Zipa Precious Metals Public Limited Company

Directors' report and audited financial statements

For the financial year ended 31 December 2024

Registered number 734888

Zipa Precious Metals Public Limited Company

Contents

Directors and other information

Directors	Fergal Molony *(Irish Resident) (Appointed on 6 December 2024)* (Independent non-executive) Rhys Owens *(Irish Resident)* (Independent non-executive) Patrick Kenny *(Irish resident) (Appointed as Alternate Director on 20 March 2024 and resigned on 21 March 2024)* (Independent non-executive) Patrick Kenny *(Irish Resident) (Appointed as Alternate Director on 27 June 2024 and resigned on 6 July 2024)* (Independent non-executive) Maria Dawson *(Irish Resident) (Resigned on 6 December 2024)* (Independent non-executive)
Registered Office	2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
Administrator and Calculation Agent	Apex Fund Services (Ireland) Limited 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
Corporate Administrator & 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 Chartered Accountants and Statutory Audit Firm, Block 3, Harcourt Centre, Harcourt Road, Dublin 2, Ireland

Directors and other information (continued)

Swap Counterparty	StoneX Financial Limited Moor House First Floor 120 London Wall London EC2Y 5ET England	
Solicitor	A&L Goodbody LLP IFSC, North Wall Quay Dublin 1 Ireland	Hill Dickinson LLP The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, United Kingdom
Trustee	Apex Corporate Trustees (UK) Limited 6th Floor 125 London Wall, London EC2Y 5AS United Kingdom	

Directors' report

The directors present their annual report and the audited financial statements of Zipa Precious Metals Public Limited Company (the “Company”) for the financial year ended 31 December 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.

Management's report of business review and key performance indicators

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.Only registered broker-dealers “Authorised Participants” may subscribe to the ETC Securities. ETC Securities are designed to track the price of gold (the "Physical Metals") and to provide investors with a return equivalent to the spot price of Physical 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 physical 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 physical 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) which is 0.29% 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 31 December 2024, Series 1 - SMO Physical Gold ETC Securities are listed on the London Stock Exchange and the Borsa Italiana.

Zipa Precious Metals Public Limited Company

Directors' report (continued)

Management's report of business review and key performance indicators (continued)

During the financial year:

- the Company made a profit before tax of USD 1,558 (period ended 31 December 2023: loss before tax USD 129);

	ETC Securities	
	Year ended 31/12/2024	**Period ended 31/12/2023**
• number ETC Securities issued	18	-
• return on investments*	10.13%	-
• return on financial liabilities**	9.91%	-
• ETC Securities issued	(1,058,343,347)	-
• Physical metals purchased	1,058,343,347	-
• Physical metals sold	(1,060,942)	-
• net changes in fair value of physical metals at FVTPL (USD)	34,478,437	-
• net changes in fair value of ETC Securities designated at FVTPL (USD)	(33,447,487)	-

As at 31 December 2024:

- the net assets of the Company were USD 26,341 (31 December 2023: USD 25,173);

	ETC Securities	
	31-Dec-24 USD	**31-Dec-23 USD**
• fair value of ETC Securities designated at FVTPL	(1,091,790,834)	-
• fair value of Physical Metals at FVTPL	1,091,760,842	-

Physical metals are included in Note 9 to the financial statements.The ETC Securities in issue are included in Note 12 to the financial statements.

* return on investments is calculated based on opening price of gold versus closing year end price of same

** return on financial liabilities is calculated based on opening price of physical metals versus closing year end price of same

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 year. Therefore the Board of Directors (the "Board") of the Company believes that the Company will continue in operational existence for a period of at least 12 months and is financially sound. The ETC Securities are limited recourse in nature. The Board 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.

Another judgement made by the Directors is the going concern assumption whereby the Directors considered the potential impacts from the Ukraine and Russian conflict 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.

Directors' report (continued)

Results and dividends for the financial year

The results for the financial year are set out on page 15. No dividends are recommended by the Directors for the financial year under review (2023: Nil).

Changes in Directors, secretary and registered office

The following changes in directors occurred during the financial year:

- Patrick Kenny, alternate director, (Irish Resident) (appointed from 20th March 2024 to 21st March 2024, and from 27th June 2024 to 6th July 2024)
- Maria Dawson (Irish Resident) resigned on 6 December 2024
- Fergal Molony (Irish Resident) appointed on 6 December 2024

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

Directors, secretary and their interests

None of the Directors who held office from 1 January 2024 to 31 December 2024 held any shares or debentures/securities issued in the Company. Apex TSI Limited held shares as the sole shareholder in the Company as at 31 December 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 year. Rhys Owens and Fergal Molony are Directors of the Company. Rhys Owens and Fergal Molony are employees and Fergal Molony is a Director of Apex IFS Limited. During the financial year, no fees were paid to the Directors for the services provided (period ended 31 December 2023: Nil). Further information is set out in Note 16 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 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 directors do not expect any impact on the Company's activities.

The Company is subject to other financial risks. These are outlined in Note 17 to the financial statements.

