

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors' report and audited financial statements

For the financial year ended 31 December 2022

Registered number: 673920

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Contents	Page(s)
Directors and other information	2 – 3
Directors' report	4 – 8
Directors' responsibilities statement	9
Independent auditor's report	10 – 16
Statement of comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21 - 35

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors and other information

Directors	Michael Carroll (Irish) (<i>Appointed on 15 July 2020, resigned 28 September 2022</i>) Rhys Owens (Irish) (<i>Appointed on 15 July 2020, resigned 28 September 2022</i>) Jason Lee (Irish) (<i>Appointed as alternate director on 14 July 2022 and resigned on 02 August 2022</i>) Jason Lee (Irish) (<i>Appointed as alternate director on 08 August 2022 and resigned on 22 August 2022</i>) Vincent Dack (<i>Appointed on 28 September 2022</i>) Gary Brennan (<i>Appointed on 28 September 2022</i>)	
Registered Office	Unit 10 & 11 Cahir Road Cashel Co. Tipperary Ireland	
Company secretary	Waystone Corporate Services (IE) Limited Unit 10 & 11 Cahir Road Cashel Co. Tipperary Ireland	
Administrator	Waystone Corporate Services (IE) Limited Unit 10 & 11 Cahir Road Cashel Co. Tipperary Ireland	<i>Up to 28 February 2023</i> Apex Fund Services (Ireland) Limited 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin 1 Ireland
Metals Counterparty	<i>Up to 22 April 2022</i> Global Palladium Fund, L.P. Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town Grand Cayman Cayman Islands	
Arranger	<i>As from 22 April 2022</i> NTree International Limited 85 Great Portland Street First Floor, London England W1W 7LT, United Kingdom	<i>Up to 22 April 2022</i> Global Palladium Fund, L.P. 190 Elgin Avenue, George Town Grand Cayman Cayman Islands
Trustee and Security Trustee	<i>Up to 01 June 2023</i> Apex Corporate Trustees (UK) Limited 6th Floor, 125 Wood Street London EC2V 7AN United Kingdom	<i>As from 01 June 2023</i> Waystone Corporate Services (IE) Limited Unit 10 & 11 Cahir Road Cashel Co. Tipperary Ireland
Custodian	Eternzyme AG (formerly Atomyze AG and Tokentrust Ltd) Baarerstrasse 22 6300 Zug Switzerland	
Account Bank & Principal Paying Agent	The Bank of New York Mellon London Branch One Canada Square London E14 5A	

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors and other information (continued)

Primary Sub-Custodians	The Brink's Company Bayberry Court Richmond Virginia 23226-8100 United States	ICBC Standard Bank plc 20 Gresham Street London EC2V 7JE United Kingdom	Metaal Transport B.V. Heijplaatweg 16 3089 JC Rotterdam The Netherlands
Solicitor	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland		
Independent Auditor	Grant Thornton Chartered Accountants and Statutory Audit Firm 13-18 City Quay Dublin 2 D02 ED70 Ireland		

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors' report

The directors (the "Directors") present their annual report and the audited financial statements of Elementum Metals Securities Plc (the "Company") for the financial year ended 31 December 2022. 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

The Company is a public limited liability company, incorporated on 15 July 2020 under the name of Ridgex Investments Plc in Ireland under the Companies Act 2014 (the "Act"). The Company changed its name to GPF Metals Plc on 25 June 2021 and on 06 May 2022 to Elementum Metals Securities Plc. The Company has been established for the purpose of issuing secured Elementum Physical Metal ETC Securities (the "ETC securities"). The return on each Series of ETC securities is linked to the performance of one of gold, silver, platinum, palladium, copper, nickel, carbon neutral nickel or electric vehicle metals.

The ETC securities will be issued under the Elementum Physical Metal Securities Programme of the Company (the "Programme"). ETC securities are designed to track the price of individual metals (the "Physical Metals") and to provide investors with a return equivalent (before fees and expenses) to holding the Metal. The aggregate number of ETC securities that will be issued under the Programme will not at any time exceed 6,000,000,000, this being the Programme maximum number of ETC securities.

The Authorised Participants, in respect of each Series, are such entities which, from time to time, are party to an authorised participant agreement with the Company. The Authorised Participants are the only entities permitted to buy ETC securities directly from the Company or to request that the Company buy back ETC securities (other than in the case of ETC securities backed by Gold, in respect of which, subject to satisfaction of certain conditions, ETC Holders who are not Authorised Participants may submit Buy-Back Orders for settlement by Physical Metal delivery). Authorised Participants may also act as market makers by buying and selling ETC securities from and to investors on an over-the-counter basis or via a stock exchange. However, not all market makers need to be Authorised Participants.

The ETC securities will be backed by Metals - gold, silver, platinum and palladium which will be stored at the vault premises of a Primary Sub-Custodian or other Sub-Custodian and copper, nickel, carbon neutral nickel and components comprising the electric vehicle basket which are stored at the LME Approved Warehouse premises of a Primary Sub-Custodian or other Sub-Custodian. ETC security holders (the "ETC holders") will have the option to redeem their ETC securities against the delivery of a Metal equivalent to the Metal entitlement of the ETC securities (the "Metal Entitlement") being redeemed (less applicable fees). Any balance arising as a result of an early redemption will be settled by an amount in USD equal to the value of the remaining balance of the physical redemption settlement amount due to the ETC Holder.

As at 31 December 2022 and 31 December 2021, all the Series in issue were listed on the London Stock Exchange, Borsa Italiana, SIX and Xetra except for Elementum Physical Carbon Neutral Nickel ETC securities and Elementum Physical Electric Vehicle Metals ETC securities which were listed only on the Vienna Stock Exchange and the Borsa Italiana Stock Exchange respectively.

Key performance indicators

During the financial period:

- the Company made a profit before tax of USD 3,971;
- the Company issued the following Series:
 - 100,000 Series 1 up to 20,000,000 USD Elementum Physical Electric Vehicle Metals ETC securities;
- the Company's net fair value gain on Physical metals amounted to USD 18,659,308; and
- the Company's net fair value loss on financial liabilities designated at fair value through profit or loss amounted to USD 18,250,900.

As at 31 December 2022:

- the Company had the following Series in issue:
 - 174,000 Series 1 up to 1,400,000,000 USD Elementum Physical Gold ETC securities;
 - 204,445 Series 1 up to 125,000,000 USD Elementum Physical Silver ETC securities;
 - 176,400 Series 1 up to 125,000,000 USD Elementum Physical Platinum ETC securities;
 - 119,600 Series 1 up to 50,000,000 USD Elementum Physical Palladium ETC securities;
 - 113,192 Series 1 up to 100,000,000 USD Elementum Physical Nickel ETC securities;
 - 164,051 Series 1 up to 200,000,000 USD Elementum Physical Copper ETC securities;
 - 551 Series 1 up to 50,000,000 USD Elementum Physical Carbon Neutral Nickel ETC Securities; and
 - 100,000 Series 1 up to 20,000,000 USD Elementum Physical Electric Vehicle Metals ETC Securities.
- the total financial liabilities designated at fair value through profit or loss amounted to USD 43,502,854; and
- the net assets of the Company were USD 34,119; and
- the Physical Metals are included in note 9 to the financial statements.

