

INTERIM REPORT  
AND UNAUDITED  
CONDENSED  
INTERIM FINANCIAL  
STATEMENTS

# AMUNDI PHYSICAL METALS PLC

(Incorporated as a public company with limited liability under the laws of Ireland)

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For the six-month period ended 30 September 2022

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## AMUNDI PHYSICAL METALS PLC

### MANAGEMENT AND ADMINISTRATION

|   |  |
|---|--|
| <b>Directors</b>                        | Rolando Ebuna ( <i>Ireland</i> )<br>Máiréad Lyons ( <i>Ireland</i> )<br>Matthieu André Michel Guignard ( <i>France</i> ) |
| <b>Registered Office</b>                | 2nd Floor, Palmerston House<br>Fenian Street<br>Dublin 2<br>Ireland  |
| <b>Trustee and Security Trustee</b>     | HSBC Corporate Trustee Company (UK) Limited<br>8 Canada Square<br>London<br>E14 5HQ<br>United Kingdom                    |
| <b>Administrator</b>                    | HSBC Securities Services (Ireland) DAC<br>1 Grand Canal Square<br>Grand Canal Harbour<br>Dublin 2<br>Ireland             |
| <b>Issuing and Paying Agent</b>         | HSBC Continental Europe<br>38 avenue Kléber<br>75116 Paris<br>France   |
| <b>Independent Auditors</b>             | KPMG<br>1 Harbourmaster Place<br>IFSC<br>Dublin 1<br>Ireland   |
| <b>Arranger and Advisor</b>             | Amundi Asset Management S.A.S<br>91-93 Boulevard Pasteur<br>75015 Paris<br>France  |
| <b>Custodian and Metal Counterparty</b> | HSBC Bank plc<br>8 Canada Square<br>London<br>E14 5HQ<br>United Kingdom  |

**Registration number - 638962**

## AMUNDI PHYSICAL METALS PLC

### MANAGEMENT AND ADMINISTRATION (CONTINUED)

|  |   |
|--|---|
| <b>Legal Advisor to the Company</b>                          | <i>(as to the Irish Law)</i><br>Arthur Cox LLP<br>10 Earlsfort Terrace<br>Dublin 2<br>Ireland   |
| <b>Legal Advisor to the Arranger and the Advisor</b>         | <i>(as to the English Law)</i><br>Linklaters LLP<br>One Silk Street<br>London<br>EC2Y 8HQ<br>United Kingdom   |
| <b>Legal Advisor to the Trustee and the Security Trustee</b> | Linklaters LLP<br>One Silk Street<br>London<br>EC2Y 8HQ<br>United Kingdom   |
| <b>Company Secretary</b>                                     | Cafico Secretaries Limited<br>Palmerston House<br>Denzille Lane<br>Dublin 2<br>Ireland  |
| <b>Irish Listing Agent</b>                                   | Arthur Cox Listing Services Limited<br>10 Earlsfort Terrace<br>Dublin 2<br>Ireland  |
| <b>Authorised Participants</b>                               | HSBC Bank plc<br>8 Canada Square<br>Canary Wharf<br>London<br>E14 5HQ<br>United Kingdom<br><br>Jane Street Financial Limited<br>Floor 30, 20 Fenchurch Street<br>London<br>EC3M 3BUY<br>United Kingdom<br><br>Flow Traders B.V.<br>Jacob Bontiusplaats 9<br>1018 LL<br>Amsterdam<br>Netherlands |

**AMUNDI PHYSICAL METALS PLC**

**MANAGEMENT AND ADMINISTRATION (CONTINUED)**

**Authorised Participants (continued)**

Optiver VOF  
Strawinskylaan 3095  
1077 ZX  
Amsterdam  
Netherlands

BNP Paribas Arbitrage SNC  
1 Rue Laffitte  
75009  
Paris  
France

Merrill Lynch International  
2 King Edward Street  
London  
EC1A 1HQ  
United Kingdom

## GENERAL INFORMATION

### Principal activities, business review and future activities

Amundi Physical Metals plc (the "Company"), the reporting entity, was incorporated on 4 December 2018 as a public limited company with limited liability under the Irish Companies Act 2014 (the "Companies Act"), as amended, with registration number 638962. The Company commenced operations on 21 May 2019. The Company has been incorporated for an indefinite period and was established as a special purpose vehicle for the purpose of issuing asset-backed securities. The Company has no employees.

The Company has established a Secured Precious Metal Linked Exchange Traded Commodities ("ETC") Securities Programme (the "Programme") described in the Base Prospectus dated 20 May 2019, as updated on 17 May 2022, under which a series ("Series") of secured precious metal linked debt securities ("ETC Securities") may be issued from time to time. Each Series of ETC Securities issued under the Programme will be linked to, and provide exposure to, the price of gold ("precious metals") sourced through London Bullion Market Association ("LBMA").

As at 30 September 2022, the Company has Amundi Physical Gold ETC as the only Series of ETC Securities in issue. The Company's ETC Securities were listed on Euronext Amsterdam and Euronext Paris on 28 May 2019 and listed on Deutsche Börse on 2 July 2019. On 18 May 2020, the ETC Securities were listed on the London Stock Exchange.

