

**Company registration number: 615140**

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**SMARTETN PUBLIC LIMITED COMPANY**

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DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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## SMARTETN PUBLIC LIMITED COMPANY

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## SMARTETN PUBLIC LIMITED COMPANY

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### COMPANY INFORMATION

<b>DIRECTORS</b>	Antonio De Negri David Kenny Joanne Kenny
<b>COMPANY SECRETARY AND REGISTERED OFFICE</b>	Trustmoore Corporate Secretary (Ireland) Limited 31 – 32 Leeson Street Lower Dublin 2 Ireland
<b>CORPORATE SERVICE PROVIDER</b>	Trustmoore Ireland Ltd 31 – 32 Leeson Street Lower Dublin 2 Ireland
<b>COMPANY PARENT</b>	Cirdan Capital Management Limited 54 Baker Street Marylebone London W1U 7BU United Kingdom
<b>GUARANTOR, DEALER, ARRANGER AND CALCULATION AGENT</b>	Cirdan Capital Management Limited 54 Baker Street Marylebone London W1U 8EQ United Kingdom
<b>INDEPENDENT AUDITORS</b>	Mazars Chartered Accountants and Statutory Audit Firm Harcourt Centre Block 3 Harcourt Road Dublin 2 Ireland
<b>SOLICITORS</b>	Arthur Cox Ten Earlsfort Terrace Dublin 2, D02 T380 Ireland
<b>BANKERS</b>	Citibank N.A., London Branch 33 Canada Square Canary Wharf London E14 5LB United Kingdom  Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom  Interactive Brokers LLC One Pickwick Plaza Greenwich, CT06830 United States  Banca5 S.p.A Office Milano 65 PO box 14284 – 20146 Milano Italy

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## SMARTETN PUBLIC LIMITED COMPANY

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### COMPANY INFORMATION (CONTINUED)

**BANKERS (continued)**

Banca Finnat  
Palazzo Altieri,  
Piazza del Gesu,  
Rome,  
Italy

BFF Bank S.pA  
Via Domenichino 5  
Milan 20149  
Italy

European Depositary Bank SA  
3, Rue Gabriel Lippmann,  
L-5365 Munsbach  
Luxembourg

Railsbank  
1 Snowden St,  
London,  
EC2A 2DQ  
United Kingdom

Smartbank S.p.A  
Via Calabritto,  
20-80121 Napoli,  
Italy

**REGISTRAR**

Citigroup Global Markets Deutschland AG  
Reuterweg 16  
60323 Frankfurt  
Germany

Carmelo Benenti Torlo  
22 Via Mezz'Oncia  
Borgo Lavezzaro  
Novara 28071  
Italy

**LISTING AGENT**

Arthur Cox Listing Services Limited  
Ten Earlsfort Terrace  
Dublin 2, D02 T380  
Ireland

**PRINCIPAL PAYING AGENT,  
EXCHANGE AGENT AND  
TRANSFER AGENT**

Citibank N.A., London Branch  
33 Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

BFF Bank S.p.A. (appointed on 7 January 2022)  
Via Domenichino 5  
Milan 20149  
Italy

**CUSTODIAN**

Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

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## SMARTETN PUBLIC LIMITED COMPANY

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### COMPANY INFORMATION (CONTINUED)

**DERIVATIVES' BROKER**

Interactive Brokers LLC  
One Pickwick Plaza  
Greenwich, CT06830  
United States

**DERIVATIVE COUNTERPARTY**

Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

J.P. Morgan Securities plc.  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

Credit Suisse  
1 Cabot Square  
London  
United Kingdom

Citigroup Global Markets Limited  
Citigroup Centre,  
Canada Square,  
Canary Wharf, London  
E14 5LB  
United Kingdom

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# SMARTETN PUBLIC LIMITED COMPANY

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## DIRECTORS' REPORT

The directors present their report together with the audited financial statements of SmartETN Public Limited Company (the "Company") for the financial period ended 31 December 2022.