Significant events during the financial period

The significant events that occurred during the financial period are those disclosed in this report.

Effective from 22 April 2022, the Board, with the Trustee's consent, agreed to replace Global Palladium Fund, L.P by NTree International Limited as the Company's Arranger due to GPF's connections with Russia. NTree is incorporated in England and Wales under registration number 10701258, having its registered office at 85 Great Portland Street, First Floor, London, England, W1W7LT.

Effective from 06 May 2022, the Company changed its name from GPF Metals Plc to Elementum Metals Securities Plc.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors' report (continued)

Future developments

The Board of Directors (the "Board") expect the present level of activity to be sustained for the foreseeable future.

Going concern

Subsequent to the reporting date, the Company redeemed certain financial liabilities designated at fair value through profit and loss and announced that the remaining series will be redeemed in May 2023 (please refer to Note 20).

Notwithstanding the above, the directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis.

The Company will be launching 5 new institutional products by the end of July 2023 and it has USD 20-30 million committed from a key client and expected to raise up to USD 50 million in the first month after the launch and up to USD 200 million by the end of the 2023 financial year. Moreover, the Company has received a letter of support from the arranger noting that it will continue to support the Company for the 12-month period following the date of signing the financial statements.

Based on the above, the Directors have a reasonable expectation that the Company had adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Results and dividends for the financial period

The results for the financial period are set out on page 15. No dividends are recommended by the Directors for the financial period under review.

Changes in Directors, secretary and registered office

- Waystone Corporate Services (IE) Limited was appointed as Company Secretary; and
- The registered office of the Company is at Unit 10 & 11, Cahir Road, Cashel, Co. Tipperary, Ireland

There have been no other changes in Directors, secretary or registered office during and/or since the financial period.

Directors, secretary and their interests

None of the Directors or secretary who held office on 31 December 2022 held any shares or debentures/ securities issued in the Company at that date, or during the financial period. Except for the Administration agreement entered into by the Company with Apex Fund Services (Ireland) Limited and Waystone Corporate Services (IE) Limited, there were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in Section 309 of the Companies Act 2014, at any time during the financial period. During the financial period, no fees were paid to the Directors for the services provided. Further information is set out in note 17 to the financial statements.

Shares and shareholders

The authorised share capital of the Company is EUR 25,000 which has been fully issued. 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 and Ukraine conflict

In February 2022, significant sanctions were put in place by a number of governments (including the US and UK) and the European Union (EU) directly targeting the Russian Federation and Belarus, companies and financial institutions in and connected to both countries as well as a number of named individuals. The impact of these sanctions includes but is not limited to restricting their ability to make payments, enter into commercial agreements and import or export goods and services. The nature of the sanctions, as well as the list of directly sanctioned entities and persons is changing on an ongoing basis. In addition, many international companies have indicated their intention to withdraw from providing services in Russia and Belarus.

The financial impact on the Company's profile resulting from the Russo-Ukrainian war is disclosed in note 20 and throughout the financial statements.

United Kingdom exit from the European Union (Brexit)

Following the withdrawal and cessation of the United Kingdom (the "UK") of being a member of the European Union (the "EU"), the UK and the EU signed an EU-UK Trade and Cooperation Agreement ("UK/EU Trade Agreement"), which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets throughout 2021 and beyond. The UK's exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. While the UK/EU Trade Agreement provides for the free trade of goods, it provides only general commitments on market access in services together with a "most favoured nation" provision which is subject to many exceptions. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors' report (continued)

Principal risk and uncertainties (continued)

United Kingdom exit from the European Union (Brexit) (continued)

Brexit is likely to lead to a long-term structural change in the UK economy, impacting areas such as trade, investment and immigration, as such there is a high degree of uncertainty surrounding such estimates and the economic outlook in general, not least due to the ongoing pandemic. Brexit has contributed to increase in cost over the year and is further experience after year end. There has been also an element of fear of customs delay and red tapping from the new rules with will further aggravate the situation in UK following the Covid-19 pandemic. As such, the Directors will continue to monitor the impact of Brexit on the Company's activities.

Volatility resulting from this uncertainty may mean that the returns of the Company's investments are adversely affected by market movements.

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

Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over EUR 200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial period to 31 December 2022.

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;
- 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 Fund Services (Ireland) Limited, being the Administrator of the Company, and Apex IFS Limited, being the Company secretary, 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. Waystone Corporate Services (IE) Limited with a registered address of Unit 10 & 11, Cahir Road, Cashel, Co. Tipperary, Ireland ("Waystone") has been appointed as replacement Administrator, Corporate Services Provider and company secretary to the Issuer with effect from 1 March 2023

Subsequent events

Post financial year end, there was a change of Administrator, Corporate Services Provider, share trustee and company secretary of the Company.

Apex Fund Services (Ireland) Limited and Apex IFS Limited resigned from their respective roles under the Programme with effect from 2 March 2023. Waystone Corporate Services (IE) Limited, a company incorporated under the laws of Ireland under registration number 478046 with a registered address of Unit 10 & 11, Cahir Road, Cashel, Co. Tipperary, Ireland ("Waystone") has been appointed as replacement Administrator, Corporate Services Provider and company secretary to the Issuer with effect from 1 March 2023. Waystone Corporate Services (IE) Limited will be appointed as share trustee with effect from 1 June 2023. Therefore, neither Apex Fund Services (Ireland) Limited nor Apex IFS Limited will have any further involvement in the Programme.

On 13 January 2023 Elementum Metals Securities plc redeemed following series in full:

Elementum Physical Gold ETC Securities (ISIN: XS2265368097)
Elementum Physical Silver ETC Securities (ISIN: XS2265369574)
Elementum Physical Platinum ETC Securities (ISIN: XS2265369731)
Elementum Physical Palladium ETC Securities (ISIN: XS2265370234)
Elementum Physical Carbon Neutral Nickel ETC Securities (ISIN: XS2373073993).

Fixing of prices took place on 10 January 2023 and the Issuer remitted the relevant Redemption Amounts for each ETC Security to the Clearing Systems for payment to the ETC Holders on 13 January 2023

On 19 April 2023 Elementum Metals Securities plc announced that the Company will redeem following series in full:

Elementum Physical Nickel ETC Securities (ISIN: XS2314660700)
Elementum Physical Copper ETC Securities (ISIN: XS2314659447)
Elementum Physical Electric Vehicle Metals ETC Securities (ISIN: XS2407535611)

Fixing of prices will take place on 22 May 2023 and the Issuer will remit the relevant Redemption Amounts for each ETC Security to the Clearing Systems for payment to the ETC Holders on 25 May 2023.