The ETC Securities constitute secured, limited recourse obligations of the Company, issued in the form of debt securities and are issued in Series. The ETC Securities are backed by fully-allocated physical holdings of the relevant precious metal secured in the Custodian's vault. The ETC Securities are non-interest bearing and has a maturity date of 99 years from date the ETC Securities were issued. The ETC Securities provide a simple and cost-effective means of gaining exposure very similar to that of a direct investment in the relevant precious metal. Each ETC Security of a Series has a metal entitlement (the "Metal Entitlement") expressed as an amount in weight (in troy or fine troy ounces) of the relevant metal linked to such Series. This Metal Entitlement starts at a predetermined initial Metal Entitlement for the relevant Series and is reduced daily by the Total Expense Ratio ("TER") (in metal) for the Series. The TER is the rate per annum at which the "all in one" operational fee in respect the Series is calculated. TER is applied to the Metal Entitlement on a daily basis. Each day, the Metal Entitlement attached to each ETC Security is reduced at a rate equal to the portion of the TER in metal applicable to such day. The TER is accounted for on an accruals basis and is payable monthly in arrears. The TER as at 30 September 2022 is 0.12% (30 September 2021: 0.15%).

HSBC Bank plc, Jane Street Financial Limited, Flow Traders B.V., Optiver VOF, BNP Paribas Arbitrage SNC and Merrill Lynch International act as the Company's authorised participants (the "Authorised Participants"). The Authorised Participants in respect of the Series are the only entities allowed to buy and sell ETC Securities directly from and to the Company. 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. During the life of the ETC Securities, ETC Security holders can buy and sell ETC Securities on each exchange on which the ETC Securities are listed, through financial intermediaries. ETC Security holder means the person in whose name a Security of the relevant Series is registered in the Register. There were no changes in Authorised Participants during the period.

### 2022

Gold is down considerably from its year-to-date highs when sizable safe haven buying in the wake of the invasion of Ukraine sent it surging to USD2,069/oz on 8 March. Prices skidded to a low of USD1,613/oz by the end of September. As the initial flush of buying abated, gold steadied in line with less turbulent financial markets. A perceived shift in Fed policies was key to gold declines which accelerated in May. In more recent months, gold's slide intensified. The reasons remained similar to the drivers from earlier in the year. Escalating inflation concerns prompted increasingly hawkish Fed policy responses. Rate hikes are a key reason the USD climbed to multi-decade highs as safe haven demand for the greenback rocketed. This combination of a surging USD and higher rates acted as a one-two punch to gold for much of the year.

GENERAL INFORMATION (CONTINUED)

**Principal activities, business review and future activities**

**2022 (continued)**

Risk-off sentiment also acted against gold. Persistent inflation in the US and the simultaneous tightening of monetary policy made financial markets febrile globally. Rising risk-off sentiment lifted the USD as equities fell. Investor reluctance to commit to gold is evidenced by ongoing ETF liquidation and low net long positions on the CME. Weakness in other commodities as recession fears mount, notably oil, also played a part in weakening gold.

While the financial climate turned decisively against gold, geopolitical risks remain elevated, a theoretical plus for bullion, and underlying physical demand remained strong. Risks associated with the war in Ukraine rose. Geopolitical risks were also evident in US-Sino relations concerning Taiwan, as well as the rise of nationalist political parties globally. These risks effectively cushioning gold's declines. Meanwhile, physical gold demand, especially for retail coins & bars, remained strong. Imports into mainland China – the world's largest consumer – after weakness earlier in the year rebounded and have also turned higher in India. Central bank demand has also surged notably in the latter part of 2022 and played a role in supporting gold. The more recent shift in the fortunes of the USD combined with ideas that Fed rate increases may moderate, has triggered a heavy short covering rally in recent weeks.

**Outlook**

Gold still faces downside pressure into 2023, but the market is expected to remain volatile and subject to conflicting influences. Despite progress on inflation, the US Federal Reserve has made it clear it plans to continue to tighten into 2023. Thus Fed policy will likely remain a negative for gold, even if the pace of rate rises moderates. Institutional demand for gold remains weak. An eventual end to the rate hike cycle in 2023 may allow gold to stabilize. While prices may remain weak until then, strength later in the year is more likely. The Fed finishing its rate hike cycle could see the USD become less potent. US dollar weakness in 2023 would be an important supportive factor for gold. Geopolitical risks are also likely to remain more supportive for gold than negative.

Underlying physical market is key to gold firmness in 2023. The demand for coins & bars – which is mostly retail in nature – will likely absorb any further institutional selling. This type of demand reaffirms the positive impact that high inflation has on retail gold demand. Note this is not reflected in institutional demand which is more influenced by Fed monetary policy. That said, coin & bar demand along with likely higher jewellery demand creates a positive physical demand background for gold into 2023. A further and important point regarding physical demand is central bank purchases. The official sector increased bullion demand this year and will likely purchase significant amounts of gold in 2023. This is based off of the need for central banks to diversify from heavy USD reserves and on gold's safe properties. Official sector demand could be key in supporting prices in 2023. Mine supply while rising will likely be well absorbed while the outlook for recycled supply is neutral to slightly lower.