### PRINCIPAL ACTIVITIES

The Company was incorporated on 13 November 2017 as a public limited company under Irish company law. The registration number of the Company is 615140. The Company is a direct wholly owned subsidiary of Cirdan Capital Management Limited, an entity incorporated in England and Wales.

The Company's principal activity is to acquire a portfolio of financial instruments financed by the issuance of listed debt obligations (the "Certificates") to investors (the "Certificate holders"). The listed Certificates issued are either listed on the Frankfurt exchange, the Vienna stock exchange or the EuroTLX stock exchange. Refer to note 19 for the detail of Certificates in issuance at the date of the financial statements. The net proceeds from issuance of certain Certificates are used to enter into offsetting financial transactions in such a way as to hedge the exposure of the Company to the future promised returns of the Certificates issued to the minimum extent required. In addition, the Company also maintains an investment portfolio using the proceeds from certain Certificates issued to generate excess returns over the contractual obligations for the benefit of the Arranger. The investment portfolio of financial assets consists primarily of common stocks, equity stock indices, mutual funds stocks, money market funds, stock warrants, debt instruments and unlisted investments. The investment portfolio of financial liabilities of the Company consists of short traded stocks, equity stock indices, mutual funds stocks and stock warrants. During the financial period under review, Certificates may have been cancelled or redeemed. Cancelled refers to Certificates that were fully bought back and subsequently marked-down. A redemption would be an event, whereby a Certificate has either matured, or been autocalled.

The Company fully hedges its exposures on its Certificates and has entered into hedging agreements with Goldman Sachs International ("GSI"), J.P. Morgan Securities plc, Citigroup Global Markets Limited and Credit Suisse International. Interactive Brokers Ltd and its affiliate Interactive Brokers LLC are broker of the Company for derivative and non-derivative financial instruments.

During the financial period, the Company had paying agent service agreements with Citibank N.A. and BFF Bank S.p.A.

### BUSINESS REVIEW

The Directors are satisfied with the trading results of the Company during the financial period. The Company experienced a significant increase in trading activity, with total assets increasing to €362,355,588 (Jan 2022: €227,006,419). As an illustration of this growth, for the 11 months ended 31 December 2022 the Company had issued 136 new Certificates (Jan 22: 116), with the accumulated number of Certificates issued since incorporation being 347 (Jan 22: 211).

The Certificates issued by the Company are not rated.

### FUTURE DEVELOPMENTS

The Company will continue to focus on the issuance of Structured products, exploring new target markets and types of payoffs. This will enable the Company to grow the credibility and reach of the brand and the product, whilst scaling the operations to continue the ability to provide a tailor-made, bespoke service to the clients.

### RESULTS AND DIVIDENDS

The result for the financial period and the Company's Statement of Financial Position as at 31 December 2022 are disclosed on pages 14 and 15 respectively. The accounting profit for the financial period before tax was nil (Jan 2022: nil). The directors do not recommend the payment of a dividend (Jan 2022: nil).

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## SMARTETN PUBLIC LIMITED COMPANY

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### DIRECTORS' REPORT (CONTINUED)

#### RESULTS AND DIVIDENDS (CONTINUED)

The key performance indicators of the Company are as follows:

Key performance indicators	Financial period ended	Financial year ended
	31 December 2022 €	31 January 2022 €
(a) Net gain on financial assets at fair value through profit and loss	4,564,119	1,652,604
(b) Net gain on financial assets at amortised cost	1,958,717	1,820,220
(c) Net gain on certificates issued at fair value through profit and loss	40,879,754	25,735,831
(d) Net (loss) on certificates issued at amortised cost	(293,101)	(1,447,943)
(e) Net (loss)/gain on derivative financial instruments	(18,606,122)	(7,810,560)

#### DIRECTORS AND COMPANY SECRETARY

The directors of the Company are Antonio de Negri, David Kenny and Joanne Kenny. The Company secretary of the Company is Trustmoore Corporate Secretary (Ireland) Limited. The directors of the Company are listed on page 2 and have served for the entire financial period. The directors and company secretary had no material interest in any contract of significance in relation to the business of the Company other than that disclosed below.

