

**HANetf ETC Securities plc**

**Interim management report and  
Condensed unaudited financial statements**

**For the financial period ended 30 September 2024**

**Registered number 664945**

## **HANetf ETC Securities plc**

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**Directors and other information**

|   |  |
|---|--|
| <b>Directors</b>  | Niall Vaughan <i>(Irish) (Non-executive director)</i><br>Ciaran Connolly <i>(Irish) (Non-executive director)</i><br>David O'Neill <i>(Irish) (Non-executive director)</i><br>David Murphy <i>(Irish) (Non-executive director) (Alternate Director to Niall Vaughan) (Appointed and resigned on 19 September 2024 )</i> |
| <b>Registered Office</b>  | 2nd Floor, Block 5<br>Irish Life Centre<br>Abbey Street Lower<br>Dublin 1<br>Ireland   |
| <b>Administrator</b>  | Apex Fund Services (Ireland) Limited<br>2nd Floor, Block 5<br>Irish Life Centre<br>Abbey Street Lower<br>Dublin 1<br>Ireland   |
| <b>Corporate Administrator &amp; Company Secretary</b>          | Apex Corporate Services (Ireland) Limited<br>2nd Floor, Block 5<br>Irish Life Centre<br>Abbey Street Lower<br>Dublin 1<br>Ireland  |
| <b>Bank</b>   | European Depositary Bank SA<br>3, Rue Gabriel Lippmann<br>L-5365 Munsbach<br>Luxembourg  |
| <b>Custodian &amp; Sponsor</b><br><i>(for Metal Securities)</i> | The Royal Mint Limited<br>Llantrisant<br>Pontyclun, CF72 8YT<br>United Kingdom   |
| <b>Backing Issuer</b><br><i>(for Carbon Securities)</i>         | Spark Change Jersey Issuer Limited<br>12 Castle Street<br>St Helier<br>JE2 3RT<br>Jersey   |
| <b>Arranger &amp; Management and Determination Agent</b>        | HANetf Limited<br>City Tower, 40 Basinghall Street<br>London EC2V 5DE,<br>United Kingdom   |
| <b>Banker, Issuing and Paying Agent</b>                         | Bank of New York Mellon<br>London Branch<br>One Canada Square<br>London E14 5AL<br>United Kingdom  |
| <b>Trustee and Security Trustee</b>                             | The Law Debenture Trust Corporate p.l.c<br>5th Floor<br>100 Wood Street<br>London EC2V 7EX<br>United Kingdom   |

**Directors and other information (continued)**

|                            |   |
|----------------------------|---|
| <b>Registrar</b>           | Bank of New York Mellon<br>Luxembourg Branch<br>Vertigo Building – Polaris, 2-4 Rue Eugène<br>Ruppert, L-2453<br>Luxembourg |
| <b>Solicitor</b>           | A&L Goodbody LLP<br>A&L Listing Limited IFSC<br>North Wall Quay<br>Dublin 1<br>Ireland                                      |
| <b>Independent Auditor</b> | Ernst & Young<br>Ernst & Young Building<br>Harcourt Centre<br>Harcourt Street<br>Dublin 2<br>Ireland                        |

**Interim management report**

The directors (the "Directors") present their interim report and the condensed unaudited financial statements of HANetf ETC Securities plc (the "Company") for the financial period ended 30 September 2024. The Company falls within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended).

**Principal activities and business review**

The Company is a public limited company incorporated on 24 January 2020 in Ireland under the Companies Act 2014, as amended (the "Act") and has established as a special purpose vehicle (the "SPV") for the purpose of issuing asset-backed securities, including Metal Securities backed by the underlying metal, and other asset-backed exchange traded securities (including Carbon Securities), and entering into agreements relating to the Metal Securities, and Carbon Securities, and the underlying assets thereof.

*Physical Metal Securities Programme*

Under the Physical Metal Securities Programme (the "Metal Securities Programme"), the Company issued Metal Securities ("Metal Securities") which are secured, undated, zero coupon limited recourse debt obligations. Metal Securities are designed to track the price of individual precious metals (for example, gold) (the "Physical metals") and to provide investors with a return equivalent to the spot price of the relevant underlying metal less the applicable fees. The aggregate number of Metal Securities issued under the Programme will not at any time exceed 10,000,000,000, this being the Programme maximum number of Metal Securities.

The Metal Securities are backed by fully-allocated physical holdings of the relevant precious metal custodied in secured vaults. The Metal Securities are undated (have no final maturity date) and are non-interest bearing. The prevailing market price at which the Metal Securities trade on the secondary market may deviate from the daily value of the Metal Securities and may not accurately reflect the price of the precious metal underlying the Metal Securities. Each Metal Security of a Series has a metal entitlement (the "Metal Entitlement") expressed as an amount in weight (in troy or fine troy ounces) of the relevant metal linked to such Series. This Metal Entitlement starts at a predetermined initial Metal Entitlement for the relevant Series and is reduced daily by the Total Expense Ratio (the "TER") (in metal) for the Series.

Only registered broker-dealers "Authorised Participants" may subscribe and request buy-backs of Metal Securities with the Company and except in certain limited circumstances, these subscriptions and buy-backs can only be carried out in specie. During the life of the Metal Securities, Securityholders who are not authorised can buy and sell the ETC Securities on each exchange on which the ETC Securities are listed at the then prevailing market price, through financial intermediaries. References to a "Securityholder" or a "holder" of Securities shall, where the context requires or permits, be construed to mean a person in whose name such Securities are for the time being registered in the register of Securityholders in respect of the Series (or if joint holders appear in the register, the first named thereof) and a holder of beneficial or indirect interests in Securities (including those arising from holding CDIs), except where the references relate to (a) any right to receive payments or Metal in respect of the Securities, the right to which shall be vested, as against the Issuer, solely in the registered holder of such Securities whose name is registered in the Register, and (b) any right to attend, vote at and/or convene meetings of Securityholders.

On 14 February 2020, the Company issued Series 1 - Metal Securities of The Royal Mint Physical Gold ETC Securities. The net proceeds from the issue of Metal Securities were used to purchase an amount of underlying metal which is held in Secured Allocated Accounts in respect of such Metal Securities. Such underlying metal is used to meet the Company's obligations under the relevant Metal Securities.

*Physical Carbon Securities Programme*

Under the Physical Carbon Securities Programme (the "Carbon Securities Programme"), the Company issued Carbon Securities ("Carbon Securities") which are secured, undated, zero coupon limited recourse debt obligations. Carbon Securities are designed to track the price of Allowances, credits, permits, rights or similar assets which represents a volume of carbon dioxide equivalent or other greenhouse gas, which is issued, allocated, created or recognised in accordance with the rules and regulations governing participation in a trading scheme for the transferring of such allowances, credits, permits, rights or similar assets ("Allowances").

All Allowances that ultimately back the Carbon Securities are not delivered to or held by the Company but are instead held by the Backing Issuer, Spark Change Jersey Issuer Limited, which was incorporated in Jersey. Consequently, the Company will maintain rights of the holders of Carbon Securities to receive Allowances by holding a security issued by the Backing Issuer (i.e. the Backing note). The Company will be the only noteholder of the Backing Notes issued by the Backing Issuer. In particular, the Backing Issuer supports the ongoing carbon-specific operational aspects of the Programme, by (among other things) holding the corresponding quantity of emission allowances that ultimately back the Carbon Securities in its own dedicated European Union registry account, which is subject to certain security arrangements to protect the interest of the holders of the Carbon Securities.

Carbon Securities are designed to provide investors with a return equivalent to the market value of the relevant underlying emissions Allowances less the applicable fees. The aggregate number of Carbon Securities issued under the Programme will not at any time exceed 10,000,000,000, this being the Programme maximum number of Carbon Securities.

## Interim management report (continued)

## Principal activities and business review (continued)

*Physical Carbon Securities Programme (continued)*

The Carbon Securities are backed by a security (the "Backing note") which is backed by the relevant physical Allowances. As such, the Carbon Securities offer investors a means acquiring corresponding exposure to the relevant Allowances without being required to take physical delivery of that Allowance nor opening of a holding account. The Carbon Securities are undated (have no final maturity date) and are non-interest bearing. The price at which Carbon Securities trade on a relevant stock exchange may not reflect accurately the value of the underlying Allowances that backs such Carbon Securities (through the Backing note). Each Carbon Security of a Series has a carbon entitlement (the "Carbon Entitlement") expressed as an amount in European Union Emissions Allowance ("EUA") to such Series. This Carbon Entitlement starts at a predetermined initial Carbon Entitlement for the relevant Series and is reduced daily by the Total Expense Ratio (the "TER") (in EUA) for the Series.