The Company will be launching 5 new institutional products – Copper, Nickel, Cobalt, Lithium, EV Basket. This redemption and relaunch will take up to 3 months and will be complete by mid July 2023.

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

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors' report (continued)

Research and development costs

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

Audit committee

In accordance with Section 1551(11)(c) of the Companies Act 2014, if the sole business of the Public Interest Entity (PIE) Irish SPV relates to the issuing of asset backed securities, the PIE SPV 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.

Corporate governance statement

Introduction

During the financial year ended 31 December 2022, the Company has been in compliance with the Companies Act 2014 and the listing rules of the London Stock Exchange, Borsa Italiana, SIX, Xetra and Vienna 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.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board of Directors 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 corrected;
- 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 Fund Services (Ireland) Limited.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board of Directors 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.

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.

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, Borsa Italiana, SIX, Xetra and Vienna 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.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Directors' report (continued)

Corporate governance statement (continued)

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.

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 is 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 is aware of this information.

Independent auditor

Grant Thornton, Chartered Accountants and Statutory Audit firm, were appointed as auditor on 19 November 2021 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; and
- relevant arrangements and structures have been put in place that provide a reasonable assurance of compliance in all material respects by the Company with its relevant obligations, which arrangements and structures may, if the Directors so decide, include reliance on the advice of one or more than one person employed by the Company or retained by it under a contract for services, being a person who appears to the Directors to have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

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 issued by the IASB and 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 presented Directors' report provides 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



-
Vincent Dack
Director



Gary Brennan
Director

Date: 28 April 2023

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

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 maintains adequate accounting records for the purpose of providing a true explanation of the transactions of the company, facilitating a reasonably accurate analysis of the financial statements, and ensuring compliance with the Companies Act 2014, and that the statements are in a position to be audited. The Directors also have the additional responsibility safeguarding the assets of the company and adopting a duty of care by taking appropriate steps in preventing and detecting fraud and other irregularities.

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

On behalf of the Board



Vincent Dack
Director



Gary Brennan
Director

Date: 28 April 2023

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Elementum Metals Securities Plc (formerly known as GPF Metals Plc) (the "Company"), which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the financial year ended 31 December 2022, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the Company's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the 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 'Responsibilities of the auditor 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 the financial statements in Ireland, including the Ethical Standards for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Company. 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 as a going concern basis of accounting included:

- challenged management's going concern assessment along with making inquiries of management and reviewing the board minutes for any evidence of events or conditions existing in respect of going concern;
- consideration of the cash available, the liquidity of the assets, expected expenses, the limited recourse nature of the Company's financial liabilities and the operation of the priorities of payment;
- inquiries made to challenge management's going concern assessment in relation to subsequent events that were disclosed under the Director's report and Note 20 of the financial statements, which include:
 - obtaining the Company's business plan and performing an assessment which was done through inquiry with key stakeholders indicating viability of these plans;
 - obtaining the support letter from the Company's Arranger as indicated in the Director's report and Note 2 of the financial statements; and
 - obtaining management accounts of the Arranger in consideration of the cash available, and the liquidity of the Arranger's assets to obtain assurance on its financial capability to support the Company after the redemption of the ETC securities.
- performing overall assessment of the adequacy of the disclosures with respect to the going concern assertion.

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Conclusions relating to going concern (continued)

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 judgement, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of 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 therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus include:

- existence and valuation of physical metals at fair value; and
- existence and valuation of financial liabilities designated at fair value through profit or loss.

How we tailored the audit scope

The Company is a public limited company incorporated on 15 July 2020 under the name of Ridgex Investments plc in Ireland under the Companies Act 2014. The Company changed its name to GPF Metals plc on 25 June 2021 and on 06 May 2022 to Elementum Metals Securities Plc. The Company has been established for the purpose of issuing secured Elementum Physical Metal ETC Securities (the "ETC Securities"). The return on each series of ETC Securities is linked to the performance of one of gold, silver, platinum, palladium, copper, nickel, carbon neutral nickel or electric vehicle metals. As at 31 December 2022, all the ETC Securities in issue were listed on the London Stock Exchange, Borsa Italiana, SIX and Xetra except for Elementum Physical Carbon Neutral Nickel ETC Securities which were listed only on the Vienna Stock Exchange.

The Directors control the affairs of the Company and they are responsible for the overall investment policy, which is determined by them. The Directors have delegated certain responsibilities to Apex Fund Services (Ireland) Ltd, replaced by Waystone Corporate Services (IE) Limited on 1 March 2023 (the "Administrator"). The financial statements, which remain the responsibility of the Directors, are prepared on their behalf by the administrator. The Company has appointed Atomyze AG (the "Custodian") to act as Custodian of the Company's assets.

We tailored the scope of our audit taking into account the industry in which the Company operates particularly the types of physical metals within the Company, the involvement of third party service providers, the accounting processes and controls, and the industry in which the Company operates.

In establishing the overall approach to our audit we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the administrator.

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Key audit matters (continued)

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Company and its environment, the history of misstatements, the complexity of the Company and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Company to be as follows: 1% of the Total Assets of the Company at 31 December 2022. We have applied this benchmark considering that the Company is specifically designed to invest in physical metals and these assets make up 99% of Total Assets. We therefore deem that the users of the financial statement would be particularly focused on Total Assets in determining the performance and viability of the Company.

We have set performance materiality for the Company at 75% of materiality, having considered business risks and fraud risks associated with the Company and its control environment. This is 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.

We agreed with the directors that we would report to them misstatements identified during our audit above 5% of materiality, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Significant matter	Description of Significant Matter and Audit Response
<p>Existence and valuation of Physical Metals at fair value and financial liabilities designated at fair value through profit or loss.</p> <p>Refer to the significant accounting policies outlined in Note 3, the Physical Metals at fair value outlined in Note 9, the financial liabilities designated at fair value through profit or loss outlined in Note 12 and the fair value hierarchy outlined in Note 18(d) to the financial statements.</p>	<p>There is a risk that the Physical Metals and financial liabilities designated at fair value through profit or loss held by the Company do not exist or that the balance included in the Statement of Financial Position of the Company as at 31 December 2022 is not valued in line with applicable accounting standards.</p> <p>Significant auditor's attention was deemed appropriate because of the materiality of the Physical Metals and financial liabilities designated at fair value through profit or loss. In addition, we have considered valuation as key driver of the Company's performance. As a result, we considered existence and valuation as key audit matters.</p> <p>Existence and Valuation of physical metals at fair value The following audit work has been performed to address the risks:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process followed by the Company to value these Physical Metals and performed walkthrough on controls relevant to the valuation and existence process; • We obtained direct independent confirmations of the existence and quantity of the Physical Metals from the Company's Custodian and Sub-Custodians charged with safeguarding the Physical Metals and agreed the amounts and units held to the accounting records as at 31 December 2022. • We re-performed the valuation of the Physical Metals as at 31 December 2022 using independent third party vendor sources.