The directors of the Company, Joanne Kenny and David Kenny, and company secretary who held office on 31 December 2022 did not hold any shares, debentures or loan stock of the Company or the parent company Cirdan Capital Management Limited on that date or during the financial period. The director of the Company, Antonio De Negri, is also a director and majority shareholder of Cirdan Capital Management Limited during the financial period.

#### SUBSEQUENT EVENTS

Refer to Note 30 of these financial statements for the disclosure of subsequent events.

#### PRINCIPAL RISKS, UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

The disclosures in relation to the Company's policies for financial risk management, including market risk, interest rate risk, price risk, foreign exchange risk, credit risk and liquidity risk and the nature of the instruments used during the financial period to mitigate exposure to these risks are shown in Note 27.

#### POLITICAL DONATIONS

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

#### DIRECTORS' COMPLIANCE STATEMENT

The directors, in accordance with Section 225(2) (a) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance to with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under:

- (a) the Companies Act 2014, where a breach of the obligations would be a category 1 or category 2 offence;
- (b) the Companies Act 2014, where a breach of the obligations would be a serious Market Abuse of Prospectus offence;
- (c) tax law.

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## SMARTETN PUBLIC LIMITED COMPANY

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### DIRECTORS' REPORT (CONTINUED)

#### DIRECTORS' COMPLIANCE STATEMENT (CONTINUED)

Pursuant to Section 225(2) (b) of the Companies Act 2014, the directors confirm that:

- (i) a compliance policy statement has been drawn up as required by Section 225(3) (a) of the Companies Act 2014 setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
- (ii) appropriate arrangements and structures have been put in place that, in their opinion, secure material compliance with the Company's relevant obligations, and
- (iii) a review has been conducted, in respect of the financial period to which the Directors' Compliance Report referred relates, of any arrangements or structures referred to above that have been put in place. The review was carried out after the financial period to which this statement relates as the Directors required the appropriate arrangements and structures to be fully established before a review could be undertaken/completed.

#### DISCLOSURE OF INFORMATION TO AUDITORS

The Board has concluded that there is currently no need for the Company to have a separate audit committee or 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 and the monitoring of the statutory audit and the independence of the statutory auditors. The Company has taken the exemption available for Section 110 Companies set out under Companies Act 2014 S. 1551 SS (11) (c) not to have a separate audit committee.

So far as each of the directors in the office at the date of the approval of the financial statements are aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

#### GOING CONCERN

The Company's financial statements for the financial period ended 31 December 2022 have been prepared on a going concern basis. The directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company liabilities as they fall due. The Company's exposure to liability from its Certificates issues is hedged by entering into equal and opposite asset exposure, which will protect the Company against any capital and market risk, as per Note 27 of these financial statements.

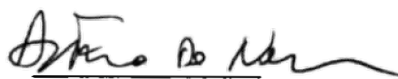
#### ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 – 285 of the Companies Act 2014, are kept by the Company. The measures taken by directors to ensure compliance with the Company's obligation to keep adequate accounting records are by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records of the company are kept at the registered office, 31-32 Leeson Street Lower, Dublin 2, Ireland.

#### INDEPENDENT AUDITORS

Mazars, Chartered Accountants and Statutory Audit Firm have expressed willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

The report was approved by the Board on 08 September 2023 and signed on its behalf by:

  
Antonio De Negri  
Director

  
Joanne Kenny  
Director



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## SMARTETN PUBLIC LIMITED COMPANY

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish Law.

Irish law requires the directors to prepare financial statements for each financial period giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial period and the profit or loss of the Company for the financial period. Under the law the directors have prepared the financial statements in accordance with Irish law and Generally Accepted Accounting Practices in Ireland (accounting standards issued by the Financial Reporting Council, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial period and the profit or loss of the Company for the financial period.

