

**Zipa Precious Metals Public Limited Company**

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

**For the financial period from 01 January 2024 to 30 June 2024**

**Registered number                      734888**

## **Zipa Precious Metals Public Limited Company**

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## Zipa Precious Metals Public Limited Company

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### Directors and other information

#### Directors

Maria Dawson (*Irish Resident*)

Rhys Owens (*Irish Resident*)

Patrick Kenny (*Irish resident*) (*Appointed as Alternate Director on 20 March 2024 and resigned on 21 March 2024*)

Patrick Kenny (*Irish Resident*) (*Appointed as Alternate Director on 27 June 2024 and resigned on 6 July 2024*)

#### Registered Office

2nd Floor, Block 5  
Irish Life Centre  
Abbey Street Lower  
Dublin 1  
Ireland

#### Fund Administrator

Apex Fund Services (Ireland) Limited  
2nd Floor, Block 5  
Irish Life Centre  
Abbey Street Lower  
Dublin 1  
Ireland

#### Corporate Administrator and Company Secretary

Apex IFS Limited  
2nd Floor, Block 5  
Irish Life Centre  
Abbey Street Lower  
Dublin 1  
Ireland

#### Banker

HSBC Continental Europe  
1 Grand Canal Square,  
Grand Canal Harbour  
Dublin 2, D02 P820  
Ireland

#### Custodian and Gold Agent

HSBC Bank Plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

#### Arranger, Manager and Swap Counterparty

Zipa Management Limited  
89 Nexus Way,  
Camana Bay, KY1-9009  
Grand Cayman  
Cayman Islands

#### Issuing and Paying Agent

Bank of New York Mellon  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

#### Statutory Auditor

Forvis Mazars  
3 Harcourt Centre,  
Harcourt Road,  
Dublin 2, Ireland

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### **Directors and other information**

#### **Swap Counterparty**

StoneX Financial Limited  
Moor House  
First Floor  
120 London Wall  
London EC2Y 5ET  
England

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### Interim management report

The directors (the "Directors") present their interim report and the condensed unaudited financial statements of Zipa Precious Metals Public Limited Company (the "Company") for the financial period ended 30 June 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 13 February 2023 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 ETC Securities backed by the underlying metal, and entering into agreements relating to the ETC Securities.

#### *SMO Physical Gold ETC Securities Programme*

The Company established an SMO Physical Gold Securities Programme (the "ETC Securities Programme") under which the Company may issue SMO Physical Gold ETC Securities (the "ETC Securities") which are secured, undated, zero coupon limited recourse debt obligations. ETC Securities are designed to track the price of gold (the "Precious Metals") and to provide investors with a return equivalent to the spot price of Precious Metal less the applicable fees. The aggregate number of ETC Securities issued under the Programme will not at any time exceed 10,000,000,000, this being the Programme maximum number of ETC Securities.

The ETC Securities are backed by fully-allocated physical holdings of the relevant precious metal custodied in secured vaults. The ETC Securities are undated (have no final maturity date) and are non-interest bearing. The prevailing market price at which the ETC Securities trade on the secondary market may deviate from the daily value of the ETC Securities and may not accurately reflect the price of the precious metal underlying the ETC Securities. Each ETC Security 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.

The Issuer has entered into swap agreements (the "Gold Swaps") upon which Non-SMO Gold transferred by Authorised Participants to the Custodian in connection with the issuance of ETC Securities, is delivered to a Swap Counterparty in order to facilitate the exchange of such Non-SMO Gold for SMO Gold as soon as possible following the Issue Date and in any event within 90 days of the Issue Date (the Swap Period). Each Gold Swap Order shall specify, amongst other things, the Non-SMO Gold Amount, the Gold Swap Premium Amount and the Secured Allocated Account for delivery of the SMO Gold. Should the Swap Counterparty, acting reasonably, determine that it will be unable to effect the Gold Swap on or prior to the end of the Swap Period the Issuer shall either extend the Swap Period or the Issuer shall terminate the Gold Swap Order in respect of the relevant issuance of ETC Securities and deliver a new Gold Swap Order to a Swap Counterparty in respect of the relevant issuance of ETC Securities.

Only registered "Authorised Participants" may subscribe and redeem ETC Securities with the Company and except in certain limited circumstances, these subscriptions and redemptions can only be carried out in specie. During the life of the ETC Securities, Securityholders 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.