Only Authorised Participants may apply for Carbon Securities directly at a subscription price expressed "in kind", and is equal to the Carbon Entitlement per Security on the relevant date. In order to receive Carbon Securities, Authorised Participants must deliver an amount of underlying Allowances to the Backing Issuer equal to (or greater) than the Carbon Entitlement of the Carbon Securities to be issued. Once receipt of the underlying Allowances is confirmed, the Backing Issuer will issue the Company with a Backing note (or increase the Carbon Entitlement of the Backing note if the note has already been issued) and the Company will issue the corresponding number of Carbon Securities.

On 5 October 2021, the Company issued Series 2 - Carbon Securities of SparkChange Physical Carbon EUA ETC Securities. The net proceeds from the issue of Carbon Securities were used to subscribe for the Backing note issued by the Backing Issuer under the Backing Issuer Programme which was in turn be backed by an amount of underlying EUAs which is held in the Backing Issuer's Secured Allowance Account.

As at 30 September 2024, Series 1 - Metal ETC Securities are listed on the London Stock Exchange, Deutsche Borse (Xetra), Borsa Italiana, Euronext Paris, Mexican Stock Exchange (BMV) and Warsaw Stock Exchange (GPW).

As at 30 September 2024, Series 2 - Carbon ETC Securities are listed on the London Stock Exchange, Xetra, Borsa Italiana and Mexican (BMV) Stock Exchange.

## Key performance indicators

During the financial period:

- the Company made a profit before tax of USD 560 (30 September 2023: USD 530);

|  | Metal ETC Securities |               | Carbon ETC Securities |              |
|--|----------------------|---------------|-----------------------|--------------|
|  | 30-Sep-24            | 30-Sep-23     | 30-Sep-24             | 30-Sep-23    |
| • Number of tranches issued                                | 23                   | 21            | 10                    | 2            |
| • Return on investments                                    | 40.60%               | (5.52)%       | (19.56)%              | 21.73%       |
| • Return on financial liabilities                          | 40.25%               | (5.63)%       | (20.28)%              | 20.65%       |
| • Financial liabilities issued (USD)                       | 117,673,058          | 153,765,639   | 154,666,675           | 4,242,421    |
| • Financial liabilities redeemed (USD)                     | (40,130,518)         | (118,717,262) | (85,896,838)          | (50,295,625) |
| • Net changes in fair value of investments (USD)           | 152,801,128          | (50,824,147)  | 20,923,748            | (13,599,740) |
| • Net changes in fair value of financial liabilities (USD) | (151,749,997)        | 51,867,148    | (20,184,586)          | 14,156,238   |

As at 30 September 2024:

- the net assets of the Company were USD 34,618 (31 March 2024: USD 34,058);

|   | Metal ETC Securities |             | Carbon ETC Securities |             |
|---|----------------------|-------------|-----------------------|-------------|
|   | 30-Sep-24            | 31-Mar-24   | 30-Sep-24             | 31-Mar-24   |
|   | USD                  | USD         | USD                   | USD         |
| • Total ETC Securities issued   | 984,767,123          | 755,474,586 | 159,983,739           | 148,571,856 |
| • Investment in Precious metals   | 986,212,448          | 756,847,281 | -                     | -           |
| • Investment in Backing note  | -                    | -           | 160,043,430           | 148,681,806 |
| • Investment in EUAs held by Backing Issuer   | -                    | -           | 86,217,037            | 148,561,034 |
| • Physical metals and financial assets are included in Note 9 to the financial statements; and          |                      |             |                       |             |
| • the ETC Securities that the Company has in issue are included in Note 12 to the financial statements. |                      |             |                       |             |

## Future developments

The Directors expect that the present level of activity will be sustained for the foreseeable future.

**Interim management report (continued)****Going concern**

The financial statements of the Company have been prepared on a going concern basis. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Series are reviewed on a regular basis throughout the financial period. Therefore the Board of Directors of the Company believes that the Company will continue in operational existence for the foreseeable future and is financially sound. The Board of Directors is satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements of the Company.

**Results and dividends for the financial period**

The results for the financial period are set out on page 8. No dividends are recommended by the Directors for the financial period under review.

**Changes in Directors, secretary and registered office**

The names of the persons who, at any time, during the financial period were directors of the Company are disclosed in page 1.

David Murphy was appointed as Alternate Director to Niall Vaughan on 19 September 2024 and resigned on the same date.

There has been no other changes in Directors, registered office or secretary during the financial period.

**Directors, secretary and their interests**

None of the Directors who held office on 1 April 2024 and 30 September 2024 held any shares or debentures/ securities issued in the Company at that date, or during the financial period. Apex Corporate Services (Ireland) Limited, acting as Company Secretary, held shares in the Company as at 30 September 2024. Except for the Administration agreement entered into by the Company with Apex Corporate Services (Ireland) Limited, there were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in Section 309 of the Companies Act 2014, at any time during the financial period. David O'Neill is an employee of an affiliate entity of HANetf Limited, which is the arranger of the Company while Niall Vaughan and Ciaran Connolly are employees of Apex Corporate Services (Ireland) Limited, which is the Administrator of the Company. During the financial period, no fees were paid to the Directors for the services provided (30 September 2023: Nil). Further information is set out in Note 17 to the financial statements.

**Shares and shareholders**

The authorised share capital of the Company is EUR 25,000 divided into 25,000 ordinary shares of EUR 1 each, which is issued and partly paid. The shares are held by Apex Corporate Services (Ireland) Limited (the "Share Trustee") under the terms of a declaration of trust (the "Declaration of Trust") under which the Share Trustee hold the benefit of the shares on trust for charitable purposes. The Share Trustee has no beneficial interest in, and derives no benefit from, its holding of the shares. There are no other rights that pertain to the shares and the shareholders.

**Principal risk and uncertainties***Russia/Ukraine war impact*

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Company are unclear at this stage, however, given the broad nature of the sanctions imposed by a number of governments, (including the US, UK and EU) directly targeting the Russian Federation and Belarus, the Global nature of the asset management and capital markets sector and the potential for other impacts to emerge, the Directors continue to actively monitor the situation.

The war in Israel and Palestine does not have significant direct or indirect impact on the Company's business.

The Company is subject to other financial risks. These are outlined in Note 18 to the financial statements.

**Accounting records**

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the Companies Act and enable those financial statements to be audited.

In this regard Apex Corporate Services (Ireland) Limited have been appointed for the purpose of maintaining adequate accounting records. Accordingly the accounting records are kept at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

**Interim management report (continued)****Political donations**

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over EUR 200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial period to 30 September 2024 (31 March 2024: Nil).

**Subsequent events**

All subsequent events are disclosed in Note 20 to the financial statements.

**Research and development costs**

The Company did not incur any research and development costs during the financial period (31 March 2024: Nil).

**Audit committee**


In accordance with Section 1551(11)(c) of the Companies Act 2014, if the sole business of the Public Interest Entity (PIE) relates to the issuance of asset backed securities, the PIE is exempt from the requirement to establish an audit committee.

Given the contractual obligations of the Corporate Administrator and the limited recourse nature of the securities the Company may participate in, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board of Directors to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Section 1551 of the Companies Act 2014.

**Directors' compliance statement**

The Directors confirm that:

- they acknowledge that they are responsible for securing the Company's compliance with its relevant obligations and have, to the best of their knowledge, complied with its relevant obligations as defined in section 225 of the Companies Act 2014;
- there is an adequate structure in place, that in the Directors' opinion, is designed to secure material compliance with the Company's relevant obligations; and
- relevant arrangements and structures have been put in place that provide a reasonable assurance of compliance in all material respects by the Company with its relevant obligations, which arrangements and structures may, if the Directors so decide, include reliance on the advice of one or more than one person employed by the Company or retained by it under a contract for services, being a person who appears to the Directors to have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

**On behalf of the Board of Directors**

**Niall Vaughan**  
Director



**Ciaran Connolly**  
Director

**Date: 25 November 2024**



**Directors' responsibilities statement**

The Directors are responsible for preparing the management report and the condensed interim unaudited financial statements in accordance with applicable law and regulations.