Corporate Governance Statement
The Company is subject to and complies with Irish statute comprising the Companies Act. As the Company has been admitted to listing and trading on the regulated market of the London Stock Exchange. The Company adheres to the Listing Rules of the London Stock Exchange in so far as it relates to an overseas company trading in ETC securities. As well as being mindful of the requirements of the Companies Act and the stock exchanges which the Company is listed with, the Company complies with its own corporate governance requirements as set out in its Articles of Association (the "Articles").

Introduction
During the financial year ended 31 December 2024, the Company has been in compliance with both the Companies Act 2014 and the Listing rules of the London Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process
The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the accounting records of the Company. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Services agreement. The Administrator is also contractually obliged to prepare, for review and approval by the Board, the annual report including financial statements intended to give a true and fair view.

Financial Reporting Process (continued)
The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board may examine and evaluate the Administrator financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the Board.

Risk Assessment
The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements. More specifically:

- The Administrator has a review procedure in place to ensure errors and omissions in the financial statements are identified and
- Regular training on accounting rules and recommendations is provided to the accountants employed by the Administrator;
- Accounting bulletins, issued by the Administrator, are distributed to all accountants employed by the Administrator; and
- The Company's financial statements are prepared by the accountants employed by the Administrator, Apex Corporate Services (Ireland) Limited.

Control Activities
The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Corporate Governance Statement (continued)

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the contractual obligations on the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

The sole shareholder in the Company is Apex TSI Limited holding 25,000 shares. No person has any special rights of control over the Company's share capital.

The Board confirm that share trustees have entered into a share trust agreement. No shareholders meeting were held during the financial year ended 31 December 2024 with agreement from the shareholders.

With regard to the appointment and replacement of directors, the Company is governed by the Constitution, Irish Statute comprising the Companies Act 2014 and the Listing Rules of the London Stock Exchange. The Constitution may be amended by special resolution of the shareholders.

The Company does not have any agreements that take effect, alter or terminate upon a change of control of the Company following a bid. The Company also does not have any agreements between itself and the directors providing for compensation for loss of office or employment that occurs because of a bid.

Powers of directors

The Board is responsible for managing the business affairs of the Company in accordance with the Constitution. The Board may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Board. The Board have delegated the day to day administration of the Company to the Administrator.

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.

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 year to 31 December 2024 (period ended 31 December 2023: Nil).

Subsequent events

All subsequent events are disclosed in Note 19 to the financial statements.

Directors' report (continued)

Research and development costs

The Company did not incur any research and development costs during the financial year (financial period ended 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 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.

Statement on relevant audit information

So far as the Directors are aware, each Director at the date of approval of this report and financial statements confirms that:

- there is no relevant audit information of which the Company’s auditor are unaware; and
- as per section 330 of the Companies Act 2014, the Directors have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company’s auditor are aware of this information.

Independent auditor

Forvis Mazars were appointed as auditors and have expressed their willingness to continue in office in accordance with Section 383(2) 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;
- 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; and
- they have conducted a review, during the financial year to which the report referred to relates, of any arrangements or structures referred above that have been put in place.

On behalf of the Board

Rhys Owens	**Fergal Molony**
Director	**Director**

Date: 16/04/2025

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements, in accordance with the applicable laws and regulations.

Irish Company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the Company and the profit or loss of the Company for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the Company as at the financial year and of the profit or loss of the Company for the financial year, and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record 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, enable them to ensure that the financial statements comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors, together with the Arranger are responsible for the maintenance and integrity of the corporate and financial information included on this website (zipa.co). Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement in accordance with the Transparency Regulation

Each Director whose names and functions appear on page 1 confirm to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Rhys Owens	**Fergal Molony**
Director	**Director**

Date: 16/04/2025

Independent auditor’s report to the members of Zipa Precious Metals PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Zipa Precious Metals PLC (‘the Company’), for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Company financial statements, including the summary of material accounting policies set out in Note 3. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (‘IFRSs’) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024, and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (‘ISAs (Ireland)’) and applicable law. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (‘IAASA’), applied as required for the types of entity determined to be appropriate in the circumstances. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing management’s formal assessment;
- Preparing our own assessment of the Company’s ability to continue as a going concern;
- Reviewed the terms of the agreements underpinning the Company’s debt securities issued specifically in respect to the maturity date and the limited recourse nature of these securities;
- Reviewed post period activities for information that might affect the going concern ability; and
- Reviewing Board meeting minutes during the year, for information that might affect the going concern ability of the Company.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures.

Key audit matter	How the matter was addressed
Existence and Valuation of Physical Metals at fair value through profit or loss The Company's financial position and operating results depend, to a significant degree, on the Existence and Valuation of financial assets at fair value through profit or loss and is a particular focus of the users of the financial statements, as such we consider this a Key Audit Matter. Refer to Note 3 (g) (Financial instruments accounting policy) and Note 9 (Physical metals and financial assets at fair value through profit or loss disclosures) in the Financial Statements.	We addressed this risk through the following procedures: ▪ Obtained a portfolio listing from the Administrator of all financial assets held as at financial year end; ▪ Obtained independent confirmation from the Custodian of the existence of physical metals held at year end, and agreed to the portfolio listing obtained from the Administrator, obtaining audit evidence for reconciling items; ▪ Obtained written representation from the Board of Directors on the existence and valuation of financial assets at year end; and ▪ Assessed the valuation of all financial assets by comparing values to quoted prices obtained independently. Based on the evidence obtained from the above listed procedures performed, we consider the existence and valuation of Physical Metals at fair value through profit or loss as at 31 December 2024 to be reasonable.