**AMUNDI PHYSICAL METALS PLC**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

|                                     | Notes | As at<br>30 September<br>2022<br>\$ | As at<br>31 March<br>2022<br>\$ |
|-------------------------------------|-------|-------------------------------------|---------------------------------|
| <b>CURRENT ASSETS</b>               |       |                                     |                                 |
| Cash and cash equivalents           |       | 24,054                              | 27,351                          |
| Precious metals at fair value       | 10    | 4,004,658,239                       | 4,849,044,864                   |
| Receivable on ETC securities issued |       | 9,647,271                           | -                               |
| Other receivable                    |       | 8,118                               | 9,984                           |
| <b>TOTAL CURRENT ASSETS</b>         |       | <b>4,014,337,682</b>                | <b>4,849,082,199</b>            |
| <b>EQUITY</b>                       |       |                                     |                                 |
| Share capital                       | 9     | (27,385)                            | (27,385)                        |
| Retained earnings                   |       | (4,787)                             | (7,514)                         |
| <b>TOTAL EQUITY</b>                 |       | <b>(32,172)</b>                     | <b>(34,899)</b>                 |
| <b>CURRENT LIABILITIES</b>          |       |                                     |                                 |
| ETC securities at fair value        | 11    | (3,954,634,980)                     | (4,836,230,909)                 |
| ETC securities awaiting settlement  | 12    | (59,272,672)                        | (12,342,883)                    |
| Due to advisor                      | 12    | (397,858)                           | (471,072)                       |
| Securities tax payable              |       | -                                   | (2,436)                         |
| <b>TOTAL CURRENT LIABILITIES</b>    |       | <b>(4,014,305,510)</b>              | <b>(4,849,047,300)</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>(4,014,337,682)</b>              | <b>(4,849,082,199)</b>          |

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

**AMUNDI PHYSICAL METALS PLC**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022**

|   | Notes | Period ended<br>30 September<br>2022<br>\$ | Period ended<br>30 September<br>2021<br>\$ |
|---|-------|--|--|
| <b>INCOME</b>   |       |  |  |
| TER Income  | 7     | 2,719,254                                  | 2,729,210                                  |
| Other income  |       | 1,466                                      | 1,738                                      |
| <b>NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE</b>  |       |  |  |
| Net (losses)/gains arising on precious metals at fair value       | 5     | (696,282,351)                              | 60,406,903                                 |
| Net gains/(losses) arising on ETC securities at fair value        | 6     | 696,278,158                                | (60,407,407)                               |
| <b>NET INCOME</b>   |       | <b>2,716,527</b>                           | <b>2,730,444</b>                           |
| <b>EXPENSES</b>   |       |  |  |
| Interest expense  |       | (53)                                       | (74)                                       |
| TER expense   | 7     | (2,719,201)                                | (2,729,136)                                |
| <b>NET EXPENSES</b>   |       | <b>(2,719,254)</b>                         | <b>(2,729,210)</b>                         |
| <b>NET (LOSS)/PROFIT FOR THE FINANCIAL PERIOD BEFORE TAX</b>      |       | <b>(2,727)</b>                             | <b>1,234</b>                               |
| Income tax expense  | 8     | -  | (308)                                      |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b> |       | <b>(2,727)</b>                             | <b>926</b>                                 |

There are no recognised gains or losses arising during the financial period other than those dealt with in the Statement of Comprehensive Income. In arriving at the results for the financial period, all amounts relate to continuing operations.

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

**AMUNDI PHYSICAL METALS PLC**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022**

|   | Called Up Share<br>Capital<br>\$ | Retained Earnings<br>\$ | Total Equity<br>\$ |
|---|----------------------------------|-------------------------|--------------------|
| <b>Balance as at 1 April 2021</b>                   | 27,385                           | 6,514                   | 33,899             |
| Total comprehensive income for the financial period | -                                | 926                     | 926                |
| <b>BALANCE AS AT 30 SEPTEMBER 2021</b>              | <b>27,385</b>                    | <b>7,440</b>            | <b>34,825</b>      |
|   |                                  |                         |                    |
|   | Called Up Share<br>Capital<br>\$ | Retained Earnings<br>\$ | Total Equity<br>\$ |
| <b>Balance as at 1 April 2022</b>                   | 27,385                           | 7,514                   | 34,899             |
| Total comprehensive income for the financial period | -                                | (2,727)                 | (2,727)            |
| <b>BALANCE AS AT 30 SEPTEMBER 2022</b>              | <b>27,385</b>                    | <b>4,787</b>            | <b>32,172</b>      |

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

**AMUNDI PHYSICAL METALS PLC**

**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022**

|  | Period ended<br>30 September<br>2022<br>\$ | Period ended<br>30 September<br>2021<br>\$ |
|--|--|--|
| <b>Cash flows from operating activities:</b>                                     |  |  |
| TER income received  | 2,792,415                                  | 2,674,959                                  |
| TER expenses paid  | (2,792,415)                                | (2,674,959)                                |
| <b>Net cash used in operating activities</b>                                     | <b>-</b>                                   | <b>-</b>                                   |
| <b>Cash flows from financing activities:</b>                                     |  |  |
| Interest paid  | (53)                                       | (74)                                       |
| <b>Net cash used in financing activities</b>                                     | <b>(53)</b>                                | <b>(74)</b>                                |
| Net decrease in cash and cash equivalents  | (53)                                       | (74)                                       |
| Cash and cash equivalents at beginning of the financial period                   | 27,351                                     | 29,084                                     |
| Effect of foreign exchange rate changes  | (3,244)                                    | (369)                                      |
| <b>Cash and cash equivalents at end of the financial period</b>                  | <b>24,054</b>                              | <b>28,641</b>                              |
| <b>Cash and cash equivalents at end of the financial period is comprised of:</b> |  |  |
| Cash and cash equivalents  | 24,054                                     | 28,641                                     |
| <b>Non-cash Transactions during the period include:</b>                          |  |  |
|  | \$   | \$   |
| Issuance of ETC Securities   | 791,656,090                                | 1,190,264,166                              |
| Redemptions of ETC Securities  | (974,272,257)                              | (539,180,887)                              |
| Additions of Precious metals   | 782,030,540                                | 1,188,875,271                              |
| Disposals of Precious metals   | (977,064,604)                              | (485,953,488)                              |