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 the financial statements have been prepared in accordance with the applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue its business.

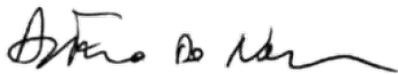
The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

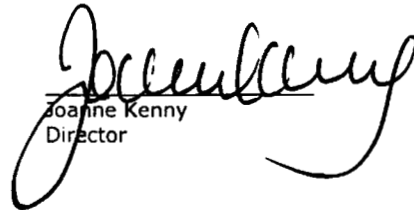
The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

This report was approved by the Board on 08 September 2023 and signed on its behalf by:



Antonio De Negri  
Director



Joanne Kenny  
Director

## **Independent auditor's report to the members of SmartETN Public Limited Company**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of SmartETN Public Limited Company ('the Company'), for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the Company financial statements, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102, *the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council (FRS 102)*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022, and of its result for the period then ended;
- have been properly prepared in accordance with FRS 102 and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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 director's assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- An assessment of the reasonableness of management's going concern assessment including discussions/enquires with management and review of the financial performance and financial position of the Company at the year-end date for indicators of any going concern uncertainties;
- Review of post period activity and post period financial information; and
- Evaluation on the sufficiency of disclosures in the financial statements pertaining to the going concern assessment.

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

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

## **Key audit matters**

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

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

<b>Key audit matter - Valuation of financial instruments at FVTPL</b>	<b>How the matter was addressed</b>
<p>The financial position of the Company depends, to a significant degree, on the valuation of its financial instruments at fair value some of which are based on management judgement and estimation.</p> <p>The Company's financial instruments at fair value comprise investments that are held for proprietary trading purposes and for hedging purposes, certain certificates issued by the Company and derivatives.</p> <p>With the exception of those financial instruments classified as level 3 in the fair value hierarchy we do not consider the valuation of those other financial instruments at fair value to be a significant risk of material misstatement but because of the materiality of these instruments in the context of the financial statements as a whole, we considered valuation of all instruments at fair value as our key audit matter.</p> <p>Refer to Note 2 'Accounting Policies' and notes 15, 19 and 20 (financial disclosures) of the Financial Statements.</p>	<ul style="list-style-type: none"> <li>Supported by our quantitative solutions valuation experts we reviewed the fair value methodologies applied by the Company for reasonableness and assessed compliance with fair value measurement principles;</li> <li>Obtained supporting evidence for the valuation of the Company's investments at fair value through profit and loss and performed independent re-pricing testing where applicable;</li> <li>Recalculated the fair value of the Certificates measured at fair value on a sample basis following assessment as to the appropriateness of the methodology applied;</li> <li>Agreed derivative valuations to independent counterparty confirmation statements;</li> <li>Performed an assessment of the appropriateness of the related disclosures in the financial statements;</li> </ul> <p>Based on testing performed we concluded that the valuations of the Company's financial instruments at fair value to be reasonable.</p>

## **Our application of materiality**

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

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial

statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	€5,435,334
How we determined it	1.5% of total assets
Rationale for benchmark applied	In determining our materiality, we have applied professional judgement and considered those financial metrics, which we believed to be relevant, and concluded that the total assets were the most relevant benchmark. We applied this benchmark because in our view this is the metric against which the recurring performance of the Company is commonly measured by the primary users of the financial statements.
Performance materiality	<p>€3,261,200</p> <p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.</p> <p>Performance materiality was determined by taking into account general factors such as the volume of transactions, the Company's control environment, the assessment of the likelihood of errors and the financial reporting process.</p>
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above €163,060 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Overview of the scope of the audit**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2014**

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

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

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

**Matters on which we are required to report by exception**

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

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

**Respective responsibilities*****Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's responsibilities for the audit of the financial statements***

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

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

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

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

- Obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates;
- Understood the policies and procedures in place on how the Company comply with those frameworks by holding discussions with management;
- Inquired with the management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulation;
- Reviewed minutes of the Board of director meetings; and
- Focused on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements such as Companies Act 2014.

