures internal processes remain aligned with evolving industry best practices.

Despite these precautions, residual risks remain, particularly considering rapidly evolving market requirements and the operational demands of evolving compliance standards. To address this, the Company continues to emphasize the standardization of business processes and the enhanced use of automation. The integration of state-of-the-art technological solutions allows the Company to achieve efficiency gains while reducing the likelihood of human error in operational workflows. Management assesses this technological strategy as a highly effective mitigation measure, as it ensures the scalability and reliability of the platform even during periods of high market activity.

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

3.3.3.2. Business Risks

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

To proactively mitigate potential business interruptions, the Company has implemented appropriate control processes and maintains a broad partner and infrastructure base, including a multi-custodian approach to ensure the secure safekeeping of assets. Management assesses this approach as a highly effective measure for maintaining operational continuity and providing the necessary flexibility to navigate sudden shifts in the market or service provider landscape.

Furthermore, the Company utilizes its established scale of over 50 products listed across various exchanges to diversify its operational footprint. Management assesses this diversification strategy as a robust mitigation measure, as it reduces reliance on any single jurisdiction and enhances the Company's resilience against regional regulatory or economic headwinds.

The Board of Directors assesses these business risks as low.

3.3.3.3. Risks Associated with Staking

Certain crypto assets held as collateral can be used for staking and are subject to the risk of loss of tokens from incurring penalties through a process known as slashing. The two key misbehaviors that incur slashing are downtime and double signing. As 21Shares earns revenue through staking rewards, the Company is inherently exposed to these risks. To mitigate these risks, 21Shares has established a robust staking infrastructure and implemented continuous monitoring measures. Management assesses these technical controls as highly effective. In addition, the proportion of assets allocated to staking activities is carefully managed to limit potential exposure. Management assesses this conservative allocation strategy as a robust safeguard, ensuring that any potential impact is contained within manageable thresholds. Furthermore, the Company has secured partial protection against potential slashing penalties through underlying insurance arrangements. Management assesses this

insurance layer as a significant qualitative mitigation, that reinforces the Company's financial resilience in the event of an incident

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

3.3.4. Overall Assessment of the Risk Situation

The Board of Directors has performed a consolidated assessment of the Company's risk profile by evaluating the cumulative impact of the individual risk categories described above. When viewed in aggregate, the Company's risk mitigation measures and strategic positioning provide a resilient framework for managing the risks. At the time of preparing this report, the Board of Directors has not identified any risks, either individually or in combination, that could jeopardize the Company's ability to continue as a going concern. The overall risk situation is considered manageable and appropriate for the Company's business model.

4. Forecast Report

The Company's outlook is based on current market trends and the strategic objectives of the Company and 21.co Group. Management acknowledges that the digital asset sector is characterized by price volatility and ongoing global regulatory developments. These factors introduce uncertainty into the forecasting process, as the Company's primary financial indicators—specifically Assets under Management and Gross Revenue—are directly sensitive to market-wide valuation shifts. Consequently, these sector-specific conditions may lead to deviations between actual results and the projected KPIs.

To establish a consistent basis for the 2026 outlook, the Board first evaluates the Company's 2025 performance against the forecasts established in the prior year. This retrospective analysis ensures a systematic comparison of actual results and strategic targets. Total revenue for 2025 reached USD 117.82 million, representing year-on-year growth of 19.1%, which is in line with the projected strong revenue growth. On the other hand, AUM declined to USD 3.68 billion, remaining below the target of over 5 billion, primarily driven by adverse valuation effects across the digital asset market in Q4 2025.

4.1. Opportunities and Risks

4.1.1. Growth of the Crypto Market and Institutional Acceptance

Institutional adoption continues to accelerate, driven by asset managers, banks, and wealth platforms integrating digital assets into their offerings. Demand is shifting toward regulated, transparent investment vehicles, positioning crypto-ETPs as a primary access point for professional investors. With 57 products listed across major European exchanges as of 31 December 2025, 21Shares remains well positioned to capture this structural trend. As of Q1 2026, this has expanded to 60 products following the launch of 2 single asset and 1 equity products.

The perception of digital assets as a legitimate asset class has strengthened, supported by improving regulatory clarity in both Europe and the United States, as well as continued maturation of market infrastructure. However, this cycle is characterized by more selective capital allocation, with institutional flows concentrating on established assets and high-quality investment strategies.

In 2026, improving liquidity conditions, continued institutional onboarding, and expanding use cases are expected to support renewed AUM growth. Following the previously mentioned acquisition by FalconX Holdings Limited, the Company is uniquely positioned to leverage synergies with a leading institutional digital asset prime brokerage firm. As more financial institutions and professional investors seek exposure to digital assets, opportunities for new partnerships and distribution channels will multiply. By continuing to tailor its product suite to institutional needs, 21Shares is poised to further solidify its leadership in the crypto-ETP space.

The forecast is based on the key assumptions of: (i) a recovery in digital asset valuations to 2024 peak levels, (ii) continued positive net inflows into the European crypto-ETP market, and (iii) the realization of operational synergies following the FalconX acquisition. Changes in these variables, particularly market price volatility, represent the primary risks to achieving these targets.

4.1.2. Strategic Expansion of Product Portfolio and Market Positioning

In 2025, 21Shares reinforced its position as a leading provider through continuous development and innovation in the crypto-ETP sector. The Company successfully scaled its product portfolio from 44 products available at the close of 2024 to 57 products as at 31 December 2025. This underscores the Company's ongoing commitment to innovation and its focus on meeting the specific requirements of institutional investors, who increasingly demand customized and risk-adjusted investment solutions.

A key milestone in its international expansion was the cross-listing of 21Shares on the London Stock Exchange in 2024, initially exclusively available to professional investors. Building on that foundation, 21Shares has since broadened access to its full LSE product range to retail investors as well and further expanded its offering with the addition of the first crypto index product in this market - marking a significant step in making regulated crypto investment products accessible to a broader UK audience.

Looking ahead, the Company intends to further deepen its cooperation with the London Stock Exchange and pursue additional international listings. A successful launch on Euronext Milan was finalized in early 2026, while 21Shares has already established a presence on B3, Brazil's leading exchange, with six products cross-listed via the Brazilian Depositary Receipt (BDR) structure. The Company also continues to advance its exploration with other exchanges as part of its broader ambition to establish itself as a leading global provider of crypto-ETPs. Furthermore, 21Shares continues to work closely with leading enterprises in the crypto industry to deliver innovative solutions tailored to evolving investor needs.

For 2026, the Company expects continued rising demand for customized, risk-adjusted crypto investment solutions. 21Shares plans to further expand its portfolio along two strategic dimensions: broadening the range of supported asset classes to reflect the maturation and diversification of the digital asset market and introducing new products designed to meet increasingly sophisticated investor demand. Additionally, the Company is actively exploring new exposure types to provide investors with a more diverse set of tools to express their market views and manage risk. This product expansion will allow the Company to solidify its market position and further increase growth potential in the crypto-ETP sector.