The Directors confirm that, to the best of their knowledge that:

- the condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and results of the Company; and
- the Interim Management Report includes a fair review of:
  - important events that have occurred during the financial period;
  - the impact of those events on the condensed financial statements; and
  - a description of the principal risks and uncertainties for the remaining financial period.

The Directors further indicate that such interim financial statements for the financial period ended 30 September 2024 have not been audited.

**On behalf of the Board**

  
**Niall Vaughan**  
**Director**

  
**Ciaran Connolly**  
**Director**

**Date: 25 November 2024**

**Statement of comprehensive income****For the financial period ended 30 September 2024**

|  | <b>Note</b> | <b>Financial<br/>period ended<br/>30-Sep-24<br/>USD</b> | <b>Financial<br/>period ended<br/>30-Sep-23<br/>USD</b> |
|--|-------------|---|---|
| Net changes in fair value of Physical metals designated at fair value through profit or loss       | 4           | 152,801,128   | (50,824,147)  |
| Net changes in fair value of financial assets designated at fair value through profit or loss      | 4           | 20,923,748  | (13,599,740)  |
| Net changes in fair value of financial liabilities designated at fair value through profit or loss | 5           | (171,934,583)   | 66,023,386  |
| Operating expenses   | 6           | (1,795,249)   | (1,602,201)   |
| Other income   | 7           | <u>5,516</u>  | <u>3,232</u>  |
| <b>Operating profit before tax</b>   |             | 560   | 530   |
| Tax credit on profit on ordinary activities  | 8           | <u>-</u>  | <u>917</u>  |
| <b>Total Comprehensive Income for the financial period</b>   |             | <u><u>560</u></u>                                       | <u><u>1,447</u></u>                                     |

All of the items dealt with in arriving at the profit for the financial period are from continuing operations, no income is recognised in other comprehensive income.

**Statement of financial position**  
**As at 30 September 2024**

|   | Note | 30-Sep-24<br>USD     | 31-Mar-24<br>USD   |
|---|------|----------------------|--------------------|
| <b>Assets</b>   |      |                      |                    |
| <b>Current assets</b>   |      |                      |                    |
| Physical metals designated at fair value through profit or loss       | 9    | 986,212,448          | 756,847,281        |
| Financial assets designated at fair value through profit or loss      | 9    | 160,043,430          | 148,681,806        |
| Cash and cash equivalents   | 10   | 149,411              | 121,037            |
| Other receivables   | 11   | 27,774               | 27,214             |
| <b>Total assets</b>   |      | <u>1,146,433,063</u> | <u>905,677,338</u> |
| <b>Liabilities and equity</b>   |      |                      |                    |
| <b>Current liabilities</b>  |      |                      |                    |
| Financial liabilities designated at fair value through profit or loss | 12   | 1,144,750,862        | 904,046,442        |
| Loan payable  | 13   | 1,477,961            | 529,847            |
| Other payables  | 14   | 169,622              | 1,066,991          |
| <b>Total liabilities</b>  |      | <u>1,146,398,445</u> | <u>905,643,280</u> |
| <b>Shareholder's funds - Equity</b>                                   |      |                      |                    |
| Called up share capital   | 15   | 29,313               | 29,313             |
| Retained earnings   |      | 5,305                | 4,745              |
| <b>Total equity</b>   |      | <u>34,618</u>        | <u>34,058</u>      |
| <b>Total liabilities and equity</b>                                   |      | <u>1,146,433,063</u> | <u>905,677,338</u> |

On behalf of the Board

Niall Vaughan  
 Director



Ciaran Connolly  
 Director



Date: 25 November 2024

**Statement of changes in equity**  
**For the financial period ended 30 September 2024**

|   | <b>Called up<br/>Share Capital<br/>USD</b> | <b>Retained<br/>earnings<br/>USD</b> | <b>Total<br/>Equity<br/>USD</b> |
|---|--|--------------------------------------|---------------------------------|
| Balance as at 01 April 2023                         | 29,313                                     | 2,747                                | 32,060                          |
| Total comprehensive income for the financial period | -  | 1,447                                | 1,447                           |
| <b>Balance as at 30 September 2023</b>              | <u>29,313</u>                              | <u>4,194</u>                         | <u>33,507</u>                   |
| <b>Balance as at 1 October 2023</b>                 | 29,313                                     | 4,194                                | 33,507                          |
| Total comprehensive income for the financial period | -  | 551                                  | 551                             |
| <b>Balance as at 31 March 2024</b>                  | <u>29,313</u>                              | <u>4,745</u>                         | <u>34,058</u>                   |
| <b>Balance as at 01 April 2024</b>                  | 29,313                                     | 4,745                                | 34,058                          |
| Total comprehensive income for the financial period | -  | 560                                  | 560                             |
| <b>Balance as at 30 September 2024</b>              | <u>29,313</u>                              | <u>5,305</u>                         | <u>34,618</u>                   |

## Statement of cash flows

For the financial period ended 30 September 2024

|  | Note | Financial<br>period ended<br>30-Sep-24<br>USD | Financial<br>period ended<br>30-Sep-23<br>USD |
|--|------|---|---|
| <b>Cash flows from operating activities</b>  |      |   |   |
| Operating profit before taxation   |      | 560   | 530   |
| <i>Adjustments for:</i>  |      |   |   |
| Net changes in fair value of Physical metals designated at fair value through profit or loss       | 4    | (152,801,128)                                 | 50,824,147                                    |
| Net changes in fair value of financial assets designated at fair value through profit or loss      | 4    | (20,923,748)                                  | 13,599,740                                    |
| Net changes in fair value of financial liabilities designated at fair value through profit or loss | 5    | 171,934,583                                   | (66,023,386)                                  |
| <i>Movements in working capital</i>  |      |   |   |
| (Increase)/ decrease in other receivables  |      | (560)   | 671,877                                       |
| Decrease in other payables   |      | (897,369)                                     | (1,101,641)                                   |
| Proceeds from disposal of Physical metals designated at fair value through profit or loss          | 9    | 1,926,615                                     | 1,577,798                                     |
| Proceeds from disposal of financial assets designated at fair value through profit or loss         | 9    | 789,421                                       | 481,091                                       |
| <b>Net cash generated from operating activities</b>  |      | <b>28,374</b>                                 | <b>30,156</b>                                 |
| <b>Increase in cash and cash equivalents</b>   |      | <b>28,374</b>                                 | <b>30,156</b>                                 |
| Cash and cash equivalents at start of the financial period   |      | 121,037                                       | 67,527  |
| <b>Cash and cash equivalents at end of the financial period</b>                                    | 10   | <b>149,411</b>                                | <b>97,683</b>                                 |

## Non-cash transactions during the financial period include:

|  | Financial<br>period ended<br>30-Sep-24<br>USD | Financial<br>period ended<br>30-Sep-23<br>USD |
|--|---|---|
| <i>Metal ETC Securities</i>  |   |   |
| Physical metals designated at fair value through profit or loss Additions      | 135,767,025                                   | 236,614,482                                   |
| Physical metals designated at fair value through profit or loss Disposals      | (57,276,371)                                  | (201,018,718)                                 |
| Increase in loan payable to The Royal Mint Limited                             | (948,114)                                     | (547,387)                                     |
| Financial liabilities designated at fair value through profit or loss Issued   | (117,673,058)                                 | (153,765,639)                                 |
| Financial liabilities designated at fair value through profit or loss Redeemed | 40,130,518                                    | 118,717,262                                   |
| <i>Carbon ETC Securities</i>   |   |   |
| Financial assets designated at fair value through profit or loss Additions     | 36,993,617                                    | 4,242,421                                     |
| Financial assets designated at fair value through profit or loss Disposals     | (45,766,320)                                  | (50,295,625)                                  |
| Financial liabilities designated at fair value through profit or loss Issued   | (36,993,617)                                  | (4,242,421)                                   |
| Financial liabilities designated at fair value through profit or loss Redeemed | 45,766,320                                    | 50,295,625                                    |

The notes on pages 12 to 23 form an integral part of the financial statements.