On 17 April 2024, the Company issued Series 1 - Gold Securities of SMO Physical Gold ETC Securities. The net proceeds from the issue of ETC Securities were used to purchase an amount of underlying metal which is held in Secured Allocated Accounts in respect of such ETC Securities. Such underlying metal is used to meet the Company's obligations under the relevant ETC Securities.

As at 30 June 2024, Series 1 - SMO Physical Gold ETC Securities are listed on the London Stock Exchange.

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### Interim management report (continued)

#### Key performance indicators

During the financial period:

- the Company made a profit before tax of USD 803 ( 31 December 2023: loss before tax USD 129);

	Gold ETC Securities	
	30-Jun-24	31-Dec-23
Number of tranches issued	4	-
Return on investments	(1.61)%	-
Return on financial liabilities	(1.67)%	-
Financial liabilities designated at fair value through profit or loss	93,435,126	-
Net changes in fair value of Physical metals designated at fair value through profit or loss	(695,233)	-
Net changes in fair value of financial liabilities designated at fair value through profit or loss	715,875	-

As at 30 June 2024:

- the net assets of the Company were USD 25,775 (31 December 2023: USD 25,173);

	Metal ETC Securities	
	30-Jun-24	31-Dec-23
	USD	USD
Physical metals at fair value through profit or loss	92,739,893	-
Financial liabilities designated at fair value through profit or loss	(92,719,251)	-
Physical metals are included in Note 10 to the financial statements; and		
the ETC Securities that the Company was 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.

#### 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 following changes in directors occurred during the financial period:

- Patrick Kenny, alternate director, (Irish Resident) (appointed from 20th March 2024 to 21st March 2024, and from 27th June 2024 to 6th July 2024)

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 January 2024 and 30 June 2024 held any shares or debentures/ securities issued in the Company at that date, or during the financial period. Apex TSI Limited held shares in the Company as at 30 June 2024 as share trustee pursuant to a declaration of trust dated 23 May 2023. Except for the Administration agreement entered into by the Company with Apex IFS Limited (the "Corporate Administrator"), 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. Both of the Directors are employees of the Corporate Administrator of the Company. During the financial period, no fees were paid to the Directors for the services provided (31 December 2023: Nil). Further information is set out in Note 15 to the financial statements.

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### Interim management report (continued)

#### 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 fully paid. The shares are held by Apex TSI 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 Board continues to closely monitor and assess the impact of the ongoing conflict in Ukraine on the Company's portfolio operations and valuation and will take any further actions needed or as required under the terms of the Prospectus, as facts and circumstances are subject to change and may be specific to investments and jurisdictions. Whilst it is not currently possible to predict future market conditions and therefore determine if any further action may be required on any other classes of ETC Securities, the action that may be required includes, but is not limited to, temporarily not accepting applications for ETC Securities, temporarily suspending ETC Securities from trading on Stock Exchanges or a compulsory redemption of ETC Securities.

The Company is subject to other financial risks. These are outlined in Note 16 to the financial statements.

#### Accounting records

The Directors believe that they have complied with requirements of Sections 281 to 285 of the Companies Act 2014 with regards to keeping adequate accounting records by utilising accounting personnel employed by the Corporate Administrator with appropriate experience and expertise and by providing resources to the financial function. The accounting records of the Company are maintained at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

#### 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 June 2024 (31 December 2023: Nil).

#### Subsequent events

All subsequent events are disclosed in Note 18 to the financial statements.

#### Research and development costs

The Company did not incur any research and development costs during the financial period (31 December 2023: 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 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.

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### **Interim management report (continued)**

#### **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**

*Maria Dawson*

**Maria Dawson**  
**Director**



**Rhys Owens**  
**Director**

**Date:** 26/09/2024



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### 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 June 2024 have not been audited.

### On behalf of the Board

*Maria Dawson*

**Maria Dawson**  
**Director**

*Rhys Owens*  
**Rhys Owens**  
**Director**

**Date:** 26/09/2024

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

	<b>Note</b>	<b>Financial period ended 30-Jun-24 USD</b>	<b>Financial year ended 31-Dec-23 USD</b>
Net changes in fair value of Physical metals designated at fair value through profit or loss	3	(695,233)	-
Net changes in fair value of financial liabilities designated at fair value through profit or loss	4	715,875	-
Other expenses	5	(167,552)	(129)
Other income	6	147,713	-
<b>Operating profit/ (loss) before taxation</b>		803	(129)
Tax charge on profit on ordinary activities	7	(201)	-
<b>Total Comprehensive Income for the financial period</b>		<u>602</u>	<u>(129)</u>

The notes on pages 12 to 21 form an integral part of the financial statements.