4.2. Business Expansion

4.2.1. International Expansion and Market Penetration

Building on its established presence in European, Australian, and Middle Eastern markets, the Company expects to further broaden its global footprint throughout 2026. Strategic priority will be directed toward high-growth regions such as Latin America and the Nordic countries, where the adoption of digital assets is maturing rapidly. In addition, the Company also continues to advance its exploration of new exchange listings and partnerships. By aligning with major financial institutions and adapting to regional frameworks, the Company aims to enhance accessibility for both institutional and retail investors, driving continued market share growth across emerging and developed crypto markets.

4.2.2. Diversification and Expansion of Product Portfolio

In 2026, the Company intends to diversify its product portfolio through innovative exposure types designed for client needs. By introducing specialized tracker and yield-generating products, 21Shares aims to bridge traditional finance and digital assets while attracting new investor segments. This expansion will solidify the Company's market position and increase growth potential in the crypto-ETP sector.

4.3. Increasing Regulatory Requirements

The regulatory landscape for crypto assets is evolving globally, with increasingly stringent requirements in both the European Union (EU) under the MiCA Regulation and in Switzerland which proceeds implementing similar regulatory requirements for crypto asset service providers. In the meantime, some European regulatory fora have moved towards simplifying their regulatory oversight on crypto-ETNs, such as France and Italy. These regulatory developments present both opportunities and challenges for 21Shares. The Company is well-positioned to meet regulatory requirements.

The MiCA Regulation grandfathering period is expected to end by mid-2026, playing a crucial role in crypto asset regulation in the European markets with new standards crystallizing around custody, staking and lending. In the U.S., the Genius Act was passed in July 2025 to regulate stablecoins but the vote to approve the Clarity Act to regulate oversight of crypto markets was postponed. The SEC has also provided clarification on tokenized securities and tokenization.

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

4.4. Forecast

4.4.1. Market Development and Business Outlook

For the 2026 fiscal year, 21Shares forecasts continued expansion within the crypto-ETP sector, underpinned by accelerating institutional allocations and stabilizing regulatory environment in North America and the European Union. Management anticipates that global crypto-ETP AUM will surpass USD 400 billion by year-end 2026¹⁴, as Bitcoin continues its transition toward a mature macro asset class. To remain at the forefront of market development, the Company continues to introduce innovative offerings, such as the February 2026 launch of the 21shares Strategy Yield ETP (STRC), further diversifying the portfolio. Systemic tailwinds, including the forecasted growth of the global stablecoin supply toward USD 1 trillion¹⁵, are expected to provide significant liquidity to the digital asset ecosystem.

4.4.2. Outlook for Key Performance Indicators (KPIs)

The Company's performance in 2025 demonstrated resilience and alignment with its long-term strategic objectives. Based on the financial results for the 2025 period and current market trends, the following outlook is provided for the primary Key Performance Indicators (KPIs):

Assets Under Management Forecast

In 2025, 21Shares navigated a volatile market environment. While AUM reached USD 4.73 billion at the end of 2024, the 2025 year-end AUM stood at USD 3.68 billion. This decrease was primarily driven by lower year-end cryptocurrency market valuations compared to 2024, despite seeing positive net inflows and the launch of 13 new products.

Looking ahead, the Company targets a significant increase in AUM, with a target of returning to 2024 peak levels of USD 4.73 billion. This reflects a projected increase in net new assets and a recovery of digital asset valuations.

Revenue Forecast

In the 2025 financial year, 21Shares achieved total gross revenue of USD 117.82 million, a 19.1% increase over 2024. This growth was primarily driven by strong client demand, positive net new assets, and continued product innovation.

For the 2026 financial year, the Company anticipates that gross revenue remains stable at approximately the 2025 level of USD 117.82 million. This outlook is supported by the forecasted growth in AUM, the continued expansion of the product portfolio, and the strengthening of strategic partnerships with leading financial institutions, partly offset by lower average management fees resulting from shifting product mix toward lower-fee institutional-grade products.

4.4.3. Long-term Outlook and Structural development

Looking beyond the 2026 forecast period, the Company anticipates further structural maturation of international regulatory frameworks. Notable milestones include the expected commencement of the UK's crypto-asset regulatory regime in late 2027 and the introduction of Swiss reporting obligations under the CARF framework in January 2027. These developments are expected to enhance market integrity and broaden institutional distribution opportunities. Furthermore, the transition to IFRS 18 on 1 January 2027 will modernize financial presentation by classifying core items—including revenue and net fair value gains or losses—into a new Operating category and introducing mandatory subtotals such as "Operating profit or loss". Management remains confident that its strategic and operational infrastructure provides a resilient foundation for these long-term developments.

4.4.4. Overall Statement on the Forecasted Development

The financial results of 21Shares are expected to benefit from sustained demand for crypto-ETPs, an efficient cost structure, and scalable business model. In 2026, the Company strives to maintain its revenue trajectory, supported by broader institutional interest and targeted go-to-market strategies following its acquisition by FalconX Holdings Limited. Strong Company positioning and market tailwinds are expected to result in stable profitability, ensuring that the Company remains well-capitalized to pursue further innovation and growth in the digital asset sector. Based on the assumptions and analysis presented in this report, management remains confident that its current strategic positioning provides a resilient foundation for both the 2026 forecast period and the subsequent long-term structural developments.

¹⁴ 21Shares Research, State of Crypto #16: Market Outlook 2026, page 8

¹⁵ 21Shares Research, State of Crypto #16: Market Outlook 2026, page 10

5. Conclusion

The outlook for 2026 is positive as 21Shares leverages its FalconX integration, global expansion, and product innovation. Despite ongoing regulatory and market risks, the Company remains well-positioned to drive institutional adoption and sustained growth within the digital asset ecosystem.

Zurich, 29 April 2026

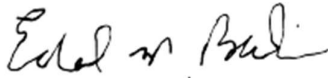
The Board of Directors



Russell Barlow, CEO



Duncan Moir, President



Edel Bashir, COO



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Independent Auditor's Report to the Board of Directors of 21Shares AG, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 21Shares AG (the Company), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (page 19 to 38) give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit Matters



OWNERSHIP OF ON-BALANCE CRYPTO EXPOSURE

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



OWNERSHIP OF ON-BALANCE CRYPTOCURRENCY DIGITAL ASSETS EXPOSURE

Key Audit Matter

The total cryptocurrency digital assets exposure of 21Shares AG (the Company) as of 31 December 2025 amounts to MUSD 3'654.

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

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

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

Our response

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

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

For further information on the ownership of on-balance cryptocurrency digital assets exposure, refer to the following:

- Note 9 to the financial statements: "Digital assets and other ETP assets at fair value"
- Note 19.3 to the financial statements: "Custodian risk"



Other Information

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

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

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

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

Board of Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

KPMG AG

A handwritten signature in blue ink, appearing to read 'R. Feuerstein', with a long horizontal flourish extending to the right.