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

	<ul style="list-style-type: none"> We ensured adequate disclosure and reviewed classification made in the financial statements. <p>No issues were identified during the course of our audit work on this matter.</p> <p>Existence and Valuation of financial liabilities at fair value through profit or loss</p> <p>The following audit work has been performed to address the risks:</p> <ul style="list-style-type: none"> We obtained an understanding of the processes followed by the Company to value these ETC securities and performed walkthrough on controls relevant to the valuation and existence process; The financial liabilities are ETC securities which are issued in the form of debt instruments that are backed by fully allocated physical holdings of the relevant Physical Metal. We agreed the issuance of the ETC securities to the issue deed for each Physical Metal and also obtained direct confirmation from the Trustee to confirm the existence of the financial liabilities designated at fair value through profit or loss. The fair value of the ETC securities is determined by reference to the valuation of the underlying Physical Metals. We reviewed the valuation to ensure that the movement in unrealised gains/losses related to the Physical Metals was also processed through the ETC Securities. We ensured adequate disclosure and reviewed classification made in the financial statements. <p>No issues were identified during the course of our audit work on this matter.</p>
--	---

Other information

Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon including the Directors' Report and the Directors' Responsibilities Statement. The directors are responsible for the other information. 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.

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

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Matters on which we were requested to report by exception

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

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

In our opinion, based on the work undertaken in the course of our audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process, specified for our consideration and included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2)(c) of the Companies Act 2014.

Based on our knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the London Stock Exchange, Borsa Italiana, SIX and Xetra, Vienna Stock Exchange, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management and directors on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company's regulatory and legal correspondence and review of minutes of director's meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- engagement partner's assessment of the engagement team's experience and expertise to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation.

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

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

This report is made solely to the Company's directors 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.

Independent auditor's report to the members of Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Report on other legal and regulatory requirements

We were appointed by the Board of Directors on 15 March 2023 to audit the financial statements for the year ended 31 December 2022. This is the second year we have been engaged to audit the financial statements of the Company.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs. Our audit approach is a risk-based approach and is explained more fully in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report.

We have not provided non-audit services prohibited by the IAASA's Ethical Standard and have remained independent of the entity in conducting the audit.

The audit opinion is consistent with the additional report to the board of directors.



David Lynch

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Audit Firm

13-18 City Quay

Dublin 2

Date: 28 April 2023

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Statement of comprehensive income For the financial year ended 31 December 2022

		Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
	Note		
Net changes in fair value of physical metals	4	18,659,308	(1,391,668)
Net changes in fair value of financial liabilities designated at fair value through profit or loss	5	(18,250,900)	1,602,820
Other expenses	6	(410,719)	(211,966)
Other income	7	<u>6,282</u>	<u>3,496</u>
Operating profit before taxation		3,971	2,682
Tax on ordinary activities	8	(993)	(671)
Total comprehensive income for the financial period		<u><u>2,978</u></u>	<u><u>2,011</u></u>

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

The notes on pages 21 to 35 form an integral part of the audited financial statements.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Statement of financial position As at 31 December 2022

Assets	Note	31-Dec-22 USD	31-Dec-21 USD
Current assets			
Physical metals at fair value	9	44,872,494	109,101,953
Cash and cash equivalents	10	27,808	28,315
Other receivables	11	6,653	3,496
Total assets		<u>44,906,955</u>	<u>109,133,764</u>
Liabilities and equity			
Current liabilities			
Financial liabilities designated at fair value through profit or loss	12	43,502,854	108,315,095
Loan payable	13	750,080	575,706
Other payables	14	619,902	211,822
Total liabilities		<u>44,872,836</u>	<u>109,102,623</u>
Shareholder's funds - Equity			
Called up share capital	15	29,130	29,130
Revenue reserves		4,989	2,011
Total equity		<u>34,119</u>	<u>31,141</u>
Total liabilities and equity		<u>44,906,955</u>	<u>109,133,764</u>

On behalf of the Board:



Vincent Dack
Director



Gary Brennan
Director

Date: 28 April 2023

The notes on pages 21 to 35 form an integral part of the audited financial statements.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Statement of changes in equity For the financial year ended 31 December 2022

	Called up share capital USD	Revenue reserves USD	Total equity USD
Balance at 1 January 2022	29,130	2,011	31,141
Issue of shares during the financial period	-	-	-
Total comprehensive income for the financial period	-	2,978	2,978
Balance at 31 December 2022	29,130	4,989	34,119

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital USD	Revenue reserves USD	Total equity USD
Balance at 15 July 2021	-	-	-
Issue of shares during the financial period	29,130	-	29,130
Total comprehensive income for the financial period	-	2,011	2,011
Balance at 31 December 2021	29,130	2,011	31,141

The notes on pages 21 to 35 form an integral part of the audited financial statements.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Statement of cash flows

For the financial year ended 31 December 2022

	Note	Year end 31-Dec-22 USD	Year end 31-Dec-21 USD
Cash flows from operating activities			
Operating profit before taxation		3,971	2,682
<i>Adjustments for:</i>			
Net unrealised (gain)/loss on physical metals	4	(5,869,056)	1,334,987
Net realised (gain)/loss on physical metals	4	(12,790,252)	56,681
Net unrealised loss/(gain) on financial liabilities designated at fair value through profit or loss	5	5,664,357	(1,559,757)
Net realised loss/(gain) on financial liabilities designated at fair value through profit or loss	5	12,586,543	(46,063)
Foreign exchange movements		(1,650)	815
<i>Movements in working capital</i>			
Increase in other receivables		(3,157)	(3,496)
Increase in other payables		407,087	211,151
Net cash used in operating activities		(2,157)	-
Cash flows from financing activities			
Issue of shares		-	29,130
Net cash flows generated from financing activities		-	29,130
(Decrease)/Increase in cash and cash equivalents			
		(2,157)	29,130
Cash and cash equivalents at the start of the financial period		28,315	-
Foreign exchange movements		1,650	(815)
Cash and cash equivalents at end of year	10	27,808	28,315

Non-cash transactions during the period include:

		Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
Physical metals acquired	9	10,758,000	111,212,373
Physical metals disposed	9	(93,595,014)	(718,785)
Financial liabilities designated at fair value through profit or loss issued	12	(10,758,000)	(110,454,437)
Financial liabilities designated at fair value through profit or loss redeemed	12	93,821,141	536,522
Loan payable to the Metals Counterparty	13	(174,374)	(575,706)

The notes on pages 21 to 35 form an integral part of the audited financial statements.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements For the financial year ended 31 December 2022

1 General information

The Company is a public limited liability company, incorporated on 15 July 2020 under the name of Ridgex Investments Plc in Ireland under the Companies Act 2014 (the "Act"). The Company changed its name to GPF Metals Plc on 25 June 2021 and on 06 May 2022 to Elementum Metals Securities Plc. The Company has been established for the purpose of issuing secured Elementum Physical Metal ETC securities (the "ETC securities"). The return on each Series of ETC securities is linked to the performance of one of gold, silver, platinum, palladium, copper, nickel, carbon neutral nickel or electric vehicles metal.