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

- Obtained understanding of the internal controls established within the Company to mitigate risks related to fraud;
- Enquired with those involved in the financial reporting process about inappropriate or unusual activity to the processing of journal entries and other adjustment;
- Confirmed with the management and those charged with governance on whether they had knowledge of any actual, suspected or alleged fraud;
- Discussed amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements;
- Reviewed the appropriateness of journal entries;
- Assessed for any evidence of management bias through judgements and estimates; and
- Reviewed for evidence of any significant one-off or unusual transactions.

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

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](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.

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

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



**Patrick Gorry**

for and on behalf of Mazars  
Chartered Accountants and Statutory Auditor  
Harcourt Centre, Clock 3  
Harcourt Road  
Dublin 2  
Ireland

**Date: 13 September 2023**

# SMARTETN PUBLIC LIMITED COMPANY

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

		Financial period ended 31 December 2022	Financial year ended 31 January 2022
	Notes	€	€
Net gain on financial assets at FVTPL	3	4,564,119	1,652,604
Net gain on debt instruments at amortised cost	4	1,958,717	1,820,220
<b>Net income from financial assets</b>		<b>6,522,836</b>	<b>3,472,824</b>
Net realised (loss) on disposal of short investments at FVTPL	5	-	(781,249)
Net gain on certificates issued at FVTPL	6	40,879,754	25,735,831
Net (loss) on certificates issued at amortised cost	7	(293,101)	(1,447,943)
Net (loss) on derivative financial instruments	8	(18,606,122)	(7,810,560)
Arranger and guarantor fee expense	9	(27,998,184)	(18,332,346)
Administration expenses	10	(461,825)	(821,023)
Other income	11	-	101,006
Other expenses	12	(43,358)	(116,540)
<b>Profit on ordinary activities before taxation</b>		<b>-</b>	<b>-</b>
Corporate tax charge	13	-	-
<b>Profit for the financial period/year</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial period/year</b>		<b>-</b>	<b>-</b>

All amounts relate to continuing operations.

The notes on pages 18 to 46 form an integral part of these financial statements.

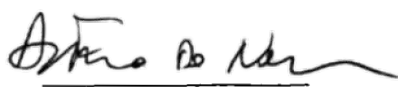
# SMARTETN PUBLIC LIMITED COMPANY

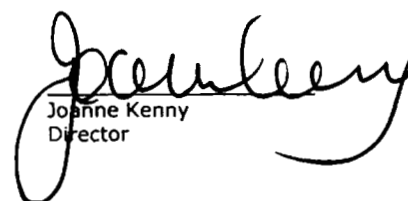
## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	As at 31 December 2022 €	As at 31 January 2022 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets at FVTPL	15	34,029,700	36,931,159
Debt instruments at amortised cost	16	82,103,146	31,377,751
Derivative financial assets	20	7,461,909	21,102,767
		<u>123,594,755</u>	<u>89,411,677</u>
<b>Current assets</b>			
Trade and other receivables	17	113,267,823	92,348,559
Reverse repurchase agreements	18	40,690,000	-
Cash and cash equivalents	14	60,786,472	38,591,089
Unsettled trades receivable	25	21,680,857	6,497,365
Derivative financial assets	20	2,335,681	157,729
		<u>238,760,833</u>	<u>137,594,742</u>
<b>TOTAL ASSETS</b>		<u><b>362,355,588</b></u>	<u><b>227,006,419</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Certificates issued	19	180,486,231	111,577,799
Derivative financial liabilities	20	86,060,086	51,789,606
		<u>266,546,317</u>	<u>163,367,405</u>
<b>Current liabilities</b>			
Certificates issued	19	28,514,247	46,384,260
Interest payable on Certificates	23	135,621	313,018
Trade and other payables	21	8,163,581	14,293,460
Repurchase agreements	22	33,942,935	-
Unsettled trades payable	25	15,990,233	1,027
Derivative financial liabilities	20	9,037,654	2,622,249
		<u>95,784,271</u>	<u>63,614,014</u>
<b>TOTAL LIABILITIES</b>		<u><b>362,330,588</b></u>	<u><b>226,981,419</b></u>
<b>EQUITY</b>			
Called up share capital	24	25,000	25,000
Retained earnings		<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>		<u><b>25,000</b></u>	<u><b>25,000</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>362,355,588</b></u>	<u><b>227,006,419</b></u>