Romano Feuerstein
Licensed Audit Expert
Auditor in Charge

A handwritten signature in blue ink, reading 'B. Niedermayer', in a cursive style.

Benjamin Niedermayer
Licensed Audit Expert

Zurich, 29 April 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December

| <i>in USD</i> | Notes | 2025 | 2024 |
|--|-------|----------------------|------------------------|
| Gross revenue | 4 | 117'818'639 | 98'950'585 |
| Revenue sharing | 5 | (9'615'841) | (14'032'732) |
| Revenue | | 108'202'798 | 84'917'853 |
| Cost of services | 6 | (5'871'825) | (5'429'235) |
| Gross profit | | 102'330'973 | 79'488'618 |
| Other operating expenses | 6 | (2'445'099) | (1'446'646) |
| Intercompany service fees | | (98'770'072) | (76'872'346) |
| Net fair value gain/(loss) on digital and other assets | 9 | (881'247'530) | (64'744'224) |
| Net fair value gain/(loss) on certificate liability | 14 | 1'374'618'596 | (2'183'375'924) |
| Profit (Loss) from operations | | 494'486'868 | (2'246'950'522) |
| Finance income | 7 | 364'781 | 1'967'092 |
| Finance costs | 7 | (623'101) | (230'232) |
| Profit (loss) before tax | | 494'228'548 | (2'245'213'662) |
| Income tax (expenses) benefit | 8 | (118'880'851) | 539'270'631 |
| Profit (loss) for the year | | 375'347'697 | (1'705'943'031) |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Revaluation (loss)/gain of digital assets, gross | 13 | (493'416'352) | 2'248'121'801 |
| Tax effect on revaluation of digital assets | | 118'419'924 | (539'549'232) |
| Total items that will not be reclassified to profit or loss | | (374'996'428) | 1'708'572'569 |
| Other comprehensive (loss) income for the year, net of tax | | (374'996'428) | 1'708'572'569 |
| Total comprehensive income for the year | | 351'269 | 2'629'538 |

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

STATEMENT OF FINANCIAL POSITION

ASSETS

| <i>in USD</i> | Notes | 31 December 2025 | 31 December 2024 |
|--------------------------------|-------|----------------------|----------------------|
| <i>Current assets</i> | | | |
| Digital assets at fair value | 9 | 3'654'385'855 | 4'732'950'217 |
| ETP assets - other | 9 | 25'657'059 | - |
| Trade receivables | 10 | - | 203'693 |
| Other current financial assets | 11 | 8'101'550 | 25'494'683 |
| Cash and cash equivalents | 12 | 739'388 | 235'783 |
| Total current assets | | 3'688'883'852 | 4'758'884'376 |
| TOTAL ASSETS | | 3'688'883'852 | 4'758'884'376 |

EQUITY AND LIABILITIES

| <i>in USD</i> | Notes | 31 December 2025 | 31 December 2024 |
|-------------------------------------|-------|----------------------|----------------------|
| <i>Equity</i> | | | |
| Share capital | 13 | 104'917 | 104'917 |
| Reserve from capital contributions | 13 | 629'840 | 629'840 |
| Revaluation surplus | 13 | 264'789'496 | 1'735'013'101 |
| Accumulated deficit | | (261'472'200) | (1'732'047'074) |
| Total equity | | 4'052'053 | 3'700'784 |
| <i>Current liabilities</i> | | | |
| Certificate liabilities | 14 | 3'679'318'236 | 4'724'017'849 |
| Provisions | | 273'003 | 354'021 |
| Other current financial liabilities | 15 | - | 388'781 |
| Trade and other payables | 16 | 4'815'503 | 30'210'587 |
| Current income tax liabilities | | 425'057 | 212'355 |
| Total current liabilities | | 3'684'831'799 | 4'755'183'592 |
| Total liabilities | | 3'684'831'799 | 4'755'183'592 |
| TOTAL EQUITY AND LIABILITIES | | 3'688'883'852 | 4'758'884'376 |

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

STATEMENT OF CHANGES IN EQUITY

| <i>in USD</i> | Notes | Share capital | Reserve from capital contributions | Revaluation surplus | Accumulated Deficit | Total equity |
|---|-------|----------------|------------------------------------|----------------------|------------------------|----------------------|
| Balance as at 1 January 2025 | | 104'917 | 629'840 | 1'735'013'101 | (1'732'047'074) | 3'700'784 |
| <i>Comprehensive income</i> | | | | | | |
| Profit for the year | | - | - | - | 375'347'697 | 375'347'697 |
| Other comprehensive (loss) income for the year | | - | - | (374'996'428) | - | (374'996'428) |
| Total comprehensive (loss) income for the year | | - | - | (374'996'428) | 375'347'697 | 351'269 |
| Transfer of revaluation reserve upon disposal of digital assets | 13.3 | - | - | (1'441'088'391) | 1'441'088'391 | - |
| Tax effect of transfer of revaluation reserve upon disposal of digital assets | 13.3 | - | - | 345'861'214 | (345'861'214) | - |
| Balance as at 31 December 2025 | | 104'917 | 629'840 | 264'789'496 | (261'472'200) | 4'052'053 |

| <i>in USD</i> | Notes | Share capital | Reserve from capital contributions | Revaluation surplus | Accumulated Deficit | Total equity |
|---|-------|----------------|------------------------------------|----------------------|------------------------|------------------------|
| Balance as at 1 January 2024 | | 104'917 | 629'840 | 527'875'694 | (527'539'205) | 1'071'246 |
| <i>Comprehensive income</i> | | | | | | |
| Loss for the year | | - | - | - | (1'705'943'031) | (1'705'943'031) |
| Other comprehensive income for the year | | - | - | 1'708'572'569 | - | 1'708'572'569 |
| Total comprehensive income for the year | | - | - | 1'708'572'569 | (1'705'943'031) | 2'629'538 |
| Transfer of revaluation reserve upon disposal of digital assets | 13.3 | - | - | (659'783'108) | 659'783'108 | - |
| Tax effect of transfer of revaluation reserve upon disposal of digital assets | 13.3 | - | - | 158'347'946 | (158'347'946) | - |
| Balance as at 31 December 2024 | | 104'917 | 629'840 | 1'735'013'101 | (1'732'047'074) | 3'700'784 |