The Company has no direct employees.

As at 31 December 2021, all the Series in issue were listed on the London Stock Exchange, Borsa Italiana, SIX and Xetra except for Elementum Physical Carbon Neutral Nickel ETC securities which were listed only on the Vienna Stock Exchange.

As at 31 December 2022, all the Series in issue were listed on the London Stock Exchange, Borsa Italiana, SIX and Xetra except for Elementum Physical Carbon Neutral Nickel ETC securities and Elementum Physical Electric Vehicle Metals ETC securities which were listed only on the Vienna Stock Exchange and the Borsa Italiana Stock Exchange respectively.

2 Basis of preparation

(a) Statement of compliance

The audited financial statements for the financial period ended 31 December 2022 have been 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 period ended 31 December 2022.

Subsequent to the reporting date, the Company redeemed certain financial liabilities designated at fair value through profit and loss and announced that the remaining series will be redeemed in May 2023 (please refer to Note 20).

Notwithstanding the above, the directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis.

The Company will be launching 5 new institutional products by the end of July 2023 and it has USD 20-30 million committed from a key client and expected to raise up to USD 50 million in the first month after the launch and up to USD 200 million by the end of the 2023 financial year. Moreover, the Company has received a letter of support from the arranger noting that it will continue to support the Company for the 12-month period following the date of signing the financial statements.

Based on the above, the Directors have a reasonable expectation that the Company had adequate resources to continue in operational existence for the foreseeable future.

As a result of the Russo-Ukrainian War and significant sanctions imposed by a number of governments directly targeting the Russian Federation and Belarus, the Board replaced Global Palladium Fund, L.P with NTree International Limited as the Company's Arranger since GPF is owned by Norilsk Nickel, a Russian mining entity. The replacement of the Arranger was effective from 22 April 2022 and the Company has therefore no further connections with GPF.

Therefore, the Board 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; and
- Financial liabilities designated at fair value through profit or loss are measured at fair value.

(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 financial liabilities designated at fair value through profit or loss are primarily denominated in USD. The Directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued) For the financial year ended 31 December 2022

2 Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. 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.

Going concern

The Company's directors have made an assessment of its ability to continue as a going concern and is satisfied that it has resources to continue in business for the foreseeable future. The validity of this going concern assumption is dependent on the Company's investment plan, which include future issuances of ETC securities and additional capital commitments, and financial support from its Arranger for a 12-month period following the date of signing the financial statements. The Directors have reasonable expectation that it will achieve its investment plan and the Arranger will fulfil its assurance. Refer to Notes 2 and 20 for further discussion.

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.

(e) Standards, amendments, or interpretations

New and amended IFRS Standards that are effective for the current year

In the current period, the Company has applied the below amendments to IFRS Standards and Interpretations that are effective for an annual period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard	Title of Standard or Interpretation
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract
IFRS 1	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
IFRS 9	Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
IAS 41	Agriculture – Taxation in fair value measurements

Standards not yet effective, but available for early adoption

The following new and revised IFRS Standards that have been issued but are not yet effective:

Standard	Title of Standard or Interpretation	Effective Date
IFRS 17 and Amendments to IFRS 17	IFRS 17 Insurance Contracts and Amendments to IFRS 17	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 12	Definition Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Leases on Sale and Leaseback	1 January 2024

The Company has not adopted any other new standards or interpretations that are not mandatory. The Directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the period of initial application.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued) For the financial year ended 31 December 2022

3 Significant accounting policies

(a) Other income and expenses

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

Operating Expense

Each Series pays an "all in one" operational fee to the Arranger, which accrues per annum equal to the Total Expense Ratio ("TER"). The Arranger agrees to pay costs and expenses of the Company in exchange for the Company agreeing to pay the Arranger the TER. The TER is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of metal from the Metal Entitlement attached to each ETC security. Fees and expenses payable by the Company to the Arranger will be paid out of the ETC securities by way of the sale of metal. The amount of metal to be sold is a predetermined amount based on the Metal Entitlements of the ETC securities. The TER is accounted for on an accruals basis and is payable monthly in arrears.

(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. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered.

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.

Withholding tax is a generic term used for withholding tax deducted at source from the income. The Company records the withholding tax separately from the gross investment income in the Statement of comprehensive income.

(c) Cash and cash equivalents

Cash and cash equivalents include 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 at the date of issuance. 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 impairment. Other receivables are accounted for at amortised cost.

(f) Other payables

Other payables are accounted at amortised cost.

(g) Financial instruments

Financial assets

Classification

The Company classifies its cash and cash equivalents and other receivables as financial assets at amortised cost at initial recognition in accordance with IFRS 9: Financial Instruments.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets

The 'expected credit loss' (ECL) model is used to measure impairment of financial assets. The ECL model applies to financial assets measured at amortised cost, but not to investments in equity instruments.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

3 Significant accounting policies (continued) (g) Financial instruments (continued)

Measurement of Physical Metals

The Company holds Physical Metal at least equal to the amount due to holders of ETC securities solely for the purposes of meeting its obligations. The Physical Metal is measured at fair value and changes in fair value are recognised in Profit or loss. Any costs to sell Physical Metals that arise in the course of settling the Company's obligations under the ETC securities are borne by 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.

Fair value measurement principles

Physical Metals include both Precious Metals (gold, silver, platinum or palladium), Base Metals (copper, nickel or carbon neutral nickel) and Electric Vehicle Metals at fair value. Gold and silver are priced at the current close bid price at the end of the day using the London Bullion Market Association (LBMA) price, platinum and palladium are priced at the current close bid price at the end of the day using the London Platinum and Palladium Market (LPPM) price and copper, nickel and carbon neutral nickel are priced at the current close bid price at the end of the day using the London Metal Exchange (LME) price and Electric vehicle Metals are priced at the last quote of the day using Solactive price.

Net changes in fair value of physical metals

Net changes in fair value of Physical Metals relates to movement in the price of the Physical Metal and includes all realised and unrealised fair value changes.

Initial recognition

All financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

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.

Financial liabilities

Classification and measurement of ETC securities

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 as 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 financial liabilities 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 ETC. 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. The Company has designated its debt instruments as financial liabilities issued at fair value through profit or loss.

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 Profit or loss.

Net changes in fair value of financial liabilities 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 ETC securities issued and includes all realised and unrealised fair value changes

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.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

3 Significant accounting policies (continued) (g) Financial instruments (continued)

Fair value measurement principles

The fair value 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 Profit or loss. ETC securities are valued using valuation techniques, as detailed in the fair value hierarchy note to the financial statements.

Loan payable

Under the terms of the agreement with the Metals Counterparty, the difference between the gold on the bar list and the gold in the entitlement is a loan repayable to the Metals Counterparty and is more senior to payables to the Noteholders. The Company has fair valued its loan payable based on the price of the gold as at the financial period end.