The accompanying notes form an integral part of these unaudited condensed interim financial statements.

## AMUNDI PHYSICAL METALS PLC

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

#### 1. General

Amundi Physical Metals plc (the “Company”), the reporting entity, was incorporated on 4 December 2018 as a public limited company with limited liability under the Companies Act 2014 (the “Companies Act”), as amended, with registration number 638962. The Company commenced operations on 21 May 2019. The registered office of the Company is at 2nd Floor, Palmerston House, Fenian Street, Dublin 2, Ireland.

The Company has been established as a special purpose vehicle for the purpose of issuing asset-backed securities. The Company has established a secured precious metal linked securities programme (the “Programme”) under which exchange-traded, secured precious metal linked debt securities (“ETC Securities”), backed by physical holdings of the relevant precious metal, may be issued from time to time. The objective is for the value of the ETC Securities to reflect, at any given time, the price of precious metals at that time (as reflected in the Metal Reference Price), less fees and expenses. Capitalised terms are included in the Company’s prospectus.

The ETC Securities are admitted to trading on regulated markets and they are offered to the public in any Member State of the European Economic Area or the United Kingdom subject to the selling restrictions set out in the base prospectus. Accordingly, the Company is also regulated by the markets in financial instruments directive (the “MiFID II Directive” 2014/65/EU). The information document about each series of ETC Securities is issued pursuant to the Packaged Retail Investment and Insurance-based Products regulation (the “PRIIPs regulation” (EU) No 1286/2014”).

The authorised share capital of the Company is EUR 25,000, divided into 25,000 ordinary shares of EUR 1 each, all of which have been issued and fully paid up. All of the ordinary shares of the Company are held by Cafico Trust Company Limited as share trustee on trust for charitable purposes. The ETC Securities are denominated in US Dollar (“USD” or “\$”) and the Early Redemption Amount and Final Redemption Amount (as applicable) will be paid in USD.

As at 30 September 2022, the Company has Amundi Physical Gold ETC as the only Series of ETC Securities in issue. The Company’s ETC Securities were listed on Euronext Amsterdam and Euronext Paris on 28 May 2019 and listed on Deutsche Börse on 2 July 2019. On 18 May 2020, the ETC Securities were listed on the London Stock Exchange.

The ETC Securities offer investors exposure to the movements of the precious metals’ spot price. The ETC Securities are backed by physically allocated precious metals, which is held by HSBC Bank Plc (the “Custodian”). Each physical bar is held in a segregated account, individually identified and allocated.

The Company has appointed HSBC Bank plc as metal counterparty (the “Metal Counterparty”) in respect of each Series.

The administration of the Company has been delegated to HSBC Securities Services (Ireland) DAC (the “Administrator”). HSBC Corporate Trustee Company (UK) Limited was appointed as Trustee and Security Trustee and HSBC Continental Europe was appointed as Issuing and Paying Agent.

The arranger (the “Arranger”) is Amundi Asset Management S.A.S who also acts as an adviser (the “Advisor”) to the Company in respect of the Series, performing certain functions and determinations on behalf of the Company pursuant to an advisory agreement (the “Advisory Agreement”). Expenses paid to the Advisor and the term of the advisor expenses are discussed in Note 6 of the financial statements.

The ETC Securities are secured, limited recourse obligations of the Company and the ETC Securities of a series rank equally amongst themselves.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**2. Summary of significant accounting policies**

The financial reporting framework that has been applied in the preparation of the unaudited condensed interim financial statements of the Company is the applicable law and International Financial Reporting Standards as adopted for use in the European Union (“IFRS”), and applied in accordance with the Companies Acts 2014.

The unaudited condensed interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting, as adopted by the European Union.

The interim financial statements have been prepared on a going concern basis and under the historical cost basis, except for the following:

- Precious metals at fair value through profit or loss are measured at fair value; and
- Financial liabilities at fair value through profit or loss are measured at fair value.

The comparative figures for the Unaudited Interim Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows are presented for the period ended 30 September 2021. The comparative figures included for the Unaudited Interim Statement of Financial Position are as at 31 March 2022.

The preparation of unaudited condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Under IFRS there is no specific standard to refer to for the accounting treatment of precious metals. The precious metals are held to provide the ETC security holders with exposure to changes in the value of the precious metals. Therefore, the Company has determined that the measurement of precious metals at fair value through profit or loss is the appropriate measurement of precious metals which is consistent with the treatment that would be applicable to a financial instrument and reflects the objectives and the purpose of holding this asset.