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

STATEMENT OF CASH FLOWS

for the year ended 31 December

| | Notes | 2025 | 2024 |
|---|-------|---------------------|------------------------|
| <i>in USD</i> | | | |
| Profit (loss) for the year | | 375'347'697 | (1'705'943'031) |
| <i>Adjustments for</i> | | | |
| Net fair value (gain)/loss on financial liabilities | 14 | (1'374'618'596) | 2'183'375'924 |
| Net fair value loss on digital and other assets | 9 | 881'247'530 | 62'918'673 |
| Income tax expense (benefit) | 8 | 118'880'851 | (539'270'631) |
| Other non-cash items | | 715'084 | (10'430'430) |
| <i>Changes in</i> | | | |
| Trade receivables | 10 | 203'693 | (15'166) |
| Other current assets | 11 | 3'755'522 | (3'273'786) |
| Trade and other payables | 16 | (18'195'988) | 11'357'959 |
| Provisions | | (81'018) | 354'021 |
| Income taxes paid | 8 | - | (100'053) |
| Net cash (used in) from operating activities | | (12'745'225) | 800'684 |
| <i>Cash flows from investing activities</i> | | | |
| Loan repaid (provided) from (to) related party | | 13'637'611 | (1'064'971) |
| Net cash from (used in) investing activities | | 13'637'611 | (1'064'971) |
| <i>Cash flows from financing activities</i> | | | |
| Proceeds from loans and borrowings | 15 | - | - |
| Repayments of loans and borrowings | 15 | (388'781) | (98'258) |
| Net cash used in financing activities | | (388'781) | (98'258) |
| Net increase (decrease) in cash and cash equivalents | | 503'605 | (362'545) |
| Cash and cash equivalents as at 1 January | 12 | 235'783 | 598'328 |
| Cash and cash equivalents as at 31 December | 12 | 739'388 | 235'783 |

| Non-cash Transactions during the period: | Notes | 2025 | 2024 |
|--|-------|-----------------|-----------------|
| Purchase of digital and other assets | 9 | 3'199'292'317 | 2'215'242'185 |
| Disposal of digital and other assets | 9 | (2'877'522'526) | (2'006'403'749) |
| Issuance of financial liabilities designated at fair value through profit or loss | 14 | (3'199'292'317) | (2'215'242'185) |
| Redemption of financial liabilities designated at fair value through profit or loss ¹ | 14 | 2'783'645'930 | 1'943'094'477 |
| ETP management fees earned | 14 | 85'727'404 | 72'083'944 |

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

¹ The 2024 comparative figures have been adjusted to reflect a separate presentation of ETP management fees transferred. Prior year ETP management fees transferred were included in Redemption of financial liabilities designated at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

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 exchange-traded products (ETP) backed by digital assets and other collateral in Switzerland and worldwide. On 14 February 2020, the Company changed its name from Amun AG to 21Shares AG. The Company was wholly owned by Amun Holdings Limited ("AHL") which changed its name to 21co Holdings Limited effective 10 July 2024. On 28 December 2022, Jura Pentium AG became the direct parent company and sole shareholder of 21Shares (both are subsidiaries of 21co Holdings Limited and under the 21.co Group). In November 2025, FalconX Holdings Limited, a leading institutional digital asset prime brokerage firm, acquired 21co Holdings Limited and its subsidiaries.

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

21Shares offers a full range of single asset, basket and index trackers which are available to trade in multiple currencies. These ETPs are fully collateralized by holdings of underlying assets, which primarily consist of crypto assets but also include other collateral such as gold. The products track the financial performance of a single crypto asset or benchmark consisting of a basket of products. In November 2018, 21Shares listed its first ETP on the SIX Swiss Exchange (SIX), and since then, the number of offerings has grown to include over 50 products listed primarily on European exchanges and traded in six currencies (USD, CHF, EUR, GBP, JPY, SEK).

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards. They were authorized for issue by the Company's Board of Directors on 29 April 2026. They are subject to approval by the shareholder meeting to be held on 29 April 2026. Details of the Company's material accounting policies are outlined in Note 20.

2.2 Basis of measurement

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

| Items | Measurement basis |
|-------------------------|----------------------------------|
| Digital assets | Fair value at balance sheet date |
| ETP assets - other | Fair value at balance sheet date |
| Certificate liabilities | Fair value at balance sheet date |

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

2.3 Functional and presentation currency

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

3 Use of estimates and significant judgments

In preparing these financial statements, management has made estimates and significant judgments that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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

3.1 Measurement of fair values

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

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

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

Management exercises judgement in determining the appropriate recognition cut off time of digital asset transactions because digital asset markets operate continuously. In certain cases, this may result in a timing difference between trade execution and recognition and may affect reported balances of digital assets and related gains or losses.

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

- Note 9 *Digital assets and other ETP assets at fair value* and Note 20.4 *Digital assets at fair value and other ETP assets*
- Note 14 *Certificate liabilities (current)* and Note 20.5 *Financial Instruments*

4 Gross revenue

A summary of the Company's revenue for the year 2025 and 2024 is as follows:

| <i>in USD</i> | 2025 | 2024 |
|----------------------------|--------------------|-------------------|
| Management Fees | 85'727'404 | 72'083'944 |
| Staking Rewards | 25'794'779 | 25'186'277 |
| Other | 6'296'456 | 1'680'364 |
| Total gross revenue | 117'818'639 | 98'950'585 |

The Company's revenue primarily consists of management fees, redemption 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 and other underlying collateral.

Management fees (also referred to as Investor Fees) are calculated at each ETP product level at applicable predetermined management fee rate. These fees are accrued on each business day over the period that the ETP is outstanding at the market price of the underlying digital and gold. Fees are generally deducted monthly from the ETP's assets and transferred in a form of the underlying assets to the Group's corporate accounts. The management fees charged include all the expenses related to the ETP product, including trading fees, custodianship and security fees.

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

Other fees, including market making profit share revenue, redemption fees and platform usage fees, are calculated in accordance with the terms of the applicable agreements between the Company and the counterparties. Such income or revenue share is recognized in the income statement monthly after the performance obligation has been satisfied. In 2025, the Company earned a redemption fee of USD 5'283'547 from a business partner for an early redemption of an ETP seeding.

Management fees and staking rewards are earned in kind. The revenue accruals are recognized in USD at the fair value of the digital assets on each business day. For detailed information on the measurement of fair value, please see Note 20.4.4. *Fair value measurement*.

5 Revenue sharing

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

6 Cost of services and other operating expenses

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

The following costs are included in the Cost of Services:

| <i>in USD</i> | 2025 | 2024 |
|-------------------------------|--------------------|--------------------|
| Custodian service fees | (2'316'611) | (2'408'955) |
| Listing fees | (1'030'212) | (807'212) |
| Transfer agent fees | (960'487) | (628'968) |
| Valuation fees | (118'665) | (415'458) |
| Fund administration fees | (414'785) | (326'572) |
| Staking costs | (144'773) | (161'136) |
| Other product costs | (886'292) | (680'934) |
| Total cost of services | (5'871'825) | (5'429'235) |

During 2025, operating expenses in the amount of USD 2'445'099 (2024: USD 1'446'646) were recorded on 21Shares AG's books, primarily consisting of legal, tax, other professional service fees and marketing expenses. Additionally operating expenses were incurred by Jura Pentium AG, serving as 21Shares' principal service provider and paying external service providers on 21Shares' behalf. Those third-party operating expenses, among compensation expenses, were charged back to 21Shares as part of the intercompany service fees. For further details, refer to Note 18 *Related party transactions*.