Our application of materiality

We apply the concept of materiality in planning and performing the audit and in evaluating the impact of misstatements, if any. Materiality is an expression of the relative significance or importance of a matter in the context of the financial statements. Misstatements in the financial statements are material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$10,935,384
How we determined it	1% of total assets
Rationale for benchmark applied	In determining our materiality, we considered those financial metrics which we believed to be relevant and concluded that total assets was the most relevant benchmark. We applied this benchmark because in our view this is the metric against which the recurring performance of the Company is commonly measured by its stakeholders.
Performance materiality	$7,654,768 Performance materiality is set to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Performance materiality was determined at 70%, by taking into account factors such as: ▪ It is not an initial audit engagement, however it is the Company’s first year of operations; and ▪ The volume and nature of the Company’s transactions.
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above $328,062 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of the audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Annual Corporate Governance Statement

In relation to the information given in the Corporate Governance Statement, in our opinion, the description of the main features of the internal control and risk management systems in relation to the process for preparing the financial statements, and the information required under Regulation 21(2)(c), (d), (f), (h) and (i) S.I. No. 255/2006 - European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (where applicable):

- Is consistent with the Company's statutory financial statements in respect of the financial year concerned; and
- Has been prepared in accordance with the requirements of Section 1373 of the Companies Act 2014

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2014, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- Obtaining an understanding of the legal and regulatory framework applicable to the Company;
- Inquiring with the management and those charged with governance as to whether the Company is in compliance with laws and regulations;
- Reviewing minutes of the Board of Directors' meetings;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- Focusing on areas of laws and regulations that could reasonably be expected to have a material effect on preparation of the financial statements such as the Companies Act 2014.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Discussing amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements;
- Making enquiries of those involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Reviewing the appropriateness of journal entries;

- Maintaining professional scepticism when reviewing accounting estimates to identify if any evidence of management bias exists; and
- Reviewing for any significant transactions outside the normal course of business.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.
A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Board of Directors, we were appointed by the Company on 9 October 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial years. The period of total uninterrupted engagement including previous renewals and reappointments is two years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors we are required to provide in accordance with ISA (Ireland) 260.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Tuohy

Michael Tuohy
for and on behalf of Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2
Date: 17 April 2025

Zipa Precious Metals Public Limited Company

Statement of comprehensive income
For the financial year ended 31 December 2024

	Note	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Net changes in fair value of Physical metals at fair value through profit or loss	4	34,478,437	-
Net changes in fair value of ETC Securities designated at fair value through profit or loss	5	(33,447,487)	-
Other expenses	6	(3,154,289)	(129)
Other income	7	2,124,897	-
Operating profit/ (loss) before taxation		1,558	(129)
Tax charge on profit on ordinary activities	8	(390)	-
Total Comprehensive income/ (loss) for the financial year/ period		1,168	(129)

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

Statement of financial position
As at 31 December 2024

	Note	31-Dec-24 USD	31-Dec-23 USD
Assets			
Current assets			
Physical metals at fair value through profit or loss	9	1,091,760,842	-
Cash and cash equivalents	10	1,507,217	25,173
Other receivables	11	270,295	-
Total assets		**1,093,538,354**	**25,173**
Liabilities and equity			
Current liabilities			
ETC Securities designated at fair value through profit or loss	12	1,091,790,834	-
Other payables	13	1,721,179	-
Total liabilities		**1,093,512,013**	**-**
Shareholder's funds - Equity			
Share capital	14	25,302	25,302
Retained earnings		1,039	(129)
Total equity		**26,341**	**25,173**
Total liabilities and equity		**1,093,538,354**	**25,173**

On behalf of the Board

Rhys Owens
Director

Fergal Molony
Director

Statement of changes in equity

For the financial year ended 31 December 2024

	Share Capital USD	Retained earnings USD	Total Equity USD
Balance as at 13 February 2023	-	-	-
Issuance of shares	25,302	-	25,302
Total comprehensive loss for the financial period	-	(129)	(129)
Balance as at 31 December 2023	**25,302**	**(129)**	**25,173**
Balance as at 1 January 2024	25,302	(129)	25,173
Total comprehensive income for the financial year	-	1,168	1,168
Balance as at 31 December 2024	**25,302**	**1,039**	**26,341**

Zipa Precious Metals Public Limited Company

Statement of cash flows
For the financial year ended 31 December 2024

	Note	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Cash flows from operating activities			
Operating profit/ (loss) before taxation		1,558	(129)
Adjustments for:			
Net changes in fair value of Physical metals at fair value through profit or loss	4	(34,478,437)	-
Net changes in fair value of ETC Securities designated at fair value through profit or loss	5	33,447,487	-
Movements in working capital			
Increase in other receivables		(1,558)	-
Increase in other payables		570,434	-
Proceeds from disposal of Physical metals designated at fair value through profit or loss	9	792,205	-
Net cash generated from/ (used in) operating activities		331,689	(129)
Cash flows from financing activities			
Issue of shares		-	25,302
Net cash generated from financing activities		-	25,302
Increase in cash and cash equivalents		331,689	25,173
Cash and cash equivalents at start of the financial year/ period		25,173	-
Cash and cash equivalents at end of the financial year/ period	10	**356,862**	**25,173**

Non-cash transactions during the year include:

	Note	31-Dec-24 USD	31-Dec-23 USD
Physical metals acquired	9	(1,058,343,347)	-
ETC Securities issuance	12	1,058,343,347	-

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 address of the Company's registered office is 2nd Floor, Block 5, Irish Life Centre, Dublin 1, D01 P767, Ireland.