(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). The Company's business involves the repackaging of Physical Metals, on behalf of investors, which are bought in the market and subsequently securitized to avail of potential market opportunities and risk return asymmetries. The Company has no employees, has only one business unit, thus all administrating and operating functions are carried out and reviewed by the Administrator, Apex Fund Services (Ireland) Limited and Company secretary, Apex IFS Limited.

The split of Physical Metals at fair value and ETC securities at fair value by Series and the unit price per Series are shown in notes 9 and 12 to the financial statements.

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. The Company is an SPV whose principal activities are the issuance of ETC securities and investment in Physical Metals. The CODM does not consider each underlying Series of ETC securities as a separate segment, rather they look at the structure as a whole. Based on that fact, the Directors confirm that there is only one segment.

(i) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the financial period, adjusted for effective interest and payments during the financial period, and the amortised cost in foreign currency translated at the exchange rate at the end of the financial period.

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.

As disclosed in Note 2(c), the Directors believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions and is therefore considered to be the Company's functional currency.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

4	Net changes in fair value of physical metals	Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
	Net unrealised gain/(loss) on physical metals	5,869,056	(1,334,987)
	Net realised gain/(loss) on physical metals	12,790,252	(56,681)
		<u>18,659,308</u>	<u>(1,391,668)</u>
5	Net changes in fair value of financial liabilities designated at fair value through profit or loss	Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
	Net unrealised (loss)/gain on financial liabilities designated at fair value through profit or loss	(5,664,357)	1,559,757
	Net realised (loss)/gain on financial liabilities designated at fair value through profit or loss	(12,586,543)	43,063
		<u>(18,250,900)</u>	<u>1,602,820</u>
6	Other expenses	Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
	Total expense ratio*	(408,408)	(211,151)
	Foreign exchange loss	(1,650)	(815)
	Other expenses	(661)	-
		<u>(410,719)</u>	<u>(211,966)</u>

*As described in note 3(a), each Series pays an "all in one" operational fee to the Arranger, which accrues per annum equal to the Total Expense Ratio ("TER"). The Arranger agrees to pay costs and expenses of the Company in exchange for the Company agreeing to pay the Arranger the TER. The TER is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of metal from the Metal Entitlement. Fees and expenses payable by the Company to the Arranger will be paid out of the ETC securities by way of the sale of metal. The amount of metal to be sold is a predetermined amount based on the Metal Entitlements of the ETC securities.

Series name	Total expense ratio 31-Dec-22 %	Total expense ratio 31-Dec-21 %
Elementum Physical Gold ETC Securities	0.12	0.12
Elementum Physical Silver ETC Securities	0.20	0.20
Elementum Physical Platinum ETC Securities	0.20	0.20
Elementum Physical Palladium ETC Securities	0.20	0.20
Elementum Physical Nickel ETC Securities	0.75	0.75
Elementum Physical Copper ETC Securities	0.85	0.85
Elementum Physical CNN Nickel ETC Securities	0.75	0.75
Elementum Physical Electric vehicles ETC Securities	0.80	n/a

Statutory Information	Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
Auditors' remuneration		
Statutory Audit (EUR 25,750)	27,465	29,164
Other assurance services	-	26,899

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

7	Other income	Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
	Corporate benefit	3,971	2,682
	Other income	2,311	814
		<u>6,282</u>	<u>3,496</u>

8	Tax on ordinary activities	Financial year ended 31-Dec-22 USD	Financial period ended 31-Dec-21 USD
	Profit on ordinary activities before tax	3,971	2,682
	Corporation tax at 25%	(933)	(671)
	Current tax charge	<u>(933)</u>	<u>(671)</u>

9	Physical metals at fair value	31-Dec-22 USD
	Physical metals	<u>44,872,494</u>
		31-Dec-22 Units
	At the start of financial period	227,961
	Metals contributed*	100,000
	Metals distributed*	<u>(16,988)</u>
	Unrealised fair value movement	5,817,303
	Realised gain	12,790,252
	At the end of financial period	<u>310,973</u>

*Contributions and distributions of metals are in-specie

As 31 December 2022, the physical metals held by the company were as follows:

Physical metal	Unit	Units 31-Dec-22	Unit price 31-Dec-22	Fair value 31-Dec-22
Elementum Physical Gold	First troy ounce	1,958	1,812.35	3,549,431
Elementum Physical Silver	Troy ounce	205,094	23.95	4,910,976
Elementum Physical Platinum	Troy ounce	1,788	1,065.00	1,904,531
Elementum Physical Palladium	Troy ounce	1,273	1,788.00	2,276,768
Elementum Physical Nickel	Metric tonne	118	30,425.00	3,582,118
Elementum Physical Copper	Metric tonne	186	8,387.00	1,560,007
Elementum Physical Carbon Neutral Nickel*	Metric tonne	555	30,425.00	17,330,663
Elementum Physical Electric vehicles**	Baskets	100,000	97.58	9,758,000
		<u>310,973</u>		<u>44,872,494</u>

*Each unit of Elementum Physical Carbon Neutral Nickel is issued at a fixed carbon neutral premium of USD 793.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

9 Physical metals at fair value (continued)

**As at 31 December 2022, the baskets of Elementum Physical Electric Vehicle constituted of the following components:

Physical Metals	Unit	Units 31-Dec-22
Platinum	Troy ounce	166
Palladium	Troy ounce	1061
Nickel	Metric tonne	102
Cobalt	Metric tonne	22
Copper	Metric tonne	440

The price per unit is rounded to two decimal places and Fair value of Physical Metals is based on unrounded price per unit.

The Physical Metals are secured in favour of Apex Corporate Trustees (UK) Limited (the "Security Trustee") for the benefit of itself and the ETC holders. 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 and the loan payable 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 ETC holders.

	31-Dec-21 USD	
Physical Metals		109,101,953
	31-Dec-21 Units	31-Dec-21 USD
At the start of financial period	-	-
Metals contributed*	228,362	111,212,373
Metals distributed*	(401)	(718,952)
Unrealised fair value movement		(1,334,987)
Realised loss		(56,681)
At the end of financial period	227,961	109,101,953

*Contributions and distributions of metals are in-specie

As 31 December 2021, the physical metals held by the company were as follows:

Physical metal	Unit	Units 31-Dec-21	Unit price 31-Dec-21	Fair value 31-Dec-21
Elementum Physical Gold	First troy ounce	9,246	1,805.85	16,697,587
Elementum Physical Silver	Troy ounce	205,094	23.09	4,734,595
Elementum Physical Platinum	Troy ounce	4,881	959.00	4,680,424
Elementum Physical Palladium	Troy ounce	2,408	1,973.00	4,751,300
Elementum Physical Nickel	Metric tonne	430	20,925.00	8,991,305
Elementum Physical Copper	Metric tonne	4,901	9,692.00	47,502,137
Elementum Physical Carbon Neutral Nickel*	Metric tonne	1,001	20,925.00	21,774,605
		227,961		109,101,953

*Each unit of Elementum Physical Carbon Neutral Nickel is issued at a fixed carbon neutral premium of USD 793.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