The accounting policies used in the preparation of these unaudited condensed interim financial statements are consistent and there have been no changes to those used in the Company’s most recent annual financial statements for the year ended 31 March 2022. The basis of the computation of the fees and expenses in the unaudited condensed interim financial statements are consistent with Note 7 to the Company’s most recent annual financial statements for the year ended 31 March 2022. The format of these financial statements differs in some respect from that of the most recent annual financial statements in that the notes to the financial statements are presented in a summary form.

The financial statements and notes to the financial statements are presented in US Dollar (“USD” or “\$”) which is the Company’s functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. Gold prices are usually stated in USD and the financial liabilities designated at fair value through profit or loss are also 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.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

**2. Summary of significant accounting policies (continued)**

**Changes in accounting policies**

The presentation of the unaudited interim statement of comprehensive income and unaudited interim statement of changes in equity has been updated for the prior period so that it is in line with the most recent audited financial statements. This is to provide consistent information to the readers of the accounts.

The presentation of the unaudited interim statement of cash flows was changed from the indirect method to the direct method for the prior period in order to provide better information of the cash flows to the readers of the accounts.

**New standards, amendments and interpretations to existing standards which are effective from 1 January 2022**

*Reference to the Conceptual Framework with amendments to IFRS 3 'Business Combinations'*

On 14 May 2020, the International Accounting Standards Board (IASB) has Reference to the Conceptual Framework (Amendments to IFRS 3) with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. The amendment updates IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. A requirement is added for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. The amendment added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments will be effective for annual periods beginning on or after January 1, 2022. The application of the amendment is not expected to have a significant impact on the financial statements of the Company.

*Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)*

On 14 May 2020, the International Accounting Standards Board (IASB) has published the changes in Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

The amendments will be effective for annual periods beginning on or after January 1, 2022. The application of the amendment is not expected to have a significant impact on the financial statements of the Company.

**New standards and amendments to standards that are relevant to the Company**

| <b>Standards/interpretations</b>  | <b>Effective date</b> |
|---|-----------------------|
| IFRS 17 Insurance Contracts   | 01 Apr 2023           |
| Classification of liabilities as current or non-current (Amendments to IAS 1)         | 01 Apr 2023           |
| Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) | 01 Apr 2023           |

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

**2. Summary of significant accounting policies (continued)**

**New standards and amendments to standards that are relevant to the Company (continued)**

| Standards/interpretations   | Effective date |
|---|----------------|
| Definition of Accounting Estimate (Amendments to IAS 8)   | 01 Apr 2023    |
| Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction<br>Amendments to IAS 12 Income Taxes       | 01 Apr 2023    |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<br>(Amendments to IFRS 10 and IAS 28) | Optional       |

None of the above standards, amendments and interpretations are expected to have a significant impact on the Company's financial statements.

**3. Financial assets and liabilities at fair value through profit or loss**

**Valuation of financial instruments**

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

**Fair value measurements**

IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below.

|         |   |
|---------|---|
| Level 1 | Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;          |
| Level 2 | Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; |
| Level 3 | Inputs that are unobservable.   |

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

However, the determination of what constitutes "observable" requires significant judgement by the Arranger and Advisor. The Arranger and Advisor consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Precious metals at fair value and ETC Securities in relation to the Series are classified within level 1 due to the use of unadjusted quoted prices in active markets.

**AMUNDI PHYSICAL METALS PLC**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**3. Financial assets and liabilities at fair value through profit or loss (continued)**

**Valuation of financial instruments (continued)**

**Fair value measurements (continued)**

As at 30 September 2022 and 31 March 2022, the Company did not hold any level 3 securities and there were no transfers between levels during the period, consequently no reconciliation of Level 3 fair value measurements is required.

The following table presents assets measured at fair value and the financial instruments carried on the Statement of Financial Position by investment type and by level within the valuation hierarchy as at 30 September 2022:

|  | Level 1<br>\$          | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$            |
|--|------------------------|---------------|---------------|------------------------|
| <b>Financial assets at fair value through profit and loss</b>      |                        |               |               |                        |
| Precious metals at fair value                                      | 4,004,658,239          | -             | -             | 4,004,658,239          |
|  | <b>4,004,658,239</b>   | -             | -             | <b>4,004,658,239</b>   |
| <b>Financial liabilities at fair value through profit and loss</b> |                        |               |               |                        |
| ETC Securities   | (3,954,634,980)        | -             | -             | (3,954,634,980)        |
|  | <b>(3,954,634,980)</b> | -             | -             | <b>(3,954,634,980)</b> |

The following table presents assets measured at fair value and the financial instruments carried on the Statement of Financial Position by investment type and by level within the valuation hierarchy as at 31 March 2022:

|  | Level 1<br>\$          | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$            |
|--|------------------------|---------------|---------------|------------------------|
| <b>Financial assets at fair value through profit and loss</b>      |                        |               |               |                        |
| Precious metals at fair value                                      | 4,849,044,864          | -             | -             | 4,849,044,864          |
|  | <b>4,849,044,864</b>   | -             | -             | <b>4,849,044,864</b>   |
| <b>Financial liabilities at fair value through profit and loss</b> |                        |               |               |                        |
| ETC Securities   | (4,836,230,909)        | -             | -             | (4,836,230,909)        |
|  | <b>(4,836,230,909)</b> | -             | -             | <b>(4,836,230,909)</b> |