## Notes to the financial statements

For the financial period ended 30 September 2024

**1 General information**

The Company is a public limited company incorporated in Ireland on 24 January 2020 under registered number 664945 and established as a Special Purposes Vehicle ("SPV") for the purpose of issuing Metal Securities and Carbon Securities under the Physical Metal Securities Programme and under the Carbon Securities Programme (the "Programme") of the Company respectively. The registered office of the Company is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland. The aggregate number of Metal Securities issued under the Programme will not at any time exceed 10,000,000,000, being the Programme maximum number of Metal Securities and the aggregate number of Carbon Securities issued under the Programme will not at any time exceed 10,000,000,000, this being the Programme maximum number of Carbon Securities.

The Company has no direct employees (31 March 2024: Nil).

As at 30 September 2024, Series 1 - Metal ETC Securities are listed on the London Stock Exchange, Deutsche Borse (Xetra), Borsa Italiana, Euronext Paris, Mexican Stock Exchange (BMV) and Warsaw Stock Exchange (GPW).

As at 30 September 2024, Series 2 - Carbon ETC Securities are listed on the London Stock Exchange, Xetra, Borsa Italiana and Mexican (BMV) Stock Exchange.

**2 Basis of preparation**

The condensed unaudited financial statements for the financial period ended 30 September 2024 have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. The condensed unaudited interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 31 March 2024 and the unaudited interim financial statements for the financial period ended 30 September 2023.

**3 Significant accounting policies**

The same accounting policies, presentation and methods of computation are followed in these condensed interim financial statements as were applied in the preparation of the Company's financial statements for the financial year ended 31 March 2024.

**4 Net changes in fair value of Physical metals and financial assets designated at fair value through profit or loss**

|  | Physical<br>metals        | Backing<br>note           | Total                     | Physical<br>metals        | Backing<br>note           | Total                     |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|  | Financial<br>period ended | Financial<br>period ended | Financial<br>period ended | Financial<br>period ended | Financial<br>period ended | Financial<br>period ended |
|  | 30-Sep-24                 | 30-Sep-24                 | 30-Sep-24                 | 30-Sep-23                 | 30-Sep-23                 | 30-Sep-23                 |
|  | USD                       | USD                       | USD                       | USD                       | USD                       | USD                       |
| Realised gain/(loss) on disposal of Physical metals designated at fair value through profit or loss  | 18,454,393                | -                         | 18,454,393                | 1,401,979                 | -                         | 1,401,979                 |
| Unrealised fair value movement on Physical metals designated at fair value through profit or loss    | 134,346,735               | -                         | 134,346,735               | (52,226,126)              | -                         | (52,226,126)              |
| Realised (loss)/gain on disposal of financial assets designated at fair value through profit or loss | -                         | (9,609,612)               | (9,609,612)               | -                         | (844,338)                 | (844,338)                 |
| Unrealised fair value movement on financial assets designated at fair value through profit or loss   | -                         | 30,533,360                | 30,533,360                | -                         | (12,755,402)              | (12,755,402)              |
|  | 152,801,128               | 20,923,748                | 173,724,876               | (50,824,147)              | (13,599,740)              | (64,423,887)              |

## Notes to the financial statements

For the financial period ended 30 September 2024

## 5 Net changes in fair value of financial liabilities designated at fair value through profit or loss

|  | Metal ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-24<br>USD | Carbon ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-24<br>USD | Total<br>Financial<br>period ended<br>30-Sep-24<br>USD | Metal ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-23<br>USD | Carbon ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-23<br>USD | Total<br>Financial<br>period ended<br>30-Sep-23<br>USD |
|--|--|---|--|--|---|--|
| Realised (loss)/ gain on redemption of financial liabilities designated at fair value through profit or loss | (3,108,052)  | 10,090,749  | 6,982,697  | (4,813,109)  | 1,537,500   | (3,275,609)  |
| Unrealised fair value movement on financial liabilities designated at fair value through profit or loss      | (148,641,945)  | (30,275,335)  | (178,917,280)  | 56,680,257   | 12,618,738  | 69,298,995   |
|  | <u>(151,749,997)</u>   | <u>(20,184,586)</u>   | <u>(171,934,583)</u>                                   | <u>51,867,148</u>  | <u>14,156,238</u>   | <u>66,023,386</u>                                      |

## 6 Operating expenses

|                       | Metal ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-24<br>USD | Carbon ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-24<br>USD | Total<br>Financial<br>period ended<br>30-Sep-24<br>USD | Metal ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-23<br>USD | Carbon ETC<br>Securities<br>Financial<br>period ended<br>30-Sep-23<br>USD | Total<br>Financial<br>period ended<br>30-Sep-23<br>USD |
|-----------------------|--|---|--|--|---|--|
| Total Expense Ratio   | (1,051,131)  | (739,162)   | (1,790,293)  | (1,043,000)  | (556,499)   | (1,599,499)  |
| Foreign exchange loss |  |   | -  |  |   | (2,702)  |
| Other expense         |  |   | <u>(4,956)</u>   |  |   | <u>-</u>   |
|                       |  |   | <u>(1,795,249)</u>                                     |  |   | <u>(1,602,201)</u>                                     |

Each Series pays an “all in one” operational fee to the Arranger, which accrues at 0.25% (Gold) and 0.89% (Carbon) per annum equal to the TER. The Arranger and Adviser uses this fee to pay the agreed fees of other service providers of the Company. The TER is applied to the Metal/ Carbon Entitlement on a daily basis to determine a daily deduction of an amount of metal/ carbon from the Metal/ Carbon Entitlement. Fees and expenses payable on a monthly basis by the Company to the Arranger will be paid out of the Metal Securities/ Carbon Securities by way of the sale of metal/ carbon. The amount of metal/ carbon to be sold is a predetermined amount based on the Metal/ Carbon Entitlements of the Metal Securities/ Carbon Securities.

During the period ended 30 September 2024, there was no remuneration earned (30 September 2023: Nil) by the Directors of the Company in respect of services provided to the Company as they are employees of the Arranger or the Administrator.

The Company had no employees during the financial period (30 September 2023: Nil).

## 7 Other income

|                       | Financial<br>period ended<br>30-Sep-24<br>USD | Financial<br>period ended<br>30-Sep-23<br>USD |
|-----------------------|---|---|
| Corporate benefit     | 560   | 530   |
| Foreign exchange gain | 4,956   | -   |
| Other income          | -   | 2,702   |
|                       | <u>5,516</u>                                  | <u>3,232</u>                                  |

## 8 Tax credit on profit on ordinary activities

|   | Financial<br>period ended<br>30-Sep-24<br>USD | Financial<br>period ended<br>30-Sep-23<br>USD |
|---|---|---|
| <i>a) Analysis of tax credit for the financial period</i> |   |   |
| Irish corporation tax on profit for the financial period  | -   | 917   |
| <b>Total income tax credit for the financial period</b>   | <u>-</u>                                      | <u>917</u>                                    |

## Notes to the financial statements

For the financial period ended 30 September 2024

## 8 Tax credit on profit on ordinary activities (continued)

## b) Factors affecting tax charge for the period

|   | Financial<br>period ended<br>30-Sep-24<br>USD | Financial<br>period ended<br>30-Sep-23<br>USD |
|---|---|---|
| Profit on ordinary activities before tax - current tax              | 560   | 530   |
| Tax on profit for the period  | (140)   | (133)   |
| Carried forward losses netted off against tax charge for the period | 140   | 133   |
| Tax credit due to overaccrual of tax in previous years              | -   | 917   |
| <b>Current tax credit</b>   | <b>-</b>                                      | <b>917</b>                                    |

The Company is taxed at 25% (30 September 2023: 25%) in accordance with section 110 under Case III of Schedule D of the Taxes Consolidation Act 1997.

## 9 Physical metals and financial assets designated at fair value through profit or loss

|                               | Physical<br>metals<br>30-Sep-24<br>USD | Backing note<br>30-Sep-24<br>USD | Total<br>30-Sep-24<br>USD | Physical<br>metals<br>31-Mar-24<br>USD | Backing note<br>31-Mar-24<br>USD | Total<br>31-Mar-24<br>USD |
|-------------------------------|--|----------------------------------|---------------------------|--|----------------------------------|---------------------------|
| Investment in Precious metals | 986,212,448                            | -                                | 986,212,448               | 756,847,281                            | -                                | 756,847,281               |
| Investment in Backing note    | -                                      | 160,043,430                      | 160,043,430               | -                                      | 148,681,806                      | 148,681,806               |
|                               | 986,212,448                            | 160,043,430                      | 1,146,255,878             | 756,847,281                            | 148,681,806                      | 905,529,087               |

The financial assets are secured in favour of The Law Debenture Trust Corporation p.l.c. (the "Security Trustee") for the benefit of itself and the Securityholders. The non-cash transactions relate to physical delivery of Precious metals/ Backing note against delivery of Metal Securities/ Carbon Securities.