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**Statement of financial position**

As at 30 June 2024

	Note	30-Jun-24 USD	31-Dec-23 USD
<b>Assets</b>			
<b>Current assets</b>			
Physical metals at fair value through profit or loss	10	92,739,893	-
Cash and cash equivalents	8	220,401	25,173
Other receivables	9	116,585	-
<b>Total assets</b>		<u>93,076,879</u>	<u>25,173</u>
<b>Liabilities and equity</b>			
<b>Current Liabilities</b>			
Financial liabilities designated at fair value through profit or loss	12	92,719,251	-
Other payables	11	331,853	-
<b>Total liabilities</b>		<u>93,051,104</u>	
<b>Shareholder's Funds - Equity</b>			
Called up share capital presented as equity	13	25,302	25,302
Retained earnings		473	(129)
<b>Total equity</b>		<u>25,775</u>	<u>25,173</u>
<b>Total liabilities and equity</b>		<u>93,076,879</u>	<u>25,173</u>

The notes on pages 12 to 21 form an integral part of the financial statements.

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

	<b>Called up Share Capital USD</b>	<b>Retained earnings USD</b>	<b>Total Equity USD</b>
Balance as at 13 February 2023	-	-	-
Capital subscription	25,302	-	25,302
Total comprehensive income for the financial period	-	(129)	(129)
<b>Balance as at 31 December 2023</b>	<u>25,302</u>	<u>(129)</u>	<u>25,173</u>
<b>Balance as at 1 January 2024</b>	25,302	(129)	25,173
Total comprehensive income for the financial period	-	602	602
<b>Balance as at 30 June 2024</b>	<u>25,302</u>	<u>473</u>	<u>25,775</u>

The notes on pages 12 to 21 form an integral part of the financial statements.

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### Statement of cash flows

For the financial period ended 30 June 2024

	Note	Financial period ended 30-Jun-24 USD	Financial period ended 31-Dec-23 USD
<b>Cash flows from operating activities</b>			
Operating profit before taxation		803	(129)
<i>Adjustments for:</i>			
Net changes in fair value of Precious metals designated at fair value through profit or loss	3	695,233	-
Net changes in fair value of financial liabilities designated at fair value through profit or loss	4	(715,875)	-
<i>Movements in working capital</i>			
Increase in other receivables	9	(116,585)	-
Increase in other payables	11	331,652	-
<b>Net cash generated from/ (used in) operating activities</b>		<u>195,228</u>	<u>(129)</u>
<b>Cash flows from investing activities</b>			
Precious metals acquired	10	(93,435,126)	-
<b>Net cash used in from financing activities</b>		<u>(93,435,126)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
ETC Securities issuance	12	93,435,126	-
Issue of shares		-	25,302
<b>Net cash generated from financing activities</b>		<u>93,435,126</u>	<u>25,302</u>
<b>Increase in cash and cash equivalents</b>		195,228	25,173
Cash and cash equivalents at start of the financial period		25,173	-
<b>Cash and cash equivalents at end of the financial period</b>	8	<u><u>220,401</u></u>	<u><u>25,173</u></u>

The notes on pages 12 to 21 form an integral part of the financial statements.

## Zipa Precious Metals Public Limited Company

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### Notes to the financial statements

For the financial period ended 30 June 2024

#### 1 General information

The Company is a public limited company incorporated on 13 February 2023 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 ETC Securities backed by the underlying metal, and entering into agreements relating to the ETC Securities.

The Company established an ETC Securities Programme under which the Company issues, on an ongoing basis, ETC Securities providing exposure to gold.

The ETC Securities are backed by fully-allocated physical holdings of the relevant precious metal custodied in secured vaults. The ETC Securities are undated (have no final maturity date) and are non-interest bearing. The prevailing market price at which the ETC Securities trade on the secondary market may deviate from the daily value of the ETC Securities and may not accurately reflect the price of the precious metal underlying the ETC Securities. Each ETC Security 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.

The Issuer has entered into swap agreements (the "Gold Swaps") upon which Non-SMO Gold transferred by Authorised Participants to the Custodian in connection with the issuance of ETC Securities, is delivered to a Swap Counterparty in order to facilitate the exchange of such Non-SMO Gold for SMO Gold as soon as possible following the Issue Date and in any event within 90 days of the Issue Date (the Swap Period). Each Gold Swap Order shall specify, amongst other things, the Non-SMO Gold Amount, the Gold Swap Premium Amount and the Secured Allocated Account for delivery of the SMO Gold. Should the Swap Counterparty, acting reasonably, determine that it will be unable to effect the Gold Swap on or prior to the end of the Swap Period the Issuer shall either extend the Swap Period or the Issuer shall terminate the Gold Swap Order in respect of the relevant issuance of ETC Securities and deliver a new Gold Swap Order to a Swap Counterparty in respect of the relevant issuance of ETC Securities.