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 physical metal custodied in secured vaults. The ETC Securities 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 physical 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 31 December 2024, Series 1 - SMO Physical Gold ETC Securities are listed on the London Stock Exchange and the Borsa Italiana.

2 Basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the EU and in accordance with the Companies Act, 2014.

The accounting policies set out below have been applied in preparing the financial statements for the financial year ended 31 December 2024.

The financial statements of the Company have been prepared on a going concern basis. The ETC Securities are limited recourse in nature. 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 year. 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 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.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Physical metals at fair value through profit or loss are measured at fair value;
- ETC Securities designated at fair value through profit or loss are measured at fair value.

These financial statements are prepared on a going concern basis.

2 Basis of preparation (continued)

(c) Functional and presentation currency

The financial statements are presented in United States Dollar ("USD") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The ETC Securities designated at fair value through profit or loss are denominated in USD. The Directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Use of estimates and judgements

The preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates as detailed in note 17(e) to the financial statements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Critical judgements in applying accounting policies

Fair value of financial instruments

Note 17(e) to the financial statements describes that that the Directors have considered the requirements of IFRS 9 Financial Instruments and the use of judgements and estimates in the fair value pricing of financial instruments.

Going concern assumption

Another judgement made by the Directors is the going concern assumption whereby the Directors considered the potential impacts from the Ukraine and Russian conflict 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.

(e) New standards, amendments or interpretations

(i) Standards effective for annual periods beginning on or after 1 January 2024

The Company has adopted the new interpretations and revised standards effective for the year ended 31 December 2024. New standards that have been adopted in the financial statements for the year ended 31 December 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.

These have not had a material impact on the Company's financial statements.

2 Basis of preparation (continued)

(ii) Standards not yet effective but available for adoption

The accounting requirements applied by the Company in the preparation of these financial statements are those effective for accounting periods beginning on or before 1 January 2024. The following new standards, amendments to standards and interpretations are forthcoming accounting requirements in issue which are not yet effective for the financial year beginning 1 January 2024 and have not been early adopted in preparing these financial statements. The dates outlined below are those effective in the EU, or where the requirement has not yet been endorsed by the EU, the effective date issued by the IASB.

Description	**Effective date***
Amendments to IAS 21- The Effects of changes in Foreign Exchange Rates: Lack of Exchangeability	01 January 2025*
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)	01 January 2026*
IFRS 18- Presentation and Disclosure in Financial Statements	01 January 2027*
IFRS 19- Subsidiaries without Public Accountability: Disclosures	01 January 2027*

(e) New standards, amendments or interpretations (continued)

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

The Directors have considered the new standards as detailed in the above table and do not plan to adopt the standards early. The application of the above standards will be considered in detail in advance of a confirmed effective date by the Company. The Company is yet assessing the impact of the standards available for adoption.

3 Material accounting policies

(a) Income and expenses

All other income and expenses are accounted for on an accrual basis.

Other income

The Other income comprises of income received on issuance of ETC Securities, namely the "SMO Gold Premium" and corporate benefit. The SMO Gold Premium is a fee payable by the relevant Authorised Participant, subscribing to ETC Securities. The amount payable upon subscription by each subscriber is set out in the "Final terms" document issued to each subscriber on date of subscription. As per the prospectus, the SMO Gold Premium is an amount of USD per ounce of Gold that represents the cost of segregating the SMO Gold throughout the supply chain including the backing of independent audit and thereby ensuring that SMO Gold is traceable to a specific mine.

Other expenses

The Total Expense Ratio ("TER"), is an "all-in" operational fee charged to ETC Security holders, calculated at the rate per annum specified as such in the Final Terms in respect of each Series of Gold Securities. This is used to pay the approved expenses such as management, administration, audit and tax fees.

The TER is a daily reduction of an amount of Gold Entitlement per Gold Security. The TER in respect of each month is calculated as a reduction of the Gold Entitlement per Gold Security, applied to the outstanding Gold Securities on each day.

The Gold is aggregated and withdrawn from the Secured Accounts to the Gold Agent in accordance with the relevant Custody Agreement. This Gold withdrawn will be sold, and its proceeds paid to the Issuer in accordance with the Gold Agent Agreement. The receipts from Gold disposals are recognised as reduction of Gold Assets and the related Realised gain/loss. This proceeds will be used to satisfy certain applicable fees related to the programme, including the Management Fee due to Zipa Management Limited under the Management Agreement. The Gold is being disposed of on a "First-In, First-Out" basis.