10	Cash and cash equivalents	31-Dec-22 USD	31-Dec-21 USD
	Cash at bank	27,808	28,315
		<u>27,808</u>	<u>28,315</u>
11	Other receivables	31-Dec-22 USD	31-Dec-21 USD
	Corporate benefit receivable	6,653	2,682
	Income receivable from arranger	-	814
		<u>6,653</u>	<u>3,496</u>
12	Financial liabilities designated at fair value through profit or loss		31-Dec-22 USD
	ETC securities issued		<u>43,502,854</u>
		31-Dec-22 Units	31-Dec-22 USD
	At the start of financial period	7,166,931	108,315,095
	Issuances during the financial period*	100,000	10,758,000
	Redemptions during the financial period*	(6,214,692)	(93,821,141)
	Unrealised fair value movement		5,664,357
	Realised loss		12,586,543
	At end of financial period	<u>1,052,239</u>	<u>43,502,854</u>

*ETC securities trades are carried out in-specie.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

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

As 31 December 2022, the financial liabilities in issue were as follows:

Series name	Units 31-Dec-22	NAV 31-Dec-22	Fair value 31-Dec-22 USD
Elementum Physical Gold ETC securities	174,000	18.08	3,145,505
Elementum Physical Silver ETC securities	204,445	23.85	4,876,034
Elementum Physical Platinum ETC securities	176,400	10.61	1,871,215
Elementum Physical Palladium ETC securities	119,600	17.81	2,129,973
Elementum Physical Nickel ETC securities	113,192	30.07	3,403,969
Elementum Physical Copper ETC securities	164,051	8.28	1,357,834
Elementum Physical Carbon Neutral Nickel ETC securities*	551	30,914.55	17,033,914
Elementum Electric Vehicle Metals Basket	100,000	96.84	9,684,409
	<u>1,052,239</u>		<u>43,502,854</u>

*Each unit of Elementum Physical Carbon Neutral Nickel is issued at a fixed carbon neutral premium of USD 793.

	31-Dec-21 USD
ETC securities issued	108,315,095

	31-Dec-21 Units	31-Dec-21 USD
At the start of financial period	-	-
Issuances during the financial period*	7,196,931	110,454,437
Redemptions during the financial period*	(30,000)	(536,522)
Unrealised fair value movement		(1,559,757)
Realised gain		(43,063)
At end of financial period	7,166,931	108,315,095

*ETC securities trades are carried out in-specie.

As 31 December 2021, the financial liabilities in issue were as follows:

Series name	Units 31-Dec-21	NAV 31-Dec-21	Fair value 31-Dec-21 USD
Elementum Physical Gold ETC securities	904,000	18.03	16,303,100
Elementum Physical Silver ETC securities	204,445	23.04	4,710,328
Elementum Physical Platinum ETC securities	486,400	9.57	4,655,401
Elementum Physical Palladium ETC securities	239,600	19.69	4,718,009
Elementum Physical Nickel ETC securities	429,692	20.84	8,954,282
Elementum Physical Copper ETC securities	4,901,793	9.65	47,286,466
Elementum Physical Carbon Neutral Nickel ETC securities*	1,001	21,665.84	21,687,509
	<u>7,166,931</u>		<u>108,315,095</u>

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

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

Maturity analysis	31-Dec-22 USD	31-Dec-21 USD
Less than 1 year	43,502,854	108,315,095
1-2 years	-	-
2-5 years	-	-
Over 5 years	-	-
	<u>43,502,854</u>	<u>108,315,095</u>

As at 31 December 2022 and 31 December 2021 all the Series in issue were listed on the London Stock Exchange, Borsa Italiana, SIX and Xetra except for Elementum Physical Carbon Neutral Nickel ETC securities and Elementum Physical Electric Vehicle Metals ETC securities which were listed only on the Vienna Stock Exchange and the Borsa Italiana Stock Exchange respectively.

13 Loan payable	31-Dec-22 USD	31-Dec-21 USD
At the start of financial year	575,706	-
Increase during the year	186,246	575,706
Repayments	(39,881)	-
Unrealised fair value movement	28,009	-
Loan payable to the metals counterparty	<u>750,080</u>	<u>575,706</u>

The Company holds Physical Metals in a secured allocated account in the form of bars to secured the Metal Entitlement for each ETC securities issued. As the unit of measurement of a bar is fixed, there can be differences to the requirement under the Metal Entitlement. To fund the purchase of this difference, the Company has entered into an interest-free loan agreement with the Metals Counterparty. This loan is payable in the form of Physical Metal, and at 31 December 2022 is priced at the current close bid price at the end of the day using the LBMA gold/silver price, LPPM price or LME copper/nickel/CNN nickel price. In the event of wind-up of the Company, the repayment of this loan will be made prior to the repayment of the holders of ETC securities.

As a result of the Russo-Ukrainian War and significant sanctions imposed by a number of governments directly targeting the Russian Federation and Belarus, GPF, being a Russian mining entity, resigned as the Company's Metals Counterparty on 13 of April 2022 with an effective date of 22 April 2022. The Directors appointed of a new Metal Counterparty Eternize AG (Formerly Atomyze AG and formerly Tokentrust Ltd).

14 Other payables	31-Dec-22 USD	31-Dec-21 USD
Accrued fee payable*	619,560	211,151
Corporation tax payable	342	671
	<u>619,902</u>	<u>211,822</u>

*The accrued fee payable relate to the total expense ratio payable to the Arranger.

15 Called up share capital	31-Dec-22 EUR	31-Dec-21 EUR
<i>Authorised:</i>		
25,000 ordinary shares of EUR 1 each	<u>25,000</u>	<u>25,000</u>
<i>Issued and fully paid:</i>		
25,000 ordinary shares of EUR 1 each	<u>25,000</u>	<u>25,000</u>
<i>Presented as follows:</i>		
Called up share capital presented as equity	<u>29,130</u>	<u>29,130</u>

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued) For the financial year ended 31 December 2022

16 Ownership of Company

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

The Share Trustee has appointed the Directors to 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.

17 Related party transactions

Transactions with Administrator

Apex IFS Limited provided Administrator services during the financial year, including making available individuals to act as directors of the Company. The directors of the Company are employees of the Administrator and it is therefore considered as a related party of the Company. The Company incurred an amount of USD 65,858 (EURO 58,148) for the financial period ended 31 December 2022 relating to administration services provided by Apex IFS Limited. All costs and expenses are paid by the Arranger in exchange for a TER paid by the Company.

Michael Carroll and Rhys Owens were directors of the Company up until 28 September 2022 and are also employees of the Administrator. The Administrator provided company secretary and administration duties during the financial period at an arm's length basis. The terms of the agreement with the Administrator provide for a single fee for the provision of services (including making individuals to act as directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The Company has allocated an amount of 1% of the total fees paid to Apex for the provision of the services of director. During the period ended 31 December 2022, the allocated fee for making available individuals to act as directors of the Company amounted to USD 659 (Euro 581). The individuals acting as directors do not in their personal capacity, receive any fee for the acting or having acted as directors of the Company.