The ETC Securities do not bear interest at a prescribed rate. The return (if any) on the ETC Securities shall be calculated in accordance with the redemption provisions.

The Company considers the capital management and its current capital resources to be adequate to maintain the on-going listing and issue of ETC Securities.

As at 30 June 2024, Series 1 - SMO Physical Gold ETC Securities are listed on the London Stock Exchange.

#### 2 Basis of preparation

##### (a) Statement of compliance

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

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### Notes to the financial statements (Continued)

For the financial period from 01 January 2024 to 30 June 2024

#### 2 Basis of preparation (continued)

##### (b) New standards, amendments and interpretations

The Company has adopted the new interpretations and revised standards effective for the period ended 30 June 2024. New standards that have been adopted in the interim financial statements for the period ended 30 June 2024 but have not had a significant effect on the Company are:

- Amendment to IFRS 16 – Leases on sale and leaseback
- Amendment to IAS 1 – Classification of Liabilities as Current or Non-Current and Non-current liabilities with covenants; and
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.

There have been no other adoption of interpretations and standards except as per the above.

##### *Accounting standards issued but not yet effective*

The following amendments are effective for the period after 1 July 2024:

- Lack of Exchangeability (Amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates)
- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

##### (c) Segmental reporting

The standard on segmental reporting puts emphasis on the “management approach” to reporting on operating segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses. The Directors are considered to be the chief operating decision makers of the Company.

The Company is engaged as one segment in the Programme under which the Company issues on an ongoing basis ETC Securities of different classes linked to indices providing exposure to a range of asset classes including equities, commodities, fixed income, and currencies.

#### 3 Net changes in fair value of Physical metals designated at fair value through profit or loss

	Financial period ended 30-Jun-24 USD	Financial period ended 31-Dec-23 USD
Unrealised fair value movement on Precious metals designated at fair value through profit or loss	(695,233)	-
	(695,233)	-

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

	Financial period ended 30-Jun-24 USD	Financial period ended 31-Dec-23 USD
Unrealised fair value movement on ETC Securities designated at fair value through profit or loss	715,875	-
	715,875	-

## Zipa Precious Metals Public Limited Company

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### Notes to the financial statements

For the financial period from 01 January 2024 to 30 June 2024

<b>5 Other expenses</b>	<b>Financial period ended 30-Jun-24 USD</b>	<b>Financial period ended 31-Dec-23 USD</b>
Legal and professional fees	(72,351)	-
Administration fees	(57,891)	-
Total Expense Ratio*	(20,642)	-
Audit fees	(10,534)	-
Listing fees	(2,431)	-
Bank charges	(3,703)	-
	<u>(167,552)</u>	<u>-</u>

\*The Total Expense Ratio relates to the difference in the financial assets versus the value of the Gold entitlement. The Total Expense Ratio in respect of each month is calculated as the reduction of the Gold entitlement per ETC Security applied to the Outstanding ETC Securities on each day during that month. This Gold is aggregated and withdrawn from the Secured Accounts and transferred to the Gold Agent in accordance with the relevant Custody agreement and will be sold, and its proceeds paid to the order of the Issuer in accordance with the Gold Agent Agreement. The proceeds will be used to satisfy certain applicable fees related to the programme.

<b>6 Other income</b>	<b>Financial period ended 30-Jun-24 USD</b>	<b>Financial period ended 31-Dec-23 USD</b>
Other income	146,910	-
Corporate benefit	803	-
	<u>147,713</u>	<u>-</u>

<b>7 Tax charge on profit on ordinary activities</b>	<b>Financial period ended 30-Jun-24 USD</b>	<b>Financial period ended 31-Dec-23 USD</b>
Profit on ordinary activities before tax - current tax	803	(129)
Current tax at 25%	(201)	-
Effect of:		
Income taxed at higher rates	-	-
<b>Current tax charge</b>	<u>(201)</u>	<u>-</u>

The Company is charged to corporation tax at a rate of 25% (2023: 25%). The Company will continue to be taxed at 25% in accordance with section 110 of the Taxes Consolidation Act 1997.