The notes on pages 18 to 46 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 08 September 2023 and signed on its behalf by:

  
Antonio De Negri  
Director

  
Joanne Kenny  
Director



# SMARTETN PUBLIC LIMITED COMPANY

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Called up share capital €	Retained earnings €	Total €
<b>As at 01 February 2021</b>	25,000	-	25,000
Shares issued during the financial year	-	-	-
Total comprehensive income for the financial year	-	-	-
<b>As at 31 January 2022</b>	25,000	-	25,000
Shares issued during the financial period	-	-	-
Total comprehensive income for the financial period	-	-	-
<b>As at 31 December 2022</b>	25,000	-	25,000

The notes on pages 18 to 46 form an integral part of these financial statements.

# SMARTETN PUBLIC LIMITED COMPANY

## STATEMENT OF CASHFLOW FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

		Financial period ended 31 December 2022	Financial year ended 31 January 2022
Cash flow from operating activities	Notes	€	€
Profit for the financial period/year		-	-
Interest on financial assets at FVTPL		2,982,107	265,059
Interest on debt instruments at amortised cost		2,231,543	1,841,682
Interest on certificates issued at FVTPL		(11,375,336)	(13,269,414)
Interest on certificates issued at amortised cost		(1,242,980)	(1,342,723)
Other income		-	101,006
Other expense	12	(43,359)	(116,540)
(Increase) in trade and other receivables		(36,102,756)	(70,154,655)
Administrative expenses	10	(461,825)	(821,023)
Arranger and guarantor fee expense	9	(27,998,184)	(18,211,604)
Increase / (decrease) in trade and other payables		9,681,931	11,988,296
<b>Net cash (used) in operating activities</b>		<b>(62,328,860)</b>	<b>(89,719,916)</b>
<b>Cash flows from investing activities</b>			
Purchase of financial assets at FVTPL	15	(215,423,023)	(247,722,697)
Disposal of financial assets at FVTPL	15	219,906,494	223,208,050
Purchase of debt instruments at amortised cost	16	(67,366,644)	(23,332,511)
Disposal of debt instruments at amortised cost	16	16,368,422	16,383,705
Purchase of short investments at FVTPL		-	(781,249)
Disposal of short investments at FVTPL		-	-
Increase in other short term financial assets	18	(40,690,000)	-
Increase in borrowings	22	33,942,935	-
Net receipts/ (expense) on derivatives financial instruments		33,542,669	26,389,551
<b>Net cash (used) in investing activities</b>		<b>(19,719,147)</b>	<b>(5,855,151)</b>
<b>Cash flows from financing activities</b>			
Redemption of certificates at FVTPL	19	(60,566,744)	(51,143,372)
Issuance of certificates at FVTPL	19	180,933,669	153,228,269
Redemption of certificates at amortised cost	19	(24,962,455)	(12,888,102)
Issuance of certificates at amortised cost	19	8,838,920	21,473,345
<b>Net cash from financing activities</b>		<b>104,243,390</b>	<b>110,670,140</b>
<b>Net increase in cash and cash equivalents</b>		<b>22,195,383</b>	<b>15,095,073</b>
Unrealised foreign exchange gain on cash and cash equivalents		-	(398,008)
Cash and cash equivalents at the beginning of the financial period/year		38,591,089	23,894,024
<b>Cash and cash equivalents at end of financial period/year</b>	14	<b>60,786,472</b>	<b>38,591,089</b>

The notes on pages 18 to 46 form part of these financial statements.