The rate of the TER in respect of any series of individual Security may be varied by the Issuer from time to time. As at 31 December 2024, the TER rate was 0.29% per annum.

(b) Taxation

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities in accordance with Section 110 of the Taxes Consolidation Act 1997. Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the reporting date.

Provision is made at the tax rates which are expected to apply in the periods in which the temporary differences reverse.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash held at bank which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its capital.

There are no restrictions on cash and cash equivalents.

Cash and cash equivalents are carried at amortised cost in the Statement of financial position.

(d) Share capital

Share capital is issued in Euro ("EUR") and have been converted to USD on recognition. Dividends are recognised as a liability in the financial period in which they are approved.

(e) Other receivables

Other receivables do not carry any interest, are short-term in nature and have been reviewed for any evidence of impairment. Other receivables are accounted at amortised cost.

(f) Other payables

Other payables are accounted at amortised cost.

(g) Financial instruments

<u>Financial Assets</u>

Physical Metals

Classification

The Company classifies its physical metals at fair value through profit or loss at initial recognition in accordance with IFRS 9: Financial Instruments.

Financial assets are measured at fair value through profit or loss if:

- its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;
- it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- at initial recognition, it is irrevocably measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise measuring assets or recognising the gains and losses on them on different bases.

Based on the above criteria under point 3 the financial assets are measured at fair value.

Initial recognition

All financial assets (including physical metals at fair value through profit or loss) are recognised initially on the issue date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Physical metal is recognised when the metal is received into the vault of the custodian or relevant sub-custodian.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Physical metal is derecognised when the risks and rewards of ownership have all been substantially transferred.

3 Material accounting policies (continued)

(g) Financial instruments (continued)

Financial Assets (continued)

Physical Metals (continued)

Subsequent measurement

After initial measurement, the Company measures financial assets which are classified at fair value through profit or loss at their fair value. Subsequent changes in the fair value of physical metals at fair value through profit or loss are recognised directly in the Statement of comprehensive income. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement principles

The fair value of Physical metals are determined using the closing bid price at the reporting date using the London Bullion Market Association (LBMA) gold price. Changes in the fair value of the Physical Metals are recognised in the Statement of Comprehensive Income.

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

Net changes in fair value of Physical metals at fair value through profit or loss relates to movement in prices of Physical metals and includes all realised and unrealised fair value changes.

Financial liabilities

ETC Securities

Classification and measurement

The Company designates the ETC Securities issued as financial liabilities at fair value through profit or loss on initial recognition.

The exchange quoted price of the ETC Securities is determined by reference to the underlying Physical metals. Changes in the fair value of the ETC Securities are recognised in the Statement of comprehensive income. The ETC Securities have been designated at fair value through profit or loss in order to eliminate an accounting mismatch, that would otherwise arise with the Physical metals, enabling both the ETC Securities and the Physical metals to be measured at fair value with gains or losses on both being recognised in the Statement of comprehensive income.

Initial recognition

All financial liabilities (including ETC Securities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company issues ETC Securities to provide investors with exposure to the performance of the Physical metals. The ETC Securities, are issued in the form of debt instruments that are backed by fully allocated physical holdings of the relevant metal. An ETC security is issued or redeemed when a corresponding amount of Physical metal has transferred into or from the allocated accounts maintained by the Custodian.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Subsequent measurement

After initial measurement, the Company measures financial liabilities which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial liabilities designated at fair value through profit or loss are recognised directly in the Statement of comprehensive income.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. No balances have been offset on the statement of financial position.

3 Material accounting policies (continued)

(g) Financial instruments (continued)

Financial liabilities (continued)

Fair value measurement principles

The fair value of the ETC Securities is determined by reference to the underlying Physical metals factored with the metals entitlement. Changes in the fair value of the ETC Securities are recognised in the Statement of comprehensive income. ETC Securities are valued using valuation techniques, as detailed in the fair value hierarchy note to the financial statements.

Net changes in fair value of financial liabilities (ETC Securities) designated at fair value through profit or loss

Net changes in fair value of financial liabilities designated at fair value through profit or loss relates to Metal Securities issued issued and includes all realised and unrealised fair value changes.

(h) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); an entity whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and an entity for which discrete financial information is available. The Company's business involves the issuing asset-backed securities, including ETC Securities backed by the underlying metal, on behalf of investors, which are bought in the market and subsequently securitised to avail of potential market opportunities and risk return asymmetries. The Company with no employees, has one business unit, thus all administrating and operating functions are carried out and reviewed by the Administrator and Company Secretary, Apex Corporate Services (Ireland) Limited.

The Company's principal activity is to invest in physical metals which are the revenue generating segment of the Company. The Chief Operating Decision Maker ("CODM") of the operating segment is the Board of Directors. The Company is an SPV whose principal activities are the issuance of asset-backed securities. The Company is engaged as one segment in the Programme under which the Company issues on an ongoing basis ETC Securities linked to different commodities providing exposure to Physical metals.

(i) Foreign currency translation

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign currency closing exchange rate ruling at the statement of financial position date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the foreign currency exchange rates ruling at the dates that the fair values were determined. The fair value of physical metals and ETC securities by Series, and the gains/losses associated with them are disclosed in notes 4, 5, 9 and 12.