The Physical metals are held as collateral for Metal Securities issued and the loan payable by the Company. The Backing note is held as collateral for Carbon Securities issued by the Company. The allowances are in turn held by Backing issuer, who actually holds the allowance, as collateral for the Backing note.

The carrying value of the assets of the Company represents their maximum exposure to the credit risk. The credit risk is eventually transferred to the Securityholders. Refer to Note 18 for credit risk and currency risk disclosures relating to the holders of the Metal Securities/ Carbon Securities.

|                                       | Physical<br>metals<br>30-Sep-24<br>USD | Backing<br>note<br>30-Sep-24<br>USD | Total<br>30-Sep-24<br>USD | Physical<br>metals<br>31-Mar-24<br>USD | Backing<br>note<br>31-Mar-24<br>USD | Total<br>31-Mar-24<br>USD |
|---------------------------------------|--|-------------------------------------|---------------------------|--|-------------------------------------|---------------------------|
| At the start of financial period/year | 756,847,281                            | 148,681,806                         | 905,529,087               | 846,315,389                            | 140,815,168                         | 987,130,557               |
| Contributions*                        | 135,767,025                            | 36,993,617                          | 172,760,642               | 375,615,455                            | 104,658,128                         | 480,273,583               |
| Redemptions*                          | (57,276,371)                           | (45,766,320)                        | (103,042,691)             | (544,626,652)                          | (62,066,036)                        | (606,692,688)             |
| Redemptions for TER**                 | (1,926,615)                            | (789,421)                           | (2,716,036)               | (1,765,507)                            | (828,992)                           | (2,594,499)               |
| Realised gain on disposal             | 18,454,393                             | (9,609,612)                         | 8,844,781                 | 33,998,638                             | (2,085,767)                         | 31,912,871                |
| Unrealised fair value movement        | 134,346,735                            | 30,533,360                          | 164,880,095               | 47,309,958                             | (31,810,695)                        | 15,499,263                |
| At end of financial period/year       | 986,212,448                            | 160,043,430                         | 1,146,255,878             | 756,847,281                            | 148,681,806                         | 905,529,087               |



## Notes to the financial statements

For the financial period ended 30 September 2024

## 9 Physical metals and financial assets designated at fair value through profit or loss (continued)

|                                       | Physical<br>metals<br>30-Sep-24<br>Fine Troy<br>Ounces | Backing<br>note<br>30-Sep-24<br>EUAs | Physical<br>metals<br>31-Mar-24<br>Fine Troy<br>Ounces | Backing<br>note<br>31-Mar-24<br>EUAs |
|---------------------------------------|--|--------------------------------------|--|--------------------------------------|
| At the start of financial period/year | 341,792  | 2,292,735                            | 427,497  | 1,450,977                            |
| Units contributed*                    | 58,104   | 517,176                              | 187,593  | 1,558,940                            |
| Units redeemed*                       | (24,055)   | (600,740)                            | (272,387)  | (707,182)                            |
| Units sold (for TER)**                | (848)  | (11,000)                             | (911)  | (10,000)                             |
| At end of financial period/year       | <u>374,993</u>   | <u>2,198,171</u>                     | <u>341,792</u>   | <u>2,292,735</u>                     |

\*Contributions and redemptions of Physical metals/ financial assets are in-specie.

\*\*Physical metals/ Backing note sold in relation to the settlement of the TER.

As at 30 September 2024 and 31 March 2024, the Physical metals and financial assets held by the Company was as follows:

|                  | Physical<br>metals<br>30-Sep-24<br>Fine Troy<br>Ounces | Backing<br>note<br>30-Sep-24<br>EUAs | Total<br>30-Sep-24<br>USD | Physical<br>metals<br>31-Mar-24<br>Fine Troy<br>Ounces | Backing<br>note<br>31-Mar-24<br>EUAs | Total<br>31-Mar-24<br>USD |
|------------------|--|--------------------------------------|---------------------------|--|--------------------------------------|---------------------------|
| Units held       | 374,993  | 2,198,171                            |                           | 341,792  | 2,292,735                            |                           |
| Price (USD)      | 2,629.95   | 72.81                                |                           | 2,214.35   | 64.85                                |                           |
| Fair Value (USD) | <u>986,212,448</u>                                     | <u>160,043,430</u>                   | <u>1,146,255,878</u>      | <u>756,847,281</u>                                     | <u>148,681,806</u>                   | <u>905,529,087</u>        |

## Maturity analysis of Physical metals and financial assets

|                  | Physical<br>metals<br>30-Sep-24<br>USD | Backing<br>note<br>30-Sep-24<br>USD | Total<br>30-Sep-24<br>USD | Physical<br>metals<br>31-Mar-24<br>USD | Backing<br>note<br>31-Mar-24<br>USD | Total<br>31-Mar-24<br>USD |
|------------------|--|-------------------------------------|---------------------------|--|-------------------------------------|---------------------------|
| Less than 1 year | 986,212,448                            | 160,043,430                         | 1,146,255,878             | 756,847,281                            | 148,681,806                         | 905,529,087               |
| 1-2 years        | -                                      | -                                   | -                         | -                                      | -                                   | -                         |
| 2-5 years        | -                                      | -                                   | -                         | -                                      | -                                   | -                         |
| Over 5 years     | -                                      | -                                   | -                         | -                                      | -                                   | -                         |
|                  | <u>986,212,448</u>                     | <u>160,043,430</u>                  | <u>1,146,255,878</u>      | <u>756,847,281</u>                     | <u>148,681,806</u>                  | <u>905,529,087</u>        |

## 10 Cash and cash equivalents

|              | 30-Sep-24<br>USD | 31-Mar-24<br>USD |
|--------------|------------------|------------------|
| Cash at bank | <u>149,411</u>   | <u>121,037</u>   |
|              | <u>149,411</u>   | <u>121,037</u>   |

As at 30 September 2024, the cash and cash equivalents is held with European Depositary Bank SA (96%) (31 March 2024: 96%) and The Bank of New York Mellon (4%) (31 March 2024: 4%)

## 11 Other receivables

|                                 | 30-Sep-24<br>USD | 31-Mar-24<br>USD |
|---------------------------------|------------------|------------------|
| Unpaid share capital receivable | 22,469           | 22,469           |
| Corporate benefit receivable    | <u>5,305</u>     | <u>4,745</u>     |
|                                 | <u>27,774</u>    | <u>27,214</u>    |