## AMUNDI PHYSICAL METALS PLC

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

#### 4. Net (losses)/gains arising on precious metals at fair value

|   | Financial period ended<br>30 September 2022 | Financial period ended<br>30 September 2021 |
|---|---|---|
|   | \$  | \$  |
| Net (losses)/gains arising on precious metals | (696,282,351)                               | 60,406,903                                  |
|   | <b>(696,282,351)</b>                        | <b>60,406,903</b>                           |

#### 5. Net losses arising on ETC securities at fair value

|  | Financial period ended<br>30 September 2022 | Financial period ended<br>30 September 2021 |
|--|---|---|
|  | \$  | \$  |
| Net gains/(losses) arising on ETC securities | 696,278,158                                 | (60,407,407)                                |
|  | <b>696,278,158</b>                          | <b>(60,407,407)</b>                         |

#### 6. Company Series Fees and Expenses

Each ETC Security of a Series will have a “Metal Entitlement”, which is an amount in weight of the Metal linked to such Series. On the Series Issue Date, each ETC Security is ascribed with a Metal Entitlement (the “Initial Metal Entitlement”) and on each subsequent day, the Metal Entitlement of each ETC Security shall be reduced by a percentage (the “Total Expense Ratio”, or “TER”) determined as sufficient to fund the Company’s “all in one” operational fee to the Advisor (which the Advisor will use, in turn, to pay the agreed fees of all of the other service providers of the Company).

Fees and expenses payable on a monthly basis by the Company to the Advisor will be paid out of the proceeds of the relevant Series of ETC Securities and funded by way of the monthly sale of Metal deducted on a daily basis from the Metal Entitlement of the ETC Securities of such Series at a rate equal to the portion of the Total Expense Ratio applicable to each day. Agreed fees and expenses payable to the Company’s service providers, including the Corporate Services Provider, the Trustee, the Security Trustee, the Custodian, the Administrator and other Agents will be paid by the Advisor out of the proceeds of the sale of Metal mentioned in the previous sentence. None of the above-mentioned transaction parties may have recourse to assets of the Company which are held as security for ETC Securities of any Series other than the ETC Securities of the Series in respect of which the claim arises.

The TER as at 30 September 2022 is 0.12% (30 September 2021: 0.15%). TER income for the period amounted to USD 2,719,254 (30 September 2021: USD 2,729,210) and TER expense for the period amounted to USD 2,719,201 (30 September 2021: USD 2,729,136).

Fees and expenses payable on a monthly basis by the Company to the Arranger and Advisor will be paid out of the relevant Series of 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 of the Series. Fees earned by the Arranger and Advisor during the financial period and balances outstanding as at 30 September 2022 are disclosed in Note 6 and Note 11 respectively.

For the six-month period ended 30 September 2022, the Directors did not receive remuneration or fees in respect to their service (30 September 2021: Nil). Cafico Corporate Services Limited as Corporate Services Provider for the Company receives an annual fee applicable for the period for the different services provided which amounted to EUR 17,800 (30 September 2021: EUR 15,250). Refer Note 13 for Directors’ remuneration arrangement.

## AMUNDI PHYSICAL METALS PLC

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

#### 7. Income Tax

The Company will be taxable as a securitisation Company pursuant to Section 110 of the Taxes Consolidation Act (“TCA”) 1997. Profits arising to the Company are charged at a corporate tax rate of 25%. All expenses that are not capital in nature and are for the purposes of the Company’s activities will be deductible from income in order to determine taxable profits.

The Company is a qualifying Company within the meaning of Section 110 of the TCA. As such, the profits are chargeable to corporation tax under Case III of Schedule D of the TCA at the rate of 25% but are computed in accordance with the provisions applicable to Case I Schedule D of the TCA.

|   | Financial period ended<br>30 September 2022 | Financial period ended<br>30 September 2021 |
|---|---|---|
|   | \$  | \$  |
| Net (loss)/profit for the financial period before tax | (2,727)                                     | 1,234                                       |
| Corporation tax rate at 25%                           | -   | (308)                                       |
| <b>Income tax expense</b>                             | <b>(2,727)</b>                              | <b>926</b>                                  |

#### 8. Share Capital

The authorised share capital of the Company is EUR 25,000 divided into 25,000 ordinary shares of EUR 1 each, all of which have been issued and fully paid up. All of the ordinary shares of the Company are held by Cafico Trust Company Limited as share trustee on trust for charitable purposes to the value of EUR 25,000.

|                                      | Financial period ended<br>30 September 2022 | Financial period ended<br>30 September 2021 |
|--------------------------------------|---|---|
|                                      | \$  | \$  |
| 25,000 ordinary shares of EUR 1 each | 27,385                                      | 27,385                                      |
| <b>27,385</b>                        | <b>27,385</b>                               | <b>27,385</b>                               |

The rights of the trustee representing the shareholders are governed by the declaration of trust. The Company has only ordinary shares which have no prescribed and/or defined rights.