Transactions with Arranger

As at 31 December 2022, NTree acted as the Arranger of the Company during the financial year which is considered as a key related party to the Company as it has a key contract with the Company and is responsible for the reimbursement of the operational costs of the Company. The initial Arranger paid the Company USD 500 annually in respect of each Series of ETC securities issued under the Programme and this has been recognised in the financial statements as the Corporate Benefit for the financial period. All of this was receivable as at 31 December 2022. During the year ended 31 December 2022, the total expense ratio amounted to USD 408,409 which is still payable as at the period end. In return for this, the Arranger pays all operating expenses as described in note 3(a) and 6 to the financial statements.

Vincent Dack and Gary Brennan are independent company Directors from 28 September 2022 and received Director's remuneration of EUR 5,000 each during the financial period. Directors remuneration is paid by NTree along with all other operational costs.

18 Financial risk management

Risk management framework

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

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

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

(a) 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 ETC holders. Accordingly, the Company and the ETC holders are exposed to the creditworthiness of the Custodian. However, given the limited recourse nature of the ETC Securities, circumstances where the Metal is lost or stolen in custody and/or the records of the Custodian are inconsistent, which could result in the Company not being able to satisfy its obligations in respect of the Metal Securities will ultimately result in a loss to ETC holders. Consequently, credit risks are ultimately borne by the ETC holders who are therefore concerned with the Company's procedures and policies in place to mitigate the risks. The Company has sufficient and adequate control structures in place manage and mitigate the risks.

The Company's exposure to credit risk and credit ratings are continuously monitored by the Directors and the Arranger, through the credit ratings assigned by well-known credit rating agencies

	Short term 31-Dec-22	Short term 31-Dec-21
Standard & Poor's	A-1+	A-1+
Moody's	P-1	P-1
Fitch	F1+	F1+

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued)
For the financial year ended 31 December 2022

18 Financial risk management (continued)

(a) Credit Risk (continued)

Concentration risk

At the reporting date, the Company's physical metals were concentrated in the following asset types and geographical locations:

By investment strategy	Short term 31-Dec-22	Short term 31-Dec-21
<i>Physical metals</i>		
Elementum Physical Gold	8%	16%
Elementum Physical Silver	11%	4%
Elementum Physical Platinum	4%	4%
Elementum Physical Palladium	5%	4%
Elementum Physical Nickel	8%	8%
Elementum Physical Carbon Neutral Nickel	3%	20%
Elementum Physical Copper	39%	44%
Elementum Physical Electric vehicles	22%	0%
	100%	100%
By geographical location	Short term 31-Dec-22	Short term 31-Dec-21
<i>Physical metals</i>		
United Kingdom (London) / Switzerland	28%	28%
Netherlands (Rotterdam)	72%	72%
	100%	100%

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.

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.

As at 31 December 2022, the Company's exposure to currency risk is not significant and limited to cash and cash equivalents with The Bank of New York Mellon of EUR 25,002 (USD 26,667) and EUR 981 (USD 1,032). All other financial assets and financial liabilities are denominated in USD.

b) 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 ETC holders are exposed to the market risk of the assets portfolio. Market risk embodies the potential for both gains and losses and price risk.

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 Physical 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.

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 are ultimately borne by the ETC holders of the relevant securities. Nonetheless, the price risk is managed by constant monitoring of the market prices of the financial instruments.

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued) For the financial year ended 31 December 2022

18 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company does not have a significant exposure to liquidity risk due to the buy-back of ETC securities being settled in transfers of Physical Metal except in certain limited circumstances. The additions and disposals of Physical Metals are primarily non-cash transactions of the Company as they are carried out in-specie, excluding the disposal of 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.

Operational expenses are settled by Arranger, NTree International Limited. The Securities are limited recourse obligations of the Company that are payable solely out of amounts received in respect of the financial assets.

(d) Fair values

The Company's financial assets and financial liabilities issued are carried at fair value on the statement of financial position. Usually, the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. 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 instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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, not have any effect on the profit or loss or on equity as any change in fair value of the financial assets will be borne by the ETC holders due to the limited recourse nature of the ETC securities issued by the Company. The valuation inputs for the physical metals and the loan payable are based on quoted market prices in active markets (as published by the LBMA, LPPM and LME) and therefore, the Physical Metals and the loan payable are classified as Level 1 in the fair value hierarchy.

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

During the period ended 31 December 2022, there has been no transfer between the levels in the hierarchy.

19 Capital management

The primary objective of the Company's capital management is to maintain shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to debt securities (i.e. the ETC securities). Share capital of EUR 25,000 was issued in line with Irish Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

20 Subsequent events

Change in Administrator and Company Secretary

On 05 December 2022, it was announced that Apex Fund Services (Ireland) Ltd would resign from their respective roles under the Programme and as at 1 March 2023 Waystone Corporate Services (Ireland) Ltd has been appointed as replacement Administrator, Corporate Services Provider and company secretary to the Company. Waystone Corporate Services (Ireland) Ltd will be appointed as share trustee on 1st June 2023.

On 13 January 2023 Elementum Metals Securities plc redeemed following series in full:

Elementum Physical Gold ETC Securities (ISIN: XS2265368097)
Elementum Physical Silver ETC Securities (ISIN: XS2265369574)
Elementum Physical Platinum ETC Securities (ISIN: XS2265369731)
Elementum Physical Palladium ETC Securities (ISIN: XS2265370234)
Elementum Physical Carbon Neutral Nickel ETC Securities (ISIN: XS2373073993)

Fixing of prices took place on 10 January 2023 and the Issuer remitted the relevant Redemption Amounts for each ETC Security to the Clearing Systems for payment to the ETC Holders on 13 January 2023

Elementum Metals Securities Plc (formerly known as GPF Metals Plc)

Notes to the financial statements (continued) For the financial year ended 31 December 2022

20 Subsequent events (continued)

On 19 April 2023 Elementum Metals Securities plc announced that the Company will redeem following series in full:

Elementum Physical Nickel ETC Securities (ISIN: XS2314660700)
Elementum Physical Copper ETC Securities (ISIN: XS2314659447)
Elementum Physical Electric Vehicle Metals ETC Securities (ISIN: XS2407535611)

Fixing of prices will take place on 22 May 2023 and the Issuer will remit the relevant Redemption Amounts for each ETC Security to the Clearing Systems for payment to the ETC Holders on 25 May 2023.

The Company will be launching 5 new institutional products – Copper, Nickel, Cobalt, Lithium, EV Basket. This redemption and relaunch will take up to 3 months and will be complete by mid July 2023.

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

21 Commitments and Contingencies

The Company had no commitments or contingencies as at the period end.

22 Comparative period

The Comparative figures are in respect of the Company's first reporting period from 15 July 2020 (date of incorporation) to 31 December 2021.

23 Approval of financial statements

The Board of Directors approved these financial statements on 28 April 2023.