At each reporting date, monetary items and non monetary assets and liabilities that are fair valued and are denominated in foreign currencies are translated at the rate prevailing on the Statement of financial position. Gains and losses arising on retranslation of financial instruments at fair value through profit or loss are included in the Statement of comprehensive income together with respective fair value gains/losses.

(j) Statement of cash flows

The indirect method has been applied in the preparation of the Statement of cash flows.

(k) Physical metals

The Company holds Physical metals at least equal to the amount due to holders of Metal Securities solely for the purposes of meeting its obligations. The Physical metal is measured at fair value, as detailed in note 3(g) Physical Metals to the financial statements, and changes in fair value are recognised in the statement of comprehensive income. Any costs to sell Physical metals that arise in the course of settling the Company's obligations under the Metal Securities are borne by Zipa Management Limited, the Arranger. The Physical metal is recognised when the metal is received into the vault of the custodian or relevant sub-custodian. The Physical metal is derecognised when the risks and rewards of ownership have all been substantially transferred. The Physical metals are priced at the current close bid price at the end of the day for the Physical metals using the London Bullion Market Association (LBMA) gold price.

4 Net changes in fair value of Physical metals at fair value through profit or loss

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Unrealised fair value movement on Physical metals at fair value through profit or loss	34,405,727	-
Realised gain on disposal of Physical metals at fair value through profit or loss	72,710	-
	34,478,437	**-**

5 Net changes in fair value of ETC Securities designated at fair value through profit or loss

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Unrealised fair value movement on ETC Securities designated at fair value through profit or loss	(33,447,487)	-
	(33,447,487)	**-**

6 Other expenses

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Refinery and swap fee*	(2,093,273)	-
Management Fees	(405,567)	-
Administration fees	(317,248)	-
Legal and professional fees	(286,354)	-
Audit fees	(31,752)	-
Listing fees	(12,318)	-
Bank charges	(7,777)	(129)
	(3,154,289)	**(129)**

*During the year the Company incurred refinery and swap fee in relation to swapping of Non-Smo gold to SMO-Gold amounting to USD 2,093,273. Management fees relate to amount that is payable to Zipa Management. The Company also incurred listing fees payable to London Stock Exchange and Euronext Dublin in respect to admission of the Securities trading. Administration are fees are incurred in respect to adminstration services by Apex IFS Limited and Apex Fund Services (Ireland) Limited.

Statutory information:

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Auditors’ remuneration – Statutory Assurance services	36,362	8,000
Auditors’ remuneration – Tax compliance services	3,324	3,000

The auditor of the Company earned no other fees from the Company.

During the financial year ended 31 December 2024, there was no remuneration earned (period ended 31 December 2023: Nil) by the Directors of the Company in respect of services provided to the Company as they are employees of the Administrator.

The Company had no employees during the financial year (2023: None).

7 Other income

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
Transaction income*	2,123,339	-
Corporate benefit	1,558	-
	2,124,897	**-**

Transaction income is detailed in note 3(a) Other income.

8 Tax charge on profit on ordinary activities

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
a) Analysis of tax (charge)/ credit for the financial year		
Irish corporation tax (charge)/credit on profit for the financial year	(390)	32
Total income tax (charge)/credit for the financial year	**(390)**	**32**

	Financial year ended 31-Dec-24 USD	Financial period ended 31-Dec-23 USD
b) ***Factors affecting tax charge for the year***		
Profit on ordinary activities before tax - current tax	**1,558**	**(129)**
Tax (charge)/ credit on profit for the year/ period	(390)	32
Current tax (charge)/ credit	**(390)**	**32**

The Company is taxed at 25% (2023: 25%) in accordance with section 110 under Case III of Schedule D of the Taxes Consolidation Act 1997. The total taxation charge in future financial years will be affected by any future changes to the corporation taxation rates enacted in Ireland.

As at 31 December 2024, there are no deferred tax assets or liabilities (2023: $Nil) or amounts recognised relating to uncertain tax treatments (2023: $Nil).

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

	31-Dec-24 USD	31-Dec-23 USD
Investment in Physical metals	1,091,760,842	-
	1,091,760,842	**-**

The financial assets are secured in favour of Apex Corporate Trustees (UK) Limited (the "Security Trustee") for the benefit of itself and the Securityholders. The non-cash transactions relate to physical delivery of Physical metals against delivery of ETC Securities.

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

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 17 for credit risk and currency risk disclosures relating to the holders of the ETC Securities.

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

	31-Dec-24	31-Dec-23
	USD	USD
At the start of financial year/ period	-	-
Addition during the year/ period	1,058,343,347	-
Disposal for TER*	(1,060,942)	-
Realised gain on disposal	72,710	-
Unrealised gain on fair value movement of Physical Metals	34,405,727	-
At end of financial year/ period	1,091,760,842	-

	31-Dec-24	31-Dec-23
At the start of financial year/ period	-	-
Troy ounces	418,847	-
Troy ounces sold (for TER)*	(404)	-
At end of financial year/ period	418,443	-

*Physical metals sold in relation to the settlement of the TER. The amount includes 103 ounces of Gold amounting to USD 268,737 not yet settled as at 31 December 2024.