## Notes to the financial statements

For the financial period ended 30 September 2024

## 12 Financial liabilities designated at fair value through profit or loss

|                                       | Metal ETC Securities<br>30-Sep-24<br>USD   | Carbon ETC Securities<br>30-Sep-24<br>USD   | Total<br>30-Sep-24<br>USD   | Metal ETC Securities<br>31-Mar-24<br>USD   | Carbon ETC Securities<br>31-Mar-24<br>USD   | Total<br>31-Mar-24<br>USD   |
|---------------------------------------|--|---|-----------------------------|--|---|-----------------------------|
| Metal ETC Securities                  | 984,767,123                                | -   | 984,767,123                 | 755,474,586                                | -   | 755,474,586                 |
| Carbon ETC Securities                 | -  | 159,983,739                                 | 159,983,739                 | -  | 148,571,856                                 | 148,571,856                 |
| <b>Total ETC Securities issued</b>    | <b>984,767,123</b>                         | <b>159,983,739</b>                          | <b>1,144,750,862</b>        | <b>755,474,586</b>                         | <b>148,571,856</b>                          | <b>904,046,442</b>          |
|                                       | Metal ETC Securities<br>30-Sep-24<br>USD   | Carbon ETC Securities<br>30-Sep-24<br>USD   | Total<br>30-Sep-24<br>USD   | Metal ETC Securities<br>31-Mar-24<br>USD   | Carbon ETC Securities<br>31-Mar-24<br>USD   | Total<br>31-Mar-24<br>USD   |
| At the start of financial period/year | 755,474,586                                | 148,571,856                                 | 904,046,442                 | 845,150,755                                | 140,805,642                                 | 985,956,397                 |
| Issuances*                            | 117,673,058                                | 36,993,617                                  | 154,666,675                 | 252,103,522                                | 104,658,128                                 | 356,761,650                 |
| Redemptions*                          | (40,130,518)                               | (45,766,320)                                | (85,896,838)                | (421,015,511)                              | (62,066,036)                                | (483,081,547)               |
| Realised gain on redemption           | 3,108,052                                  | (10,090,749)                                | (6,982,697)                 | 23,739,327                                 | (2,782,171)                                 | 20,957,156                  |
| Unrealised fair value movement        | 148,641,945                                | 30,275,335                                  | 178,917,280                 | 55,496,493                                 | (32,043,707)                                | 23,452,786                  |
| At end of financial period/year       | 984,767,123                                | 159,983,739                                 | 1,144,750,862               | 755,474,586                                | 148,571,856                                 | 904,046,442                 |
|                                       | Metal ETC Securities<br>30-Sep-24<br>Units | Carbon ETC Securities<br>30-Sep-24<br>Units | Total<br>30-Sep-24<br>Units | Metal ETC Securities<br>31-Mar-24<br>Units | Carbon ETC Securities<br>31-Mar-24<br>Units | Total<br>31-Mar-24<br>Units |
| At the start of financial period/year | 34,443,020                                 | 2,340,841                                   | 36,783,861                  | 42,991,169                                 | 1,469,188                                   | 44,460,357                  |
| Units issued*                         | 5,093,634                                  | 529,500                                     | 5,623,134                   | 12,652,000                                 | 1,590,624                                   | 14,242,624                  |
| Units redeemed*                       | (1,687,900)                                | (615,139)                                   | (2,303,039)                 | (21,200,149)                               | (718,971)                                   | (21,919,120)                |
| At end of financial period/year       | 37,848,754                                 | 2,255,202                                   | 40,103,956                  | 34,443,020                                 | 2,340,841                                   | 36,783,861                  |

\*ETC Securities trades are carried out in-specie

As 30 September 2024 and 31 March 2024, the financial liabilities in issue was as follows:

|                         | Metal ETC Securities<br>30-Sep-24 | Carbon ETC Securities<br>30-Sep-24 | Total<br>30-Sep-24   | Metal ETC Securities<br>31-Mar-24 | Carbon ETC Securities<br>31-Mar-24 | Total<br>31-Mar-24 |
|-------------------------|-----------------------------------|------------------------------------|----------------------|-----------------------------------|------------------------------------|--------------------|
| <b>Units held</b>       | 37,848,754                        | 2,255,202                          |                      | 34,443,020                        | 2,340,841                          |                    |
| <b>NAV (USD)</b>        | 26.02                             | 70.94                              |                      | 21.93                             | 63.47                              |                    |
| <b>Fair Value (USD)</b> | <b>984,767,123</b>                | <b>159,983,739</b>                 | <b>1,144,750,862</b> | <b>755,474,586</b>                | <b>148,571,856</b>                 | <b>904,046,442</b> |

Metal Securities/ Carbon Securities can be issued and redeemed daily, therefore this is the earliest maturity date for the purpose of the maturity analysis.

## Notes to the financial statements

For the financial period ended 30 September 2024

## 12 Financial liabilities designated at fair value through profit or loss (continued)

| Maturity analysis | Metal ETC Securities | Carbon ETC Securities | Total                | Metal ETC Securities | Carbon ETC Securities | Total              |
|-------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|--------------------|
|                   | 30-Sep-24            | 30-Sep-24             | 30-Sep-24            | 31-Mar-24            | 31-Mar-24             | 31-Mar-24          |
|                   | USD                  | USD                   | USD                  | USD                  | USD                   | USD                |
| Less than 1 year  | 984,767,123          | 159,983,739           | 1,144,750,862        | 755,474,586          | 148,571,856           | 904,046,442        |
| 1-2 years         | -                    | -                     | -                    | -                    | -                     | -                  |
| 2-5 years         | -                    | -                     | -                    | -                    | -                     | -                  |
| Over 5 years      | -                    | -                     | -                    | -                    | -                     | -                  |
|                   | <u>984,767,123</u>   | <u>159,983,739</u>    | <u>1,144,750,862</u> | <u>755,474,586</u>   | <u>148,571,856</u>    | <u>904,046,442</u> |

As at 30 September 2024, Series 1 - Metal ETC Securities are listed on the London Stock Exchange, Deutsche Borse (Xetra), Borsa Italiana, Euronext Paris, Mexican Stock Exchange (BMV) and Warsaw Stock Exchange (GPW).

As at 30 September 2024, Series 2 - Carbon ETC Securities are listed on the London Stock Exchange, Xetra, Borsa Italiana and Mexican (BMV) Stock Exchange.

## 13 Loan payable

|  | Metal ETC Securities | Carbon ETC Securities | Total            | Metal ETC Securities | Carbon ETC Securities | Total          |
|--|----------------------|-----------------------|------------------|----------------------|-----------------------|----------------|
|  | 30-Sep-24            | 30-Sep-24             | 30-Sep-24        | 31-Mar-24            | 31-Mar-24             | 31-Mar-24      |
|  | USD                  | USD                   | USD              | USD                  | USD                   | USD            |
| Loan Payable to The Royal Mint Limited | 1,477,961            | -                     | 1,477,961        | 529,847              | -                     | 529,847        |
|  | <u>1,477,961</u>     | <u>-</u>              | <u>1,477,961</u> | <u>529,847</u>       | <u>-</u>              | <u>529,847</u> |

The Company holds Physical metals in a secured allocated account in the form of gold bars to secure the Metal Entitlement for each Note Issued. As the unit of measurement of a gold bar is fixed, there can be differences to the requirement under the Metal Entitlement. To fund the purchase of this difference, the Company has entered into a loan agreement with The Royal Mint Limited. This loan is payable in the form of Physical metal, and at 30 September 2024 is priced at the current close bid price at the end of the day using the London Bullion Market Association (LBMA) gold price. In the event of wind-up of the Company, the repayment of this loan will be made prior to the repayment of the holders of Metal Securities. A fee is charged by The Royal Mint Limited for this agreement, which is paid by the Arranger under the terms of the TER.

## 14 Other payables

|                      | 30-Sep-24      | 31-Mar-24        |
|----------------------|----------------|------------------|
|                      | USD            | USD              |
| Accrued fee payable* | 27,055         | 952,798          |
| Other payables**     | 142,567        | 114,193          |
|                      | <u>169,622</u> | <u>1,066,991</u> |

\*The accrued fee payable relate to the TER payable to the Arranger.

\*\*This refers to the order fees amount payable by the Authorised Participants as part of a subscription or redemption order.

## 15 Called up share capital

|   | 30-Sep-24     | 31-Mar-24     |
|---|---------------|---------------|
|   | EUR           | EUR           |
| <i>Authorised:</i>                              |               |               |
| 25,000 ordinary shares of EUR 1 each            | <u>25,000</u> | <u>25,000</u> |
| <i>Issued and partly paid</i>                   | EUR           | EUR           |
| 25,000 ordinary shares of EUR 1 each (25% paid) | <u>25,000</u> | <u>25,000</u> |
| <i>Presented as follows:</i>                    | USD           | USD           |
| Called up share capital presented as equity     | <u>29,313</u> | <u>29,313</u> |

**Notes to the financial statements****For the financial period ended 30 September 2024****16 Ownership of Company**

The sole shareholder of the Company is Apex Corporate Services (Ireland) Limited holding 25,000 shares of the Company. All shares are held in trust for charity under the terms of declaration of trust.

The Share Trustee has appointed the Directors to have oversight of the activities of the Company. The Directors have considered the issue as to who is the ultimate controlling party. It has been determined that the control of the day to day activities of the Company rests with the Directors.

**17 Related party transactions***Transactions with Administrator*

For the period ended 30 September 2024, Apex Corporate Services (Ireland) Limited provides administration services to the Company amounting to EUR 15,213 (31 March 2024: EUR 30,000) which is settled by the Arranger of the Company. Two of the Directors are employees of Apex Corporate Services (Ireland) Limited, which is the Administrator of the Company. Niall Vaughan and Ciaran Connolly, as Directors of the Company, have an interest in this fee in their capacity as Directors of Apex Corporate Services (Ireland) Limited.