#### 9. Precious metals at Fair Value

The following tables summarise the activity in metal bullion during the six-month period ended 30 September 2022:

|   | Gold Troy<br>Ounces* |
|---|----------------------|
| Balance at the beginning of financial period  | 2,496,757            |
| Metal contributed                             | 418,914              |
| Metal distributed to ETC holders              | (518,279)            |
| Metal distributed due to TER                  | (1,540)              |
| <b>Balance at the end of financial period</b> | <b>2,395,852</b>     |

AMUNDI PHYSICAL METALS PLC

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

9. Precious metals at Fair Value (continued)

| Precious metals at fair value | Troy Ounces*           | Price per Troy Ounce**<br>\$ | Fair Value*<br>\$    |
|-------------------------------|------------------------|------------------------------|----------------------|
| Gold                          | 2,360,033 <sup>^</sup> | 1,671.75                     | 3,945,385,567        |
| <b>Total</b>                  | <b>2,360,033</b>       | <b>1,671.75</b>              | <b>3,945,385,567</b> |

\* Gold is measured in fine troy ounces. Metal amount is rounded to whole numbers. Fair value disclosed is based on unrounded metal amount.

\*\* Sourced from LBMA.

<sup>^</sup> Excludes Gold Troy Ounces of 35,819 with a value of \$59,272,672 due to holders of ETC Securities who cancelled their shares on 29 September 2022 and are awaiting settlement.

The following tables summarise the activity in metal bullion during the six-month period ended 30 September 2021:

|   | Gold Troy Ounces* |
|---|-------------------|
| Balance at the beginning of financial period  | 1,750,163         |
| Metal contributed                             | 657,163           |
| Metal distributed to ETC holders              | (306,989)         |
| Metal distributed due to TER                  | (1,484)           |
| <b>Balance at the end of financial period</b> | <b>2,098,853</b>  |

| Precious metals at fair value | Troy Ounces*     | Price per Troy Ounce**<br>\$ | Fair Value*<br>\$    |
|-------------------------------|------------------|------------------------------|----------------------|
| Gold                          | 2,098,853        | 1,742.80                     | 3,657,880,954        |
| <b>Total</b>                  | <b>2,098,853</b> | <b>1,742.80</b>              | <b>3,657,880,954</b> |

\* Gold is measured in fine troy ounces. Metal amount is rounded to whole numbers. Fair value disclosed is based on unrounded metal amount.

\*\* Sourced from LBMA.

10. ETC Securities at Fair Value

The following tables summarise the activity in the ETC Securities of the Series during the six-month period ended 30 September 2022:

|   | Amundi Physical Gold ETC<br>No. of Securities |
|---|---|
| Balance at the beginning of financial period  | 62,531,327                                    |
| ETC Securities issued                         | 10,666,321                                    |
| ETC Securities redeemed                       | (13,758,837)                                  |
| <b>Balance at the end of financial period</b> | <b>59,438,811</b>                             |

**AMUNDI PHYSICAL METALS PLC**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**10. ETC Securities at Fair Value (continued)**

|  | No. of Securities | Metal entitlement<br>(Gold) per ETC<br>Security in Troy<br>Ounces <sup>^</sup> | Price per<br>Security <sup>*/**</sup><br>\$ | Fair Value*<br>\$    |
|--|-------------------|--|---|----------------------|
| Amundi Physical Gold ETC <sup>^^</sup> | 59,438,811        | 0.039705   | 66.53                                       | 3,954,634,980        |
| <b>Total</b>                           | <b>59,438,811</b> | <b>0.039705</b>  | <b>66.53</b>                                | <b>3,954,634,980</b> |

\* Price per security is rounded to 2 decimal places. Fair value disclosed is based on the unrounded price per security.

\*\* ETC Securities prices based on LBMA exchange.

<sup>^</sup> Rounded to 6 decimal places.

<sup>^^</sup> Final maturity date of ETC Securities is 23 May 2118.

The following tables summarise the activity in the ETC Securities of the Series during the six-month period ended 30 September 2021:

|   | Amundi Physical<br>Gold ETC<br>No. of Securities |
|---|--|
| Balance at the beginning of financial period  | 42,919,190                                       |
| ETC Securities issued                         | 16,504,494                                       |
| ETC Securities redeemed                       | (7,541,320)                                      |
| <b>Balance at the end of financial period</b> | <b>51,882,364</b>                                |

|  | No. of Securities | Metal entitlement<br>(Gold) per ETC<br>Security in Troy<br>Ounces <sup>^</sup> | Price per<br>Security <sup>*/**</sup><br>\$ | Fair Value*<br>\$    |
|--|-------------------|--|---|----------------------|
| Amundi Physical Gold ETC <sup>^^</sup> | 51,882,364        | 0.040454   | 69.44                                       | 3,602,914,127        |
| <b>Total</b>                           | <b>51,882,364</b> | <b>0.040454</b>  | <b>69.44</b>                                | <b>3,602,914,127</b> |

\* Price per security is rounded to 2 decimal places. Fair value disclosed is based on the unrounded price per security.

\*\* ETC Securities prices based on LBMA exchange.

<sup>^</sup> Rounded to 6 decimal places.

<sup>^^</sup> Final maturity date of ETC Securities is 23 May 2118.

**11. Payables**

|                                      | As at 30 September<br>2022<br>\$ | As at 31 March<br>2022<br>\$ |
|--------------------------------------|----------------------------------|------------------------------|
| Due to Advisor*                      | (397,858)                        | (471,072)                    |
| ETC Securities awaiting settlement** | (59,272,672)                     | (12,342,883)                 |
| <b>Total</b>                         | <b>(59,670,530)</b>              | <b>(12,813,955)</b>          |

\*Due to advisor represents the outstanding TER expense which is payable to the Advisor at the period/year end.

