



Investment Thesis

Bitcoin CBTC

Token type	Cryptocurrency
Price	\$20,719.11
Sector	Cryptocurrency
Market Cap	\$401B

Key Figures

52-Week Range	\$17,593 - \$69,000
Market Rank	#1
Market Capitalization	\$401 billion
Volume (24h)	\$17,478,863,359
Volume / Market Cap	0.0438
Circulating Supply	19,077,962
Max. Supply	21,00,000
Block Reward	6.25 BTC
ATH	\$68,721.936
ATH Date	November 11, 2021

Overview

The 21Shares Bitcoin Core ETP (CBTC) is the lowest cost single tracker Bitcoin ETP in Europe, with a total expense ratio of 0.21%. CBTC is the first product of the 21Shares Crypto Winter Suite, which aims to provide investors with various ways to enter the crypto ecosystem during turbulent times. CBTC is designed for long-term holders who will benefit from the low ongoing expenses. To offer this, a portion of the underlying assets will be lent exclusively to institutional borrowers on a fully collateralized or over-collateralized basis with segregated collateral held in cold storage and subject to daily margin calls.

Fundamentals

Bitcoin is the largest cryptoasset by market capitalization. It was initially proposed in 2008 as a decentralized “peer-to-peer electronic cash system” by Satoshi Nakamoto, a pseudonymous person or group of persons whose real identity remains unknown. The key innovation of Bitcoin was to combine the idea of a blockchain with the Proof-of-Work consensus mechanism. The technology eliminated the “double-spending problem” unique to the Internet age, whereby anyone can create unlimited copies of digital assets and send them multiple times. As a result, Bitcoin represents a paradigm shift in finance as an internet-native immutable protocol for value transfer and emerging store of value. This claim is justified given its maximum supply of 21 million ending in 2140, making it demonstrably scarce. Bitcoin has been the best performing asset of the last decade while exhibiting a low correlation to traditional asset classes. It has matured as an investment product, becoming increasingly institutionalized and adopted as legal tender by a nation-state for the first time in 2021.

Key takeaways

- CBTC is the lowest cost Bitcoin ETP in Europe.
- It is designed for long-term holders who can benefit from the ongoing low fees.
- The first-ever cryptoasset, Bitcoin is still the largest by market cap, representing 43% of the entire crypto market.

Risk factors

- Macroeconomic and regulatory uncertainty.
- Effects of eliminating block rewards on miners' profitability.
- Environmental impact of Proof-of-Work mining.

Figure 1:
Price Performance (5-years)

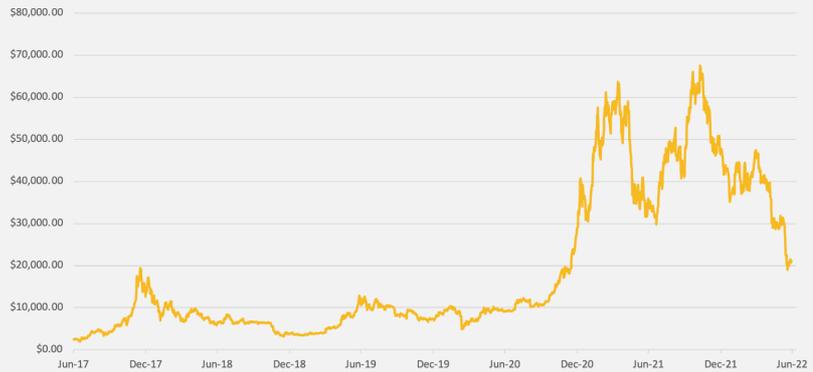
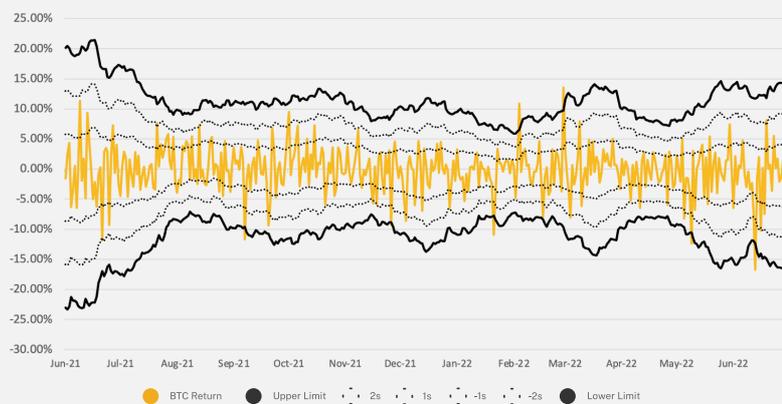


Figure 2:
BTC 1-Year Implied Daily Volatility



Disclaimer

This document is not an offer to sell or a solicitation of an offer to buy or subscribe for securities of 21Shares AG. Neither this document nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. This document and the information contained herein are not for distribution in or into (directly or indirectly) the United States, Canada, Australia or Japan or any other jurisdiction in which the distribution or release would be unlawful. This document does not constitute an offer of securities for sale in or into the United States, Canada, Australia or Japan. The securities of 21Shares AG to which these materials relate have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will not be a public offering of securities in the United States. This document is only being distributed to and is only directed at: (i) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"); or (iv) persons who fall within Article 43(2) of the Order, including existing members and creditors of the Company or (v) any other persons to whom this document can be lawfully distributed in circumstances where section 21(1) of the FSMA does not apply. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. In any EEA Member State (other than the Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Great Britain, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, Malta, The Netherlands, Norway, Poland, Romania, Slovakia, Spain and Sweden) that has implemented the Prospectus Regulation (EU) 2017/1129, together with any applicable implementing measures in any Member State, the "Prospectus Regulation" this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation. Exclusively for potential investors in Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Great Britain, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, Malta, The Netherlands, Norway, Poland, Romania, Slovakia, Spain and Sweden the 2021 Base Prospectus (EU) is made available on the Issuer's website under www.21Shares.com. The approval of the 2021 Base Prospectus (EU) should not be understood as an endorsement by the SFSA of the securities offered or admitted to trading on a regulated market. Eligible potential investors should read the 2021 Base Prospectus (EU) and the relevant Final Terms before making an investment decision in order to understand the potential risks associated with the decision to invest in the securities. You are about to purchase a product that is not simple and may be difficult to understand. This document constitutes advertisement within the meaning of the Swiss Financial Services Act (the "FinSA") and not a prospectus. In accordance with article 109 of the Swiss Financial Services Ordinance, the Base Prospectus dated 12 November 2021, as supplemented from time to time and the final terms for any product issued have been prepared in compliance with articles 652a and 1156 of the Swiss Code of Obligations, as such articles were in effect immediately prior to the entry into effect of the FinSA, and the Listing Rules of the SIX Swiss Exchange in their version in force as of January 1, 2020. Consequently, the Prospectus has not been and will not be reviewed or approved by a Swiss review body pursuant to article 51 of the FinSA, and does not comply with the disclosure requirements applicable to a prospectus approved by such a review body under the FinSA.