<b>8 Cash and cash equivalents</b>	<b>30-Jun-24 USD</b>	<b>31-Dec-23 USD</b>
Cash at bank	220,401	25,173
	<u>220,401</u>	<u>25,173</u>

As at 30 June 2024, the cash and cash equivalents is held with HSBC Bank Plc (100%) (31 Dec 2023: 100%).



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### Notes to the financial statements (continued)

For the financial period ended 30 June 2024

<b>9 Other receivables</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>USD</b>	<b>USD</b>
Arranger income receivable	73,373	-
Prepayments	21,767	-
TER income receivable	20,642	-
Corporate benefit receivable	803	-
	<u>116,585</u>	<u>-</u>

### 10 Physical metals at fair value through profit or loss

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>USD</b>	<b>USD</b>
Precious Metals	<u>92,739,893</u>	<u>-</u>
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>USD</b>	<b>USD</b>
At the start of financial period	-	-
<i>Non-cash transactions</i>		
Additions during the financial period	93,435,126	-
Fair value movement during the financial period	(695,233)	-
At end of financial period	<u>92,739,893</u>	<u>-</u>

As at 30 June 2024, the financial assets held by the Company was as follows:

<b>Series name</b>	<b>Outstanding Amount</b>	<b>Price per Unit</b>	<b>Fair Value</b>
	<b>30-Jun-24</b>	<b>30-Jun-24</b>	<b>30-Jun-24</b>
	<b>Ounces</b>	<b>USD</b>	<b>USD</b>
Series 1 - SMO Gold ETC Securities	39,787	2,330.90	92,739,893

The Precious metals have upon initial recognition been designated at fair value through profit or loss.

The Precious metals are held as collateral for ETC Securities issued by the Company.

<b>11 Other payables</b>	<b>30-Jun-24</b>	<b>31/12/24</b>
	<b>USD</b>	<b>USD</b>
Gold Swap premium payable	198,931	-
Expenses payable	112,079	-
Accrued fee payable*	20,642	-
Corporation tax payable	201	-
	<u>331,853</u>	<u>-</u>

\*The accrued fee payable relate to the expense fee ratio amount accrued on a daily basis on the gold.

\*\*This refers to the swap premium fees amount payable to the Swap Counterparty as part of a swap of Non-Smo Gold for SMO Gold.

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### Notes to the financial statements (continued)

For the financial period ended 30 June 2024

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

	30-Jun-24 USD	31-Dec-24 USD
ETC Securities issued	92,719,251	-
At the start of financial period	-	-
<i>Non-cash transactions</i>		
Issuances during the financial period	93,435,126	-
Fair value movement during the financial period	(715,875)	-
At end of financial period	92,719,251	-

The non-cash transactions relate to physical delivery of Precious metals to meet the redemption requests on Notes or as payment for subscriptions.

As at 30 June 2024, the financial liabilities in issue was as follows:

Series name	Outstanding Amount 30-Jun-24 Shares	NAV per Unit 30-Jun-24 USD	Fair Value 30-Jun-24 USD
Series 1 - SMO Physical Gold ETC Securities	3,980,000	23.30	92,719,251
<b>Maturity analysis</b>		<b>30-Jun-24 USD</b>	<b>31-Dec-23 USD</b>
Less than 1 year		92,719,251	-
1-2 years		-	-
2-5 years		-	-
Over 5 years		-	-
		92,719,251	-

The financial liabilities have been classified as having a maturity of less than 1 year as the ETC Securities can be redeemed at the option of the Securityholders.

The Company's obligations under the ETC Securities issued are secured by financial assets held as stated in note 10. The price of the ETC Securities is directly linked to the price of the Metals to which they are linked.

#### 13 Called up share capital presented as equity

	30-Jun-24 USD	31-Dec-23 USD
<i>Authorised:</i>		
25,000 Ordinary shares of EUR 1 each	25,302	25,302
<i>Issued and unpaid</i>		
25,000 Ordinary shares of EUR 1 each	25,302	25,302

#### 14 Ownership of the Company

The sole shareholder of the Company is Apex TSI Limited holding 100% of the issued shares in the Company. The shares are held on trust for charity under the terms of a declaration of trust.

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### Notes to the financial statements (continued)

For the financial period ended 30 June 2024

#### 15 Related party transactions including transactions with Corporate Administrator and Manager

##### *Transactions with Administrator and Directors*

The Corporate Administrator provides services such as accounting and reporting, company secretarial and other administration services to the Company. In respect of the aforementioned services, an amount of USD 58,251, including an amount of USD 26,763 for administration fees, was payable to Apex IFS Limited on 30 June 2024 (31 December 2023: USD Nil). As at 30 June 2024 an amount of USD 21,767 for administration fees was prepaid.