As 31 December 2024, the Physical metals and financial assets held by the Company was as follows:

	Financial year ended 31-Dec-24	Financial period ended 31-Dec-23
Troy ounces held	418,443	-
Price (USD)	2,609.10	-
Fair Value (USD)	**1,091,760,842**	**-**

The Physical Metals do not have a stated maturity.

10 Cash and cash equivalents

	31-Dec-24	31-Dec-23
	USD	USD
Cash at bank	1,507,217	25,173
	1,507,217	**25,173**

As at 31 December 2024, the cash and cash equivalents is held with HSBC Bank Plc (100%) (2023: 100%) which have no special terms and conditions. Cash is available on demand.

11 Other receivables

	31-Dec-24	31-Dec-23
	USD	USD
Investment receivables*	268,737	-
Corporate benefit receivable	1,558	-
	270,295	**-**

*The amount relates to 103 ounces of Gold at fair value of $2,609.10 per ounce, amounting to a total of $268,737, which has been disposed of for TER settlement, which has not yet settled as at 31 December 2024.

12 ETC Securities designated at fair value through profit or loss

	31-Dec-24 USD	31-Dec-23 USD
Series 1 - SMO Physical Gold ETC Securities	1,091,790,834	-
Total ETC Securities in issue	1,091,790,834	-

	31-Dec-24 USD	31-Dec-23 USD
At the start of financial year	-	-
Issuances during the financial year/ period*	1,058,343,347	-
Unrealised fair value movement	33,447,487	-
At end of financial year/ period	1,091,790,834	-

	31-Dec-24 Units	31-Dec-23 Units
At the start of financial year/ period	-	-
Units issued	41,929,300	-
At end of financial year/ period	41,929,300	-

As 31 December 2024 and 31 December 2023, the financial liabilities in issue was as follows:

	31-Dec-24	31-Dec-23
Units held	41,929,300	-
NAV (USD)	26.04	-
Fair Value (USD)	1,091,790,834	-

SMO Physical Gold ETC Securities can be issued and redeemed daily, therefore this is the earliest maturity date for the purpose of the maturity analysis.

Maturity analysis

	31-Dec-24 USD	31-Dec-23 USD
Less than 1 year	1,091,790,834	-
1-2 years	-	-
2-5 years	-	-
Over 5 years	-	-
	1,091,790,834	-

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 Physical metals held as stated in note 9. The price of the ETC Securities is directly linked to the price of the Metals which takes into account the TER.

As at 31 December 2024, Series 1 - ETC Securities are listed on the London Stock Exchange and the Borsa Italiana.

13 Other payables

	31-Dec-24	31-Dec-23
	USD	USD
Management fee payable	505,567	-
Funds due to swap counterparty	1,150,355	-
Expenses payable	64,867	-
Corporation tax payable	390	-
	1,721,179	**-**

Funds due to swap counterparty relate to fees payable for swapping non SMO Gold for SMO Gold. Management fee payable to Zipa Management Limited is in accordance with the Management Agreement, being: the Available Amount, less the Approved Programme Expenses. In other words, the net profit retained in the Company, excluding the corporate benefit. In the event that a Programme Expenses shortfall arises, there shall be no Management Fee payable. Where Programme Expenses shortfall arises, the Manager undertakes to transfer an amount equal to the shortfall to the Issuer (Zipa Precious Metals PLC) cash account, in accordance with the Operating Procedures and time frames agreement between the Manager and the Issuer. Such shortfalls funded by the Manager is refundable by the Issuer upon once shortfall.

14 Share capital

	31-Dec-24	31-Dec-23
Authorised:	**EUR**	**EUR**
25,000 ordinary shares of EUR 1 each	**25,000**	**25,000**
Issued and partly paid	**EUR**	**EUR**
25,000 ordinary shares of EUR 1 each (100% paid)	**25,000**	**25,000**
Presented as follows:	**USD**	**USD**
Called up share capital presented as equity	**25,302**	**25,302**

15 Ownership of 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.

The Share Trustee has appointed the Directors to run the day to day 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.

16 Related party transactions

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 317,248 ((period ended 31 December 2023: USD Nil), including an amount of USD 43,724 (EUR 42,087) for administration fees, which was payable to Apex IFS Limited on 31 December 2024 (period ended 31 December 2023: USD Nil). As at 31 December 2024 no administration fees was prepaid.

Rhys Owens and Fergal Molony are Directors of the Company. Rhys Owens and Fergal Molony are employees and Fergal Molony is a Director of Apex IFS Limited as at 31 December 2024.

The Corporate Service Provider, APEX IFS Limited 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 year.

16 Related party transactions (continued)

Transactions with Manager and Swap Counterparty

Zipa Management Limited, as Manager, provides management services to the Company. As at 31 December 2024, USD 1,655,922 was payable by the Company to the Manager. This is made up of Management fee payable of USD 505,567 and funds due to swap counterparty of USD 1,150,355. The Company earned a corporate benefit fee of USD 1,558 for the financial year ended 31 December 2024.