7 Net finance result

| <i>in USD</i> | 2025 | 2024 |
|--|------------------|------------------|
| <i>Finance income</i> | | |
| Interest income - related parties | 351'269 | 1'498'064 |
| Foreign currency exchange gains | 13'511 | 469'028 |
| Total finance income | 364'781 | 1'967'092 |
| <i>Finance costs</i> | | |
| Interest expenses due to third parties | (1'296) | (10'209) |
| Foreign currency exchange losses | (612'351) | (219'556) |
| Bank charges | (9'454) | (467) |
| Total finance costs | (623'101) | (230'232) |
| Net finance result | (258'320) | 1'736'860 |

8 Income taxes

The major components of income taxes are as follows:

| <i>in USD</i> | 2025 | 2024 |
|--------------------------------------|----------------------|--------------------|
| Current income tax (expense) benefit | (118'880'851) | 539'270'631 |
| Total current income taxes | (118'880'851) | 539'270'631 |

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

| | 2025 | 2024 |
|--------------------------|------|------|
| Expected income tax rate | 24% | 24% |

| <i>in USD</i> | 2025 | 2024 |
|--|----------------------|------------------------|
| Profit / (loss) before tax | 494'228'548 | (2'245'213'662) |
| Expected income tax benefit (expense) | (118'614'852) | 538'851'279 |
| Tax effect of: | | |
| Other | (265'999) | 419'352 |
| Total income taxes | (118'880'851) | 539'270'631 |

Current taxes that relate to items that are recognized in other comprehensive income are also recognized in other comprehensive income (refer to Note 13.3 for further details).

There are no deferred tax balances as there are no temporary differences. There is no tax loss carried forward recognized.

9 Digital assets and other ETP assets at fair value

ETP assets held by the Company serve as collateral for the certificate liabilities stemming from the issuance of various Exchange-Traded Products (ETPs). These assets include:

- Digital assets: Cryptocurrency assets measured at fair value
- ETP assets – other: Physical gold holdings

Revenues are earned in kind, and these digital assets are frequently transferred to the parent company. As of 31 December, the Company also holds cryptocurrency assets as its own investment.

The Company classifies its digital assets as intangible assets and applies the revaluation model for measurement. Since digital assets are fungible, the Company applies the First-In-First-Out (FIFO) method to carry the historical

cost of such assets. Changes in their fair value are recorded either in profit and loss or in other comprehensive income, as detailed in Note 20.4 *Digital assets at fair value and other ETP assets*.

Physical gold holdings are measured at fair value through profit or loss (FVTPL). This measurement basis ensures that the carrying amount of the collateral remains directly aligned with the market-linked ETP liabilities. Refer to Note 20.4.5 for further details on the accounting policy.

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|---|-----------------------------|-----------------------------|
| Current digital assets at fair value | 3'654'385'855 | 4'732'950'217 |
| ETP assets - other | 25'657'059 | - |
| Total digital and other assets at fair value | 3'680'042'914 | 4'732'950'217 |
| <i>thereof held as a collateral for the certificate liability</i> | 3'679'318'236 | 4'724'017'849 |
| <i>thereof held as the Company's own investment</i> | 724'678 | 8'932'368 |

The following ETP assets are held by the Company:

| | 31 December 2025 | | 31 December 2024 | |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
| | Units | <i>in USD</i> | Units | <i>in USD</i> |
| <i>By underlying ETP asset</i> | | | | |
| Binance | 56'634 | 48'822'139 | 1'023'681 | 710'053'957 |
| Bitcoin | 15'613 | 1'371'809'554 | 13'608 | 1'294'103'868 |
| Ethereum | 175'431 | 522'156'316 | 178'804 | 588'563'169 |
| Ripple | 270'113'022 | 500'296'936 | 217'246'258 | 460'038'240 |
| Polkadot | 7'481'538 | 13'545'901 | 6'106'433 | 40'313'278 |
| Cardano | 123'661'199 | 42'296'460 | 108'408'841 | 90'963'090 |
| Solana | 6'636'699 | 830'985'914 | 5'831'562 | 1'155'173'821 |
| Other | | 324'373'438 | | 393'583'098 |
| Total digital assets | | 3'654'286'657 | | 4'732'792'521 |
| Gold (ETP assets – other) | | 25'657'059 | | - |
| Total ETP assets | | 3'679'943'716 | | 4'732'792'521 |
| Due from (to) brokers and other assets | | 99'198 | | 157'696 |
| Balance as at 31 December | 408'140'136 | 3'680'042'914 | 338'809'187 | 4'732'950'217 |

ETP assets changes during the periods are presented as follows:

| <i>in USD</i> | 2025 | 2024 |
|---|----------------------|----------------------|
| Net ETP assets at fair value as at 1 January | 4'732'792'521 | 2'340'622'239 |
| Purchases of digital and other assets | 3'199'292'317 | 2'215'242'185 |
| Sales of digital and other assets | (2'877'522'526) | (2'006'403'749) |
| Realized loss on disposals | (107'337'886) | (87'144'060) |
| Fair value gains / (losses) on digital and other assets through profit and loss | (773'864'357) | 22'354'106 |
| Fair value gains / (losses) on digital and other assets through revaluation surplus (OCI) | (493'416'352) | 2'248'121'801 |
| Balance as at 31 December | 3'679'943'716 | 4'732'792'521 |

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

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|--|----------------------|----------------------|
| Level 1 (quoted price based on an active market) | 3'680'042'914 | 4'732'950'217 |
| Total digital assets and other ETP assets at fair value | 3'680'042'914 | 4'732'950'217 |

10 Trade receivables

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|---------------------------------|---------------------|---------------------|
| Trade receivables - third party | - | 203'693 |
| Total trade receivables | - | 203'693 |

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

Credit risk is considered as part of the risk disclosures in Note 19.4. Management has undertaken a review of the expected credit losses, which were determined to be immaterial to the Company and have not been recognized.

11 Other current financial assets

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Accrued receivables | 749'660 | 4'133'355 |
| VAT receivables | 163'463 | 151'158 |
| Prepayments | 23'408 | 53'166 |
| Other current receivables | 20'371 | 374'746 |
| Current receivables from parent company | 7'144'647 | 20'782'258 |
| Total other current financial assets | 8'101'550 | 25'494'683 |

On one hand, the receivables from the parent company arise from revenues earned in kind by the Company and transferred to the corporate crypto account of Jura Pentium AG, the parent company. These receivables from the parent company carried an interest of 4.25% (2024: 4.25%) until 31 July 2025, prior to the termination and full repayment of the loan effective 1 August 2025.

On the other hand, Jura Pentium AG provides intercompany services to 21Shares AG, the expenses of which are offset against the outstanding receivable balance. Following the loan termination, the remaining balances are non-interest bearing, originate from normal business operations, and are of a short-term nature.