*Transactions with Arranger*

HANetf Limited is the Arranger of the Company. The Company incurred USD 560 (31 March 2024: USD 1,081) during the period, which, has been recognised in the financial statements as the Corporate Benefit. All of this was receivable as at 30 September 2024. During the period ended 30 September 2024, the Arranger earned USD 1,790,293 (31 March 2024: USD 3,002,192) under the TER. USD 27,055 (31 March 2024: USD 952,798) was payable as at 30 September 2024. In return for this, the Arranger pays all operating expenses as described in Note 6 to the financial statements. David O'Neill, who was appointed as a Director on 25 March 2024, is an employee of an affiliate entity of HANetf Limited.

*Transactions with The Royal Mint Limited*

The Royal Mint Limited is the custodian of the Physical metals held in the Secured Accounts in relation to The Royal Mint Physical Gold ETC Securities. The fair value of Physical metals held with The Royal Mint Limited are disclosed in Note 9 to the financial statements and the loan repayable to The Royal Mint Limited is disclosed in Note 13 to the financial statements. The Royal Mint Limited also acts as the promoter of, and an authorised participant to, the Metal Securities for the Company. Payments to The Royal Mint Limited, for the provision of these services to the Company, are paid for by Arranger in return for the "all in one" operational fee described in Note 6 to the financial statements. In The Royal Mint Limited's role as Authorised Participant to the Company, it partook in USD Nil (31 March 2024: USD Nil) of issuances of Metal Securities, and USD Nil (31 March 2024: USD Nil) of redemptions of Metal Securities during the financial period.

*Transactions with Spark Change Jersey Issuer Limited*

The Backing Issuer, Spark Change Jersey Issuer Limited, has been incorporated for an indefinite period. The Backing Issuer is a special purpose company which has been established for the sole purpose of issuing any Backing Note pursuant to the Backing Issuer Programme and entering into agreements relating to the Backing Note and the Underlying Allowances. The fair value of the Backing Note is disclosed in Note 9 to the financial statements. Payments to Spark Change Jersey Issuer Limited, for the provision of the services to the Company, are paid for by Arranger in return for the "all in one" operational fee described in Note 6 to the financial statements.

The Directors are of the view that there are no other related party transactions requiring disclosures. The Directors received no remuneration from the Company in the financial period ended 30 September 2024 (31 March 2024: Nil).

**18 Financial risk management*****Risk management framework***

The Company has exposure to the following risks from its use of financial instruments:

- (a) Operational risk;
- (b) Credit risk;
- (c) Market risk; and
- (d) Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

## Notes to the financial statements

For the financial period ended 30 September 2024

## 18 Financial risk management (continued)

## (a) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risk arises from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions were outsourced to Apex Corporate Services (Ireland) Limited.

## (b) Credit risk

Credit/Counterparty risk refers to the risk that the Custodian will default on its contractual obligations resulting in the Company being unable to make payment of amounts due to the Securityholders. Accordingly, the Company and the Securityholders are exposed to the creditworthiness of the Custodian/ Backing Issuer.

*Physical Metal Securities Programme*

In the event of an insolvency of the Custodian, the allocated Metal held by the Custodian in the relevant Secured Allocated Account for the benefit of the Company should be protected as such Metal should be identified separately from the assets of the Custodian and its other clients. However, there can be no assurance that the Company will be able to obtain delivery of and/or realise the Metal (whether in full or in part) held in the Secured Allocated Account(s) with the Custodian on a timely basis. In addition, the Company could incur expenses in connection with having to assert its claims against the relevant Metal, even where it can ascertain that it has title to such Metal. Securityholders will be at risk if the Custodian does not, in practice, maintain such a segregation.

Further, the Company's limited rights in this regard mean that there is a risk that the Company would have limited recourse to the Custodian in circumstances where the Metal is lost or stolen in custody and/or the records of the Custodian are inconsistent, which could result in the Company not being able to satisfy its obligations in respect of the Metal Securities resulting in a loss to Securityholders.

Accordingly, if any Metal attributable to any Metal Securities is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Company and/or the Trustee and/or the Security Trustee, the Custodian's insurance coverage may not be sufficient to satisfy the claim and the Company may not be able to satisfy its obligations in respect of the Metal Securities resulting in a loss to Securityholders.

HSBC has been engaged as sub-custodian. At 30 September 2024, HSBC has a credit rating of A- (S&P) (31 March 2024: A- (S&P)).

As at 30 September 2024, the Custodian, The Royal Mint Limited, is not rated (31 March 2024: not rated).

*Physical Carbon Securities Programme*

The Programme and the Backing Issuer Programme are designed to ensure that credit risks posed by the Backing Issuer are minimised. The key aspect of this is to ensure that the only permitted activity of the Backing Issuer under the Backing note Terms and Conditions is to (a) issue the Backing note, (b) hold property securing the Backing note (including the Underlying Allowances and activities incidental to them), (c) ensure that the Company is the only holder of Backing note, and (d) to ensure that the Carbon Entitlement of the Backing note always matches the Carbon Entitlement of all Carbon Securities then outstanding.

The Backing Issuer is a special purpose company but it is not a segregated cell company under which the company is divided into separate cells which each have separate assets and liabilities. Accordingly, the Backing Issuer uses contractual limited recourse clauses and non-petition limitations to prevent assets held in relation to any particular class of Backing note being made available to satisfy the claims of holders of a different class of Backing note. However, it is possible there may be situations where the Backing Issuer might become subject to claims which are not themselves subject to limited recourse. If this were to happen it could increase the likelihood of the Backing Issuer entering insolvency proceedings potentially leading to the early redemption of the Backing note and in turn the Carbon Securities.

As at 30 September 2024, the Backing Issuer, Spark Change Jersey Issuer Limited, has not been assigned a credit rating and it is not intended that any Backing Note will be assigned credit ratings (31 March 2024: not rated).

*Cash and cash equivalents*

As at 30 September 2024, the Company held cash and cash equivalents with European Depositary Bank SA. amounting to USD 149,411 (31 March 2024: USD 121,037) which represents its maximum credit exposure on these assets. The Company also has bank accounts with The Bank of New York Mellon.

## Notes to the financial statements

For the financial period ended 30 September 2024

## 18 Financial risk management (continued)

## (c) Market risk

Market risk is the risk that changes in market prices of the Physical metals/ Backing note will affect the Company's income or the value of its holdings of financial instruments. The Securityholders are exposed to the market risk of the assets portfolio. Market risk embodies the potential for both gains and losses and price risk.

## (i) Interest rate risk

Interest rate risk is the risk that the fair value of the ETC Securities will fluctuate because of changes in market interest rates. Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of Physical metals/ Backing note and the returns from investments in Physical metals/ Backing note are therefore influenced by and may be correlated to these factors. The Company has deemed the effect of these valuation fluctuations insignificant. As a result, the Company is not subject to significant interest rate risk.

## (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates.

The Company issued Carbon ETC Securities in EUR and invested in Backing note denominated in EUR. The Company mitigates its exposure to currency mainly by matching the foreign currency assets with foreign currency liabilities. The Company is exposed to movement in exchange rates between the USD, its functional currency, and other foreign currency, namely EUR.

## (iii) Price risk

Price risk is the risk that the fair value of Physical metals or Metal Securities will fluctuate because of changes in market prices whether those changes are caused by factors specific to the metals, the individual Metal Securities or its issuer, or factors affecting similar assets or Metal Securities traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Company and market prices of its investments.

*Physical Metal Securities Programme*

Securityholders are exposed to market risk arising from market price of the Metal Securities and Physical metals arising from its holding of precious metals. The movements in the prices of these holdings result in movements in the performance of the Metal Securities. The value of Metal Securities will be affected by movements in the market price of the metal to which a particular Series is linked.

The market price of each Series of ETC Securities will be affected by a number of factors, including, but not limited to:

- (i) the value and volatility of the Physical metals referenced by the relevant Series of ETC Securities;
- (ii) the value and volatility of metals in general;
- (iii) market perception, interest rates, yields and foreign exchange rates;
- (iv) the creditworthiness of, among others, the Custodian, any applicable Sub-Custodian, the Administrator, the Registrar, and the Authorised Participants; and
- (v) liquidity in the ETC Securities on the secondary market.