The Directors are of the view that there are no other related party transactions requiring disclosures.

17 Financial risk management

Introduction and overview

The Company established an SMO Physical Gold Securities Programme (the "ETC Securities Programme") under which the Company may issue the ETC Securities which are secured, zero coupon limited recourse debt obligations. ETC Securities are designed to track the price of gold, the Physical Metals and to provide investors with a return equivalent to the spot price of Physical 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 Company was set up as a segregated multi issuance SPV which ensures that if one Series defaults, the holders of that Series do not have the ability to reach other assets of the Company, resulting in the Company's bankruptcy and the default of the other Series of Notes. The segregation criteria include the following:

- The Company is a bankruptcy remote SPV, organised in Ireland;
- The Company issues separate Series of debt obligations;
- Assets relating to any particular Series of Notes issued are held separate and apart from the assets relating to any other Series; and
- For each Series of Notes issued, only the trustee is entitled to exercise remedies on behalf of the Noteholders.

Risk management framework

The Company is not engaged in any other activities.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk profile of the Company is such that market, credit, liquidity and other risks of the financial assets are borne fully by the Securityholders.

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.

17 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. Management and administration functions were outsourced to Apex IFS Limited. Zipa Management have been engaged to provide some management functions in line with the management agreement

(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.

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 31 December 2024, the Custodian, HSBC Bank Plc, is rated at A-1 by S&P.

Cash and cash equivalents

As at 31 December 2024, the Company held cash and cash equivalents with HSBC Bank Plc amounting to USD 1,507,217 (31 December 2023: USD 25,173) which represents its maximum credit exposure on these assets.

The maximum exposure to the credit risk at the reporting date was:

	31-Dec-24 USD	31-Dec-23 USD
Physical metals at fair value through profit or loss	1,091,760,842	-
Cash and cash equivalents	1,507,217	25,173
	1,093,268,059	**25,173**

17 Financial risk management (continued)

(b) Credit risk (continued)

Other receivables

Other receivables mainly include the investment receivable and corporate benefit receivable as at the financial year end. The Board considers the probability of default to be close to zero, resulting in minimal credit risk exposure.

Financial assets

There were no events of default during the financial year ended 31 December 2024 (period ended 31 December 2023: Nil).

(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 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 Physical Gold ETC Securities in USD and invested in Gold in USD. As such, the Company is not exposed to currency risk.

The Company's net exposure to currency risk as at 31 December 2024 is shown in the following table:

	31-Dec-24 EUR USD	31-Dec-24 Total USD	31-Dec-23 EUR USD	31-Dec-23 Total USD
Other payables	1,721,179	1,721,179	-	-
Total liabilities	1,721,179	1,721,179	-	-
Net exposure	**1,721,179**	**1,721,179**	**-**	**-**

The following significant exchange rates have been applied at the financial year end:

	Closing rate	
	31-Dec-24	31-Dec-23
EUR : USD	1.0389	1.1050

17 Financial risk management (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

Sensitivity analysis

The impact of any change in exchange rates is borne by the Securityholders.

At 31 December 2024, had the USD strengthened against EUR by 1% with all other variables held constant, the fair value of the financial liabilities measured at amortised cost would have decreased by USD 17,212 (2023: USD nil). A 1% weakening of the EUR against the USD would have an equal but opposite effect on the fair value of the Securities issued.

This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates which is zero coupon, remain constant.

(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 Physical 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 physical 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, 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.

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 31 December 2024, a hypothetical 1% increase in the market price of the Physical metals would have an increase of USD 10,917,608 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.

17 Financial risk management (continued)

(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.

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.

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.

The following are the earliest contractual maturities of financial liabilities as at 31 December 2024:

	Carrying amount	Gross contractual cash flows	Less than one year	One to five years	More than five years
	USD	USD	USD	USD	USD
Financial liabilities designated at fair value through profit or loss	1,091,790,834	1,091,790,834	1,091,790,834	-	-
Other payables	1,721,179	1,721,179	1,721,179	-	-
	1,093,512,013	**1,093,512,013**	**1,093,512,013**	**-**	**-**

17 Financial risk management (continued)

(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.

At the reporting date, the carrying amounts of Physical metals at fair value through profit or loss and ETC Securities liabilities designated at fair value through profit or loss issued by the Company, for which fair values were determined directly, in full or in part and determined using valuation techniques are as follows:

	Fair value hierarchy as at 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Investment in Physical metals	1,091,760,842	-	-	1,091,760,842
ETC Securities designated at fair value through profit or loss	-	(1,091,790,834)	-	(1,091,790,834)
	1,091,760,842	**(1,091,790,834)**	**-**	**(29,992)**

No transfers between Level 1, Level 2 and Level 3 have taken place during the financial year (2023: USD nil).

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.

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 metal 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 published by the London Bullion Market Association ("LBMA")) and therefore, the Physical metals are classified as Level 1 in the fair value hierarchy.

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

18 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. 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.

19 Subsequent events

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

20 Commitments and Contingencies

The Company had no commitments or contingencies as at 31 December 2024 (period ended 31 December 2023: Nil).

21 Approval of financial statements

The Board of Directors approved these financial statements on 16th April 2025.