12 Cash and cash equivalents

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Cash CHF | 367'617 | 18'558 |
| Cash USD | 272'031 | 217'225 |
| Cash EUR | 99'740 | - |
| Total cash and cash equivalents | 739'388 | 235'783 |

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

13 Equity

13.1 Share capital

The fully paid in share capital of the Company amounts to CHF 100,000 (USD 104,917) and is divided into 5,000,000 registered shares with a nominal value of CHF 0.02 each. No changes compared to prior year.

13.2 Reserve from capital contributions

During the financial year ended 31 December 2025 the capital reserves remained unchanged at USD 629,840.

13.3 Revaluation Surplus

| <i>in USD</i> | Fair value through OCI | | |
|---|------------------------|----------------------|----------------------|
| | Gross | Tax Effect | Net |
| Balance as at 31 December 2024 | 2'282'911'975 | (547'898'874) | 1'735'013'101 |
| Fair value increase/(decrease) during the year | (493'416'352) | 118'419'925 | (374'996'428) |
| Transfer of revaluation reserve upon disposal of digital assets | (1'441'088'391) | 345'861'214 | (1'095'227'177) |
| Balance as at 31 December 2025 | 348'407'232 | (83'617'736) | 264'789'496 |

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

14 Certificate liabilities (current)

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| 21shares Aave ETP (AAVE) | 8'886'266 | 8'951'464 |
| 21shares Algorand ETP (ALGO) | 5'487'597 | 11'540'189 |
| 21shares Aptos Staking ETP (APTOS) | 475'576 | 1'659'056 |
| 21shares Arbitrum Staking ETP (AARB) | 1'405'779 | 2'376'482 |
| 21shares Artificial Superintelligence Alliance ETP (AFET) | 126'930 | - |
| 21shares Avalanche ETP (AVAX) | 16'254'077 | 26'429'023 |
| 21shares Binance BNB ETP (ABNB) | 22'156'200 | 688'268'092 |
| 21shares Bitcoin Cash ETP (ABCH) | 11'862'971 | 11'660'334 |
| 21shares Bitcoin Core ETP (CBTC) | 453'571'117 | 238'722'209 |
| 21shares Bitcoin Ethereum Core ETP (ABBA) | 31'926'834 | 35'142'341 |
| 21shares Bitcoin ETP (ABTC) | 730'958'066 | 851'439'404 |
| 21shares Bitcoin Gold ETP (BOLD) | 37'418'882 | 16'070'833 |
| 21shares Bittensor ETP (ATAO) | 500'680 | - |
| 21shares Bitwise Select 10 Large Cap Crypto Index (KEYS) | 22'087'788 | 28'618'683 |
| 21shares Canton Network ETP (CANTN) | 137'527 | - |
| 21shares Cardano ETP (AADA) | 40'305'452 | 81'151'477 |
| 21shares Celestia Staking ETP (ATIA) | 862'931 | 3'161'667 |
| 21shares Chainlink ETP (LINK) | 25'662'427 | 23'154'479 |
| 21shares Cronos Staking ETP (CRON) | 54'436'767 | - |
| 21shares Crypto Basket 10 CORE ETP (HODLX) | 34'913'549 | 21'610'248 |
| 21shares Crypto Basket Equal Weight ETP (HODLV) | 21'625'769 | 14'323'947 |
| 21shares Crypto Basket Index ETP (HODL) | 178'846'569 | 213'807'080 |
| 21shares Crypto Mid-Cap Index ETP (ALTS) | 12'171'508 | 12'946'187 |
| 21shares Dogecoin ETP (DOGE) | 14'496'918 | - |
| 21shares dYdX ETP (DYDX) | 53'010 | - |
| 21shares Ethena ETP | 384'564 | - |
| 21Shares Cosmos ETP (ATOM) | - | 167'582 |
| 21shares Ethereum Core Staking ETP (ETHC) | 79'174'474 | 34'495'070 |
| 21shares Ethereum Staking ETP (AETH) | 371'414'372 | 473'538'660 |
| 21shares Fantom ETP (AFTM) | - | 16'242'731 |
| 21shares Future of Crypto Index ETP (FUTR) | 2'936'977 | 1'492'093 |
| 21shares Hedera ETP (HDRA) | 829'100 | - |
| 21shares Hyperliquid ETP (HYPE) | 8'227'053 | - |
| 21shares Immutable ETP (AIMX) | 428'330 | 722'449 |
| 21shares Injective Staking ETP (AINJ) | 916'959 | 2'121'295 |
| 21shares Jupiter ETP (AJUP) | 209'220 | - |
| 21shares Lido Dao ETP (LIDO) | 940'308 | 6'008'351 |
| 21shares Maker ETP (AMKR) | - | 1'390'021 |
| 21shares Maple Finance ETP (SYRUP) | 275'508 | - |
| 21shares Morpho ETP (MORPH) | 298'892 | - |
| 21shares Near Protocol Staking ETP (NEAR) | 2'240'581 | 2'740'717 |
| 21shares Ondo ETP (ONDO) | 5'800'239 | 2'669'046 |
| 21shares Optimism ETP (AOPT) | 1'354'665 | 5'931'795 |
| 21shares Pendle ETP (APEN) | 242'189 | - |
| 21shares Polkadot ETP (ADOT) | 12'407'146 | 36'324'902 |
| 21shares Polygon ETP (POLY) | 3'750'123 | 13'092'600 |
| 21shares Pyth Network ETP (PYTH) | 450'753 | 1'258'107 |
| 21shares Raydium ETP (ARAY) | 359'705 | - |

| | | |
|---|----------------------|----------------------|
| 21shares Render ETP (RNDR) | 1'459'285 | 1'767'963 |
| 21shares Solana Core Staking ETP (CSOL) | 7'656'244 | - |
| 21shares Solana Staking ETP (ASOL) | 804'236'602 | 1'127'819'805 |
| 21shares Stacks Staking ETP (ASTX) | 444'356 | 2'450'181 |
| 21shares Staking Basket Index ETP (STAKE) | - | 2'692'774 |
| 21shares Stellar ETP (AXLM) | 14'094'052 | 15'918'130 |
| 21shares Sui Staking ETP (ASUI) | 87'199'976 | 105'896'211 |
| 21shares Tezos Staking ETP (AXTZ) | 2'391'410 | 4'568'980 |
| 21shares Toncoin Staking ETP (TONN) | 13'245'151 | 80'833'589 |
| 21shares Uniswap ETP (AUNI) | 8'441'097 | 7'954'267 |
| 21shares XDC Network ETP (XDCN) | 17'619'071 | - |
| 21shares XRP ETP (AXRP) | 475'377'580 | 429'735'917 |
| Sygnum Platform Winners Index ETP (MOON) | 27'881'065 | 54'721'657 |
| | | |
| Total NAV | 3'679'318'236 | 4'723'588'088 |
| Other ETP related assets/ liabilities | - | 429'761 |
| Total Certificate liabilities | 3'679'318'236 | 4'724'017'849 |

Movement in Certificate liabilities:

| <i>in USD</i> | 2025 | 2024 |
|---|----------------------|----------------------|
| Balance as at 1 January | 4'724'017'849 | 2'340'622'239 |
| ETP issued during the period | 3'199'292'317 | 2'215'242'185 |
| ETP redemption during the period ² | (2'783'645'930) | (1'943'094'478) |
| ETP management fees earned | (85'727'404) | (72'083'944) |
| Fair value change during the period | (1'374'618'596) | 2'183'331'847 |
| Balance as at 31 December | 3'679'318'236 | 4'724'017'849 |

Certificate liabilities represent the liabilities to investors for all issued ETPs. These liabilities are designated at fair value through profit or loss. All ETPs are 100% physically backed in secure storage at custodians and are therefore directly related to the measurement of the Company's underlying assets, including digital assets and physical gold. The investors have an option of redemption at any point in time, which is limited to the fair value of the underlying assets of the particular ETP. For further information about measurement, see Note 20.5 *Financial instruments*.