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# SMARTETN PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 1. GENERAL INFORMATION

The Company was incorporated on 13 November 2017, under the laws of Ireland with registration number 615140 and a registered address of 31-32 Leeson Street Lower, Dublin 2, Ireland.

The Company is a direct wholly owned subsidiary of Cirdan Capital Management Limited, an entity incorporated in England and Wales.

The Company is special purpose company with limited liability and qualifies for the regime contained in section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D in respect to taxable profits.

The principal activity of the Company is set out in the directors' report.

### 2. ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2014. The financial statements have been prepared under the historical cost convention, except for certain financial instruments classified at FVTPL, which have been measured at fair value.

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial periods presented, unless otherwise stated.

#### Use of estimates and judgements

The preparation of the financial statements 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by the directors. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and in any future periods affected. In particular the information about the Company's significant estimates is disclosed in Note 27 and these relate to the fair value of the Company's financial instruments measured at fair value.

#### Foreign currency

Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in Euro denoted by the symbol "€" which is the Company's functional and presentational currency. Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the retranslation at the financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

#### Interest income and expense

Interest income on financial assets is recognised on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

Interest expense on financial liabilities is recognised on an accrual basis, as they become due. Certain Certificates may have conditional performance criteria and the interest would only become payable if and when an underlying criteria is met. For Certificates that have a fixed rate interest expense, the expense is accrued accordingly.

Interest expense on Certificates at fair value through profit or loss are recognised in "net gain on financial assets and liabilities at fair value through profit or loss" on the Statement of Comprehensive Income.

Interest expense on Certificates at amortised cost are recognised in "Interest expense on certificates at amortised cost" on the Statement of Comprehensive Income.

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## SMARTETN PUBLIC LIMITED COMPANY

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### Taxation

Current tax represents the sum of the tax payable for the current reporting period. The tax currently payable is based on taxable profit for the financial period calculated in accordance with Irish tax laws. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or subsequently enacted at the reporting period end date.

##### Financial instruments

The financial instruments held by the Company include the following:

- o Cash and cash equivalents
- o Debt investments
- o Long/short equity investments
- o Derivative financial instruments
- o Certificates issued
- o Trade and other payables
- o Trade and other receivables
- o Repurchase Agreements
- o Unsettled trades

The Company has applied the provisions of both Section 11 and Section 12 of FRS 102 in full to account for all its financial instruments.

##### Categorisation

Cash and cash equivalents are measured at amortised cost. Debt instruments which qualify as basic financial instruments under Section 11 of FRS 102 and where the intention is to hold to maturity are measured at amortised cost. Debt instruments which do not qualify as basic financial instruments under Section 11 of FRS 102 are designated at fair value through profit or loss. The Company measures derivative financial instruments at fair value through profit or loss. Certificates which qualify as basic financial instruments under Section 11 of FRS 102 are measured at amortised cost. Long/short equity investments and certain certificates issued are measured at fair value through profit or loss. Long/short equity investments are non-derivative financial assets/liabilities and are quoted in an active market.

##### Recognition and initial measurement

The Company initially recognises all financial assets and liabilities at fair value on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. According to FRS 102, the transaction price represents the best indication of the fair value of a financial instrument unless the fair value of the instrument can be better determined by comparing it with other observable current market transaction involving the same instrument (level 1 instrument) or is based on a valuation provided by the recognised counter party (level 2 instrument). If this is the case, the difference between the transaction price and the fair value is recognised as day-1 profit or loss in the line item "net gain/(loss) on certificates issued at FVTPL.

From debt trade dates, any gains and losses arising from changes in fair value of the financial assets or financial liabilities measured at fair value through profit or loss are recorded through profit or loss in the statement of comprehensive income. Financial assets and financial liabilities not categorised as at fair value through profit or loss are subsequently measured at amortised cost less impairment.

##### Recognition of net gains and losses on financial assets

The net gain / (loss) on financial assets at fair value through profit and loss is recognised in the statement of comprehensive income and is comprised of interest income, dividend income, net realised gain/losses on disposals of such instruments and net unrealised gains/losses due to fair value movements during the year.