\*\*ETC Securities awaiting settlement comprise of redeemed and cancelled ETC Securities which have not yet settled.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

**12. Exchange rates**

The rate of exchange ruling as at 30 September 2022 and 31 March 2022 were:

|             | As at 30 September<br>2022 | As at 31 March<br>2022 |
|-------------|----------------------------|------------------------|
| EUR 1 = USD | 0.9775                     | 1.1092                 |

**13. Related and connected parties**

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the party, in making financial or operational decisions.

The Company's related parties are the Directors and Cafico Corporate Services Limited as Corporate Services Provider. The Company's connected parties are the Administrator, the Custodian, the Trustee, the Advisor and the Issuing and Paying Agent. Amounts incurred during the period to these related and connected parties are paid by the Advisor from the TER fee (all in one" operational fee) as disclosed in Note 6. The total outstanding to the Advisor at the Statement of Financial Position date is disclosed in Note 11, if any.

Rolando Ebuna and Máiréad Lyons are Directors of the Company and are also employees of the Corporate Services Provider, Cafico Corporate Services Limited. All of the ordinary shares of the Company are held by Cafico Trust Company Limited as share trustee on trust for charitable purposes to the value of EUR 25,000.

During the financial period, the Company incurred a fee of EUR 17,800 (30 September 2021: EUR 19,750) and EUR Nil payable as at 30 September 2022 (31 March 2022: Nil), relating to different services provided by the Corporate Services Provider. The directors, as employees of the Corporate Services Provider, had an interest in these fees in their capacity as directors. The estimated aggregate value of the provision of qualifying services of directors of the Company in accordance with Section 305A(1)(a) of the Companies Act amounted to EUR 6,000 (30 September 2021: EUR 6,000). This amount is disclosed solely to comply with the requirements of the Act and represents the best estimate of the value of the qualifying services to the Company. Directors remuneration during the financial period amounted to EUR Nil (30 September 2021: Nil). There is no director remuneration payable as at 30 September 2022 (31 March 2022: Nil).

The total fees paid to the Arranger amounted to USD 2,719,201 (30 September 2021: USD 2,729,136) during the financial period. From the fees provided to the Arranger, the Arranger has arranged for their employee, Matthieu André Michel Guignard to provide services as a director of the Company. Matthieu André Michel Guignard is a Director of the Company and Global Head of Product Development and Capital Markets of Amundi ETF, Indexing and Smart Beta, a subsidiary of the Advisor. Matthieu André Michel Guignard was not remunerated for his directorship role in the Company.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

#### 14. Legal Ownership of the Company

The principal shareholders of the Company are Cafico Trust Company Limited, which holds 25,000 shares in trust. The shares are held under the terms of the declarations of trust dated 6 December 2018 under which the relevant share trustee holds the issued shares of the Company on trust for charitable purposes. The profit of the Company is retained until the Company winds up its operation whereby any excess profit will be distributed to its shareholders.

The Board of Directors are responsible for the day-to-day management of the Company. The Board is composed of three directors, two of whom are employees of the corporate services provider and the other an employee of a subsidiary of the Advisor. As the Company is an orphan structure, there is no ultimate controlling party.

#### 15. Charges

The ETC Securities issued by the Company are secured in favour of the Trustee for the benefit of the ETC Security holders by security over the portfolio of precious metals held by the Company and other assets not attributable to the equity holders.

#### 16. Significant Events during the financial period

The Company issued an updated prospectus on 17 May 2022 to reflect the changes in United States selling restrictions, risks related to precious metals, shortage of physical metal, disruption of markets, early redemption events and events of default, EU Anti-Tax Avoidance Directive and EU Anti-Tax Avoidance Directive 2, metal counterparty sections and other Company rules and regulations.

Whilst the Company has no direct exposure to Russian, Belarusian or Ukrainian securities, the Directors acknowledge the situation in Ukraine and its potentially adverse economic impact on the global economy, and the economies of certain nations and companies, which may negatively impact the Company's performance. This is an additional risk factor which could impact the Company's assets. The Directors are actively monitoring developments closely.

LBMA suspended JSC Krastsvetmet (gold and silver), JSC Novosibirsk Refinery (gold and silver), JSC Uralelectromed (gold and silver), Moscow Special Alloys Processing Plant (gold), Prioksky Plant of Non-Ferrous Metals (gold and silver) and Shyolkovsky Factory of Secondary Precious Metals, SOE (gold and silver) refiners, which will no longer be accepted as Good Delivery by the London Bullion market until further notice. However existing material remains as Good Delivery following a suspension or a transfer to the former list. The bars that the Refiner produced while on the list will still be considered as Good Delivery. There has been no substantial impact on the Company's activities arising from the suspension of the refiners.

Other than the above, there were no other significant events during the financial period affecting the Company.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

**17. Subsequent events**

The Directors acknowledge the ongoing situation in Ukraine and its potentially adverse economic impact on the global economy and the economies of certain nations and companies, which may negatively impact the Company's performance. The Directors will continue to actively monitor developments closely.

Other than the above, there were no significant events after the balance sheet date affecting the Company which would require adjustment to or disclosure in the financial statements.

**18. Approval of financial statements**

The financial statements were approved and authorised for issue by the Board of Directors on 25 November 2022.