Key service providers:

The company entered into Custody Agreements with custodians, including Coinbase Custody Trust Company LLC, Copper Technologies (UK) Limited, Anchorage Digital Bank NA, BitGo Holdings Inc., and Zodia Custody (Ireland) Limited for digital assets, and JPMorgan Chase Bank, N.A. for physical gold. These agreements ensure that collateral is securely held in segregated collateral accounts, managed through an online portal and subject to security measures. Custodians follow Company's instructions for withdrawals and deposits, and multiple collateral accounts may be opened for each series of assets.

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

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

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

² The 2024 comparative figures have been adjusted to reflect a separate presentation of ETP management fees transferred. Prior year ETP management fees transferred were included in ETP redemption during the period.

15 Other current financial liabilities

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Current loans and borrowings | - | 388'781 |
| Total other current financial liabilities | - | 388'781 |

16 Trade and other payables

| <i>in USD</i> | 31 December 2025 | 31 December 2024 |
|---------------------------------------|---------------------|---------------------|
| Trade payables - third party | 1'929'489 | 26'773'375 |
| Accrued expenses | 2'886'014 | 3'437'212 |
| Total Trade and other payables | 4'815'503 | 30'210'587 |

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

17 Commitments and contingencies

The Company has no commitments and contingencies to be disclosed.

18 Related party transactions

As a SPV, 21Shares' ETP operations are supported by its parent company and principal service provider, Jura Pentium AG, alongside other group entities such as Jura Pentium Limited in UK and Jura Pentium Inc. in the US. The 21.co Group Master Intercompany Services and Financial Transactions Agreement (the "Agreement") specifies the services provided and the relevant financial arrangements. Intercompany services provided by the service entities include research, product development and maintenance, investment management and operations, marketing and distribution, legal, compliance, finance, IT and human resource services.

The intercompany service fees are calculated at a cost-plus model amongst the service entities and recognized in USD as part of the 21.co Group transfer pricing allocation process and settled periodically in USD or in kind. As Jura Pentium AG, performs the key management and administration functions and bears the associated risks, it receives a services fee, which represents the residual income after the Company's direct expenses and operating margin are accounted for in accordance with the 21co Group transfer pricing policy. 21Shares AG recorded USD 98.8 million and USD 76.9 million service fees to Jura Pentium AG during 2025 and 2024 respectively. Intercompany service fees primarily include compensation expenses, facility, technology, data, marketing, legal, compliance, tax and other professional service fees.

For offsetting purposes, receivables may be netted against payables, and notes receivable against notes payable or due from/due to balances, with the same counterparty or affiliated entities.

In-kind revenue generated by the Company is transferred to Jura Pentium AG and converted into fiat currency to fund its operations and those of affiliates that provide services to the ETP operations. On the other hand, Jura Pentium AG may settle payment obligations to vendors and business partners on behalf of 21Shares. Pursuant to the revolving loan agreement between 21Shares and Jura Pentium AG, Jura Pentium AG may withdraw from the line of credit for operational needs and repay the outstanding balance and interest periodically. The loan is at arm's length and carry an interest based on the rate published by the Swiss Federal Tax Administration in its circular letters for the relevant calendar year. The interest rate in effect for 2025 and 2024 is 4.25%.

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

| <i>in USD</i> | Notes | 2025 | 2024 |
|--|-------|--------------|--------------|
| Interest income from other related parties | 7 | 351'269 | 1'498'064 |
| Intercompany service fees | | (98'770'072) | (76'872'346) |

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

| <i>in USD</i> | Notes | 31 December 2025 | 31 December 2024 |
|---|-------|------------------|------------------|
| Current receivables from parent company | 11 | 7'144'647 | 20'782'258 |

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

19 Financial risk management objectives and policies

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

19.1 Categories of financial instruments

Financial instruments can be categorized as follows:

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

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

19.2 Market risk

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

19.2.1 Price risk

Price risk is the risk that changes in market prices of underlying assets (including digital assets and gold) will affect the Company's income, expenses, digital and other ETP assets and certificate liabilities held at fair value through profit or loss. The market prices of the digital and other ETP assets have a direct impact on the Company's liabilities. An increase in the Company's digital assets goes through OCI whereas the corresponding increase of certificate liabilities for exchange-traded products (ETP) goes through profit or loss. For gold held within other ETP assets, the Company applies the fair value model where changes in fair value less costs to sell are recognized in profit or loss, providing an accounting match for the fair value movements of the related certificate liabilities. As a result, there is no net effect on the Company's total equity.

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

In the event of an uplift in underlying ETP asset prices of 5%, the certificate liabilities designated at fair value through profit or loss would also increase in the amount of USD 184'002'146. For digital assets, any increase in fair value is recognized as a revaluation surplus within other comprehensive income, increasing equity. Conversely, if the fair value decreases, the decline is first offset against any existing revaluation surplus for the asset. If there is no surplus, or if the decrease exceeds the surplus, the excess loss is recognized as an expense in the statement of comprehensive income. For gold and certificate liabilities, any changes in fair value are recognized through profit or loss.

19.2.2 Currency risk

The following exchange rates have been applied during the period:

| | Average rate | Closing rate | Average rate | Closing rate |
|-----------|--------------|--------------|--------------|--------------|
| | 2025 | 31.12.2025 | 2024 | 31.12.2024 |
| USD - CHF | 0.8306 | 0.7934 | 0.8668 | 0.9043 |

Change in the exchange rates is assessed as insignificant.

19.3 Custodian risk

The Company has established relationships with independent third-party custodians for the safekeeping of its collateral assets. Under these arrangements, the Company's crypto collateral is held in wallets controlled by the respective custodians, while physical gold is held in secure, segregated accounts at JP Morgan Chase Bank, N.A.. The Company relies on the operational processes and internal controls of these custodians and does not have the ability to independently instruct transfers of assets.

Physical gold held at JPMorgan Chase Bank, N.A. operates under a tri-party framework where a Collateral Agent can trigger a Notice of Exclusive Control during an Event of Default to assume authority over the assets. JPMorgan ensures clear segregation of client-allocated metals from its own holdings, protecting them through rigorous internal controls, annual independent audits, and insurance against physical loss, theft, or damage.