The Company does not consider market risk to be a significant risk to the Company as any fluctuation in the value of the Physical metals will ultimately be borne by the Securityholders of the relevant Series.

## Notes to the financial statements

For the financial period ended 30 September 2024

## 18 Financial risk management (continued)

## (c) Market risk (continued)

## (iii) Price risk (continued)

Therefore, assuming all other variables remain constant any increase/(decrease) in the market price of the Physical metals would have an equal increase/(decrease) on the value of the Metal Securities issued in the relevant Series. As at 30 September 2024, a hypothetical 1% increase in the market price of the Physical metals would have an increase of USD 9,847,671 (31 March 2024: of USD 7,554,746) on the value of the Metal Securities issued. A hypothetical 1% decrease in the market price of the Physical metals would have an equal but opposite impact on the value of the ETC Securities issued in the relevant Series. The Series offer investors instant, easily-accessible and flexible exposure to the movement in spot prices of the relevant Physical metal. Each Series' performance is correlated to the performance of the Physical metal invested into. The correlation of the Series' performance against this is a metric monitored by key management personnel.

*Physical Carbon Securities Programme*

The Carbon Securities are linked (through the Backing Note) to emissions Allowances. The value of a Class of Carbon Securities will be affected by movements in the price of the underlying type of Allowance. The value of Carbon Securities will be affected by movements in the market price of the Allowances to which a particular Series is linked.

The price of Allowances which back the Carbon Securities may fluctuate widely and is affected by numerous factors, including, but not limited to:

- (i) global or regional political, economic, environmental or financial events and situations (including pandemics);
- (ii) the activities and emissions of energy-intensive sectors such as those that are subject to the respective compliance schemes (including manufacturing facilities, oil refineries, power stations and, aviation);
- (iii) the rate of progress in the innovation, introduction and expansion of technologies and techniques in the reduction of emissions of greenhouse gases;
- (iv) governmental goals or policies with respect to climate change and the imposition of environmental plans or climate goals such as achieving carbon neutrality; and
- (v) the cost and implications of non-compliance with the relevant compliance schemes (including both monetary and non-monetary penalties on operators subject to such compliance scheme for failure to surrender sufficient Allowances).

The Company does not consider market risk to be a significant risk to the Company as any fluctuation in the value of the Allowances will affect the value of the Backing note which in turn will ultimately be borne by the Securityholders of the relevant Series.

Therefore, assuming all other variables remain constant any increase/(decrease) in the market price of the Backing note would have an equal increase/(decrease) on the value of the Carbon Securities issued in the relevant Series. As at 30 September 2024, a hypothetical 1% increase in the market price of the Backing note would have an increase of USD 1,599,837 (31 March 2024: USD 1,485,719) on the value of the Carbon Securities issued. A hypothetical 1% decrease in the market price of the Backing note would have an equal but opposite impact on the value of the ETC Securities issued in the relevant Series. The Series offer investors instant, easily-accessible and flexible exposure to the movement in spot prices of the relevant Backing note. Each Series' performance is correlated to the performance of the Backing note invested into, and in turn related to the value of the underlying Allowances. The correlation of the Series' performance against this is a metric monitored by key management personnel.

## (d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset and thus, the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk in a limited recourse vehicle is managed, where possible, by having the same maturity profile of financial liabilities and related financial assets.

The Company's obligation to the Securityholders is limited to the net proceeds upon realisation of the asset of the Series and should the net proceeds be insufficient to make all payments due in respect of a particular Series of Securities, the other assets of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the Securityholders according to the priority of payments mentioned in the agreements.

## Notes to the financial statements

For the financial period ended 30 September 2024

## 18 Financial risk management (continued)

## (d) Liquidity risk (continued)

The Company does not have a significant exposure to liquidity risk due to the buy-back of Metal Securities/ Carbon Securities being settled in transfer of Physical metal/ underlying Allowances except in certain limited circumstances. The subscriptions and redemptions of the Physical metals/ underlying Allowances that backs such Metal Securities/ Carbon Securities (through the Backing note) are primarily non-cash transactions of the Company as they are carried out in-specie, excluding the disposal of the Physical metals/ Backing note in relation to the payment of the total expense ratio. Metal Securities/ Carbon Securities can be issued and redeemed daily, therefore this is the earliest maturity date for the purpose of the maturity analysis.

The ability of the Company to generate enough arranger fees for the Arranger to fund the Company's operational expenses on a long term basis is impacted by the value of the Company's investment in Physical metals/ Backing note which is in turn principally impacted by investor appetite for the Metal Securities/ Carbon Securities and movements in the market value of the Physical metals/ Backing note.

*Contractual undiscounted cashflows*

At any time, the price at which Metal Securities/ Carbon Securities trade on any stock exchange may not reflect accurately the value of the Physical metal/ underlying Allowances that backs such Metal Securities/ Carbon Securities. Therefore, the subscription and redemption procedures for Metal Securities/ Carbon Securities are intended to minimise this potential difference. However, the market price of Metal Securities/ Carbon Securities will be a function of supply and demand amongst investors wishing to buy and sell Metal Securities/ Carbon Securities.

Investors are dependent on there being Authorised Participants making a market in Metal Securities/ Carbon Securities to minimise the difference between the secondary market price and the value of the Metal Securities/ Carbon Securities, and to provide investors with liquidity. There can be no assurance as to the depth of the secondary market (if any) in Metal Securities/ Carbon Securities, which could affect their liquidity and market price.

An Authorised Participant is under no obligation to make a market in Metal Securities/ Carbon Securities and it is impossible to guarantee that one or more Authorised Participants would purchase Metal Securities/ Carbon Securities on a given day and/or at a particular price, which may result in a lack of liquidity at any given time. If there is limited liquidity, the price at which a Securityholder may be able to sell its Metal Securities/ Carbon Securities at any time may be substantially less than the price paid by that Securityholder for the same Metal Securities/ Carbon Securities.

The financial liabilities designated at fair value through profit or loss are carried at fair value through profit or loss. The ultimate amount repaid to the Securityholders will depend on the proceeds from the Physical metals/ Backing note.

## (e) Fair values

The fair value of a financial asset and liability 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.

The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximated their fair values.

The Company's financial assets and financial liabilities carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Although the directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cashflows etc and therefore, cannot be determined with precision.



**Notes to the financial statements****For the financial period ended 30 September 2024****18 Financial risk management (continued)****(e) Fair values (continued)**

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value of the Physical metals/ Backing note will be borne by the Securityholders due to the limited recourse nature of the Metal Securities/ Carbon Securities issued by the Company.

The valuation inputs for the physical metals are based on quoted market prices in active markets as per acceptable registered benchmark and therefore, the Physical metals are classified as Level 1 in the fair value hierarchy.

The valuation inputs for the Backing note (underlying Allowances backing the Carbon Securities) are based on market prices as calculated by the administrator to the Backing note which in turn is calculated using observable inputs and therefore, the Backing note is classified as Level 2 in the fair value hierarchy.

Metal Securities/ Carbon Securities issued by the Company are classified within level 2. The fair value of the Metal Securities/ Carbon Securities issued is determined by reference to the exchange quoted value of the underlying Physical metal/ Backing note and adjusted for the Total Expense Ratio payable to the Arranger. This valuation technique represents the price of the Metal Securities/ Carbon Securities at which Authorised Participants subscribe and request buy-backs of Metal Securities/ Carbon Securities directly with the Company. There are no significant unobservable inputs to this valuation technique.

**19 Capital management**

The Company view the Called up share capital as its capital. The primary objective of the Company's capital management is to maintain shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to debt securities (i.e. the Metal Securities). Share capital of EUR 25,000 was issued in line with Irish 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.

**20 Subsequent events**

In October 2024, the Company issued FX Hedged Gold Securities under the Metal Securities Programme.

There are no other significant events after financial period end up to the date of signing this report that require disclosure and/or adjustment to the financial statements.

**21 Commitments and Contingencies**

The Company had no commitments or contingencies as at 30 September 2024 (31 March 2024: Nil).

**22 Comparatives**

In line with IAS 34, the comparative information for the interim Statement of comprehensive income, interim Statement of changes in equity and interim Statement of cash flows are for the period ended 30 September 2023 and the comparative information for the Statement of financial position is as at 31 March 2024.

**23 Approval of financial statements**

The Board of Directors approved these financial statements on 25 November 2024.