Maria Dawson and Rhys Owens are Directors of the Company and also employees of Apex IFS Limited as at 30 June 2024.

The Corporate Service Provider, APEX, provides corporate administration services to the Company at arm's length commercial rates. The individuals acting as Directors will not in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

There were no directors' remuneration paid during the financial period.

##### *Transactions with Manager and Swap Counterparty*

Zipa Management Limited, as Manager, provides management services to the Company. As at 30 June 2024, USD 20,642 was payable by the Company to the Manager. The Company earned a corporate benefit fee of USD 803 for the half financial year ended 30 June 2024. As at 30 June 2024, gold swap premium amount of USD 198,931 was payable to Zipa management Limited, as the Swap Counterparty.

#### 16 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.

##### **(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.

## Zipa Precious Metals Public Limited Company

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### Notes to the financial statements (continued)

For the financial period ended 30 June 2024

#### 16 Financial risk management

##### *Risk management framework (continued)*

##### (b) Credit risk (continued)

###### *SMO Physical Gold ETC 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 ETC Securities resulting in a loss to Securityholders.

Accordingly, if any Metal attributable to any ETC 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 ETC Securities resulting in a loss to Securityholders.

As at 30 June 2024, the Custodian, HSBC Bank Plc, is rated at A-1.

###### *Cash and cash equivalents*

As at 30 June 2024, the Company held cash and cash equivalents with HSBC Bank Plc amounting to USD 220,401 (31 December 2023: USD 25,173) which represents its maximum credit exposure on these assets.

##### (c) Market risk

Market risk is the risk that changes in market prices of the Physical metals 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 SMO 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 and the returns from investments in Physical metals 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 SMO Gold ETC Securities in USD and invested in Gold denominated in USD. 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 and GBP.

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### Notes to the financial statements (continued)

For the financial period ended 30 June 2024

#### 16 Financial risk management (continued)

##### (c) Market risk (continued)

###### (iii) Price risk

Price risk is the risk that the fair value of Physical metals or ETC Securities will fluctuate because of changes in market prices whether those changes are caused by factors specific to the metals, the individual ETC Securities or its issuer, or factors affecting similar assets or ETC 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.

###### *SMO Gold ETC Securities Programme*

Securityholders are exposed to market risk arising from market price of the ETC 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 ETC Securities. The value of ETC 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, the Fund 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.

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 ETC Securities issued in the relevant Series. As at 30 June 2024, a hypothetical 1% increase in the market price of the Physical metals would have an increase of USD 927,399 on the value of the ETC 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.

##### (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.

## Zipa Precious Metals Public Limited Company

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### Notes to the financial statements (continued)

For the financial period ended 30 June 2024

#### 16 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 ETC Securities being settled in transfer of Physical metal except in certain limited circumstances. The subscriptions and redemptions of the Physical metals that backs such ETC Securities are primarily non-cash transactions of the Company as they are carried out in-specie, excluding the disposal of the Physical metals in relation to the payment of the total expense ratio. ETC 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 which is in turn principally impacted by investor appetite for the ETC Securities and movements in the market value of the Physical metals.

##### *Contractual undiscounted cashflows*

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

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

An Authorised Participant is under no obligation to make a market in ETC Securities and it is impossible to guarantee that one or more Authorised Participants would purchase ETC 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 ETC Securities at any time may be substantially less than the price paid by that Securityholder for the same ETC 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.

##### (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.

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**Notes to the financial statements (continued)****For the financial period ended 30 June 2024****16 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 will be borne by the Securityholders due to the limited recourse nature of the ETC 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.

**17 Capital risk management**

The Company views the share capital as its capital. 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.

**18 Subsequent events**

The following transactions took place after the financial period:

<b>Tranche Number</b>	<b>Issue date</b>	<b>Transaction</b>	<b>Units of ETC securities</b>
5	5 Jul 2024	Subscription	2,772,500
6	16 Jul 2024	Subscription	2,904,800
7	22 Jul 2024	Subscription	3,038,000
8	29 Jul 2024	Subscription	3,154,000
9	7 Aug 2024	Subscription	3,045,000
10	29 Aug 2024	Subscription	100,000
11	3 Sep 2024	Subscription	100,000
12	3 Sep 2024	Subscription	3,000,000
13	17 Sep 2024	Subscription	2,900,000

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