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

To mitigate this risk, custodians employ industry leading practices for key management, including the creation of secure backup copies of private keys and, in some cases, the use of trusted third-party service providers to safeguard backup materials. Each custodian also maintains market standard insurance policies. Coverage is limited to specific risks such as fraud or theft, and even then, full recovery of losses is not guaranteed. The custodians utilize hot and cold storage solutions. Cold storage meaning private keys are generated and held offline, with no exposure to the internet. This significantly reduces the risk of cyberattacks or unauthorized access. A portion may be held in hot wallets from time to time to facilitate the settlement of creation, redemption, or rebalance transactions.

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

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

19.4 Credit risk

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

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

- Note 10 Trade receivables
- Note 11 Other current financial assets
- Note 12 Cash and cash equivalents

Trade receivables

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

Other current financial assets

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

Cash and cash equivalents

The Company's cash and cash equivalents are held at banks with high ratings. In addition, periodic assessments of the financial institutions are in place.

There is no significant credit risk related to the collectability of the Company's revenue. Due to the nature of Company's products and revenue generating model, 21Shares collects its revenue directly from the digital asset accounts, which reduces the liabilities towards investors.

19.5 Liquidity risk

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

| <i>in USD</i> | 31 December 2025 | | 31 December 2024 | |
|------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| | Maturity less than 1 year | Total carrying amount | Maturity less than 1 year | Total carrying amount |
| Certificate liabilities | 3'679'318'236 | 3'679'318'236 | 4'724'017'849 | 4'724'017'849 |
| Trade payables | 1'929'489 | 1'929'489 | 26'773'375 | 26'773'375 |
| Accrued expenses | 2'886'014 | 2'886'014 | 3'437'212 | 3'437'212 |
| Current loans and borrowings | - | - | 388'781 | 388'781 |
| Total financial liabilities | 3'684'133'739 | 3'684'133'739 | 4'754'617'217 | 4'754'617'217 |

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

19.6 Capital risk management

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

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

20 Material accounting policies

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

20.1 Revenue

Information about the Company's accounting policies relating to contracts with customers is provided in Note 4 and 5.

20.2 Finance income and finance expenses

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

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

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

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

20.3 Income taxes

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

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

20.4 Digital assets at fair value and other ETP assets

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

20.4.1 Useful life and amortization

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

20.4.2 Acquisition cost

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

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

20.4.3 Revaluation model

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

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

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

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

20.4.4 Fair value measurement

The Company uses digital assets spot prices which are derived from CryptoCompare, Vinter API and BitWise daily at 5pm CET. This timing serves as the cutoff for trade date recognition: trades executed up to 5pm CET are recognized on the current day, while trades executed after 5pm CET are recognized on the immediately following business day. For non-business days, fair value is determined using the price from the immediately following business day.

20.4.5 Physical Gold (ETP assets – other)

Physical gold is held as collateral for ETP product BOLD. In accordance with IAS 8, the Company has developed an accounting policy to measure physical gold at fair value through profit or loss.

Management has determined that this policy provides the most relevant and reliable information as the redemption value of the ETP liabilities is directly linked to the market price of gold. Measuring the collateral at fair value provides a faithful representation of the Company's financial position and the economic substance of the ETP structure.

Although gold is a commodity, this policy eliminates the measurement inconsistency (accounting mismatch) that would otherwise arise from measuring the assets and the related certificate liabilities on different bases. Physical gold is valued using Level 1 inputs, consisting of unadjusted quoted market prices provided by Vinter API.

20.5 Financial instruments

Initial recognition and measurement

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

Subsequent measurement of financial assets

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

Subsequent measurement of liabilities

Certificate Liabilities are designated as financial liabilities at fair value through profit or loss. This classification reflects the nature of the certificate liabilities as instruments that are managed and for which performance is evaluated on a fair value basis. Net fair value gains and losses directly relate to the underlying Digital Assets and include all realized and unrealized fair value changes and foreign exchange differences. Any gains and losses arising from changes in the fair value of the certificate liabilities are recorded in the net fair value gain/(loss) on certificate liability in the Statement of profit or loss. Please refer to Note 20.4.4 *Fair value measurement* for detailed information about the calculation of fair value.

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

Offsetting

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

20.6 Fair value measurement

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

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

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

21 Segment reporting

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

22 New IFRS standards

Several new accounting standards and interpretations have been published. The newly effective requirements as of 2025 had no impact on the Company's financial statements. Forthcoming requirements that are not mandatory for reporting period ending 31 December 2025 have not been early adopted by the Company. Except for the changes of IFRS 18, these standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

| Newly effective requirements | | Effective date |
|------------------------------|--------------------------------------|----------------|
| IAS 21 | Lack of Exchangeability - Amendments | January 2025 |

| Forthcoming requirements | | Effective date |
|--|---|------------------|
| Annual improvements to IFRS Accounting Standards – Volume 11 | | January 2026 |
| IFRS 9 & 7 | Classification and measurement of financial instruments | January 2026 |
| IFRS 9 & 7 | Contracts referencing nature-dependent electricity | January 2026 |
| IFRS 18 | Presentation and disclosure in financial statements | January 2027 |
| IFRS 19 | Subsidiaries without public accountability: disclosures | January 2027 |
| IFRS 10 & IAS 28 | Sale or Contribution of assets between an investor and its associate or joint venture | to be determined |

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, which replaces IAS 1 and introduces a new structure for the Statement of profit or loss. The Standard is effective for annual periods beginning on or after 1 January 2027 and will be applied retrospectively. Based on a preliminary assessment, the Company expects that all items currently presented within Profit or loss from operations—including Gross Revenue, Revenue Sharing, Cost of Services, Intercompany Service Fees, and Net fair value gains/losses on digital assets and certificate liabilities—will be classified within the new Operating category, as they relate directly to the Company's main business activity of issuing cryptocurrency-backed ETPs. Consequently, the Company will present mandatory subtotals for Operating profit or loss and Profit or loss before financing and income taxes. The Company is also evaluating potential Management-defined Performance Measures (MPMs) used in public communications, which will require a dedicated note and reconciliation as well as consequential impacts on Statement of cash flows. A detailed reconciliation of the 2026 comparative period will be provided in the first year of adoption.

23 Audit fees and additional fees

During 2025, KPMG charged 21Shares AG approximately USD 226'000 (2024: USD 472'500) for the 2025 financial year for services in connection with auditing the annual financial statements according to Swiss Code of Obligations and IFRS. For additional services, primarily non-financial assurance services and tax advisory, KPMG charged approximately USD 211'000 (2024: USD 270'000).

24 Subsequent events

The Company has evaluated subsequent events through 29 April 2026, the date on which the financial statements were approved for issuance. Based on this evaluation, the Company has determined that there were no material subsequent events that require adjustment or disclosure in the financial statements.