The net gain / (loss) on financial assets at amortised cost is recognised in the statement of comprehensive income and is comprised of interest income, net realised gain/losses on disposals of such financial instruments, foreign exchange movements and any impairment provisions/losses (if applicable).

##### Recognition of net gains and losses on financial liabilities

The net gain / (loss) on certificates issued at fair value through profit and loss is recognised in the statement of comprehensive income and is comprised of interest expense, net realised gain/losses on disposals of such instruments and net unrealised gains/losses due to fair value movements during the year.

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## SMARTETN PUBLIC LIMITED COMPANY

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### Financial instruments (continued)

###### Recognition of net gains and losses on financial liabilities (continued)

The net gain / (loss) on certificates issued at amortised cost is recognised in the statement of comprehensive income and is comprised of interest expense, net realised gain/losses on disposals of such financial instruments foreign exchange movements.

###### Recognition of net gains and losses on derivatives

The net gain / (loss) on derivatives is recognised in the statement of comprehensive income and is presented net of interest income/expense, net realised gain/losses on disposals of such instruments and net unrealised gains/losses due to fair value movements during the year.

###### 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 and does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

###### Offsetting

Financial assets and financial 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 set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

###### Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at current bid price.

If there is no quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates factors that market participants would take into account in pricing a transaction.

The Company measures fair values using the following hierarchy:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The fair value of certain certificates issued by the Company is directly linked to the change in the fair value of the respective underlying reference items as specified in the terms and conditions of each relevant Certificate contract. Therefore, the fair value of such certificates is measured by the movement of the fair value of the underlying reference item between the issuance date and at the balance sheet date. The fair value of the underlying reference item is based on quoted market prices observable in an active market or provided by the recognised counterparties to the transactions.

###### Trade and other receivables and payables

The trade and other receivables and payables are initially measured at fair value. They are subsequently re-measured to amortised cost.

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## SMARTETN PUBLIC LIMITED COMPANY

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### Unsettled trades

Unsettled trades include amounts payable for securities purchased and receivables for securities sold that have been contracted for but not yet delivered on the reporting date. They are initially measured at fair value plus any directly attributable incremental costs and subsequently measured at amortised cost.

##### Fair value measurement

The fair value of certain certificates issued by the Company is directly linked to the change in the fair value of the respective underlying reference items as specified in the terms and conditions of each relevant Certificate contract. Therefore, the fair value of such certificates is measured by the movement of the fair value of the underlying reference item between the issuance date and at the balance sheet date. The fair value of the underlying reference item is based on quoted market prices observable in an active market or provided by the recognised counterparties to the transactions.

The fair value of certain certificates issued by the Company is not directly linked to the change in the fair value of the respective underlying reference item as specified in the terms and conditions of each relevant Certificate contract, but rather to a general pool of financial assets that still performs to the minimum extent required. Therefore, the fair value of such certificates is valued by internal valuation techniques.

##### Impairment of debt instruments

The Company reviews whether there is objective evidence that a debt instrument is impaired. Objective evidence that a financial asset is impaired does include data that comes to the attention of the Company about certain loss events including:

- Significant financial difficulty of the borrower;
- A breach of contract, such as default or delinquency in interest or principal payments;
- The Company granting to the borrower, for economic or legal reasons relating to the borrower's
- Financial difficulty, a concession that the lender would not otherwise consider;
- Is becoming probable that the borrower will enter bankrupt or other financial reorganisation;
- The disappearance of an active market for that financial assets because of financial difficulties;
- observable data indicating that there is measurable decrease in the estimated future cash flows
- From a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group.

The Company measures impairment loss as the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

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

Cash and cash equivalents comprise bank balances and bank overdrafts, including short-term highly liquid investments with original maturities of three months or less. Cash equivalents are held at cost plus accrued interest.

#### **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets or from the recognised counterparties to the transaction. Derivatives are included as assets when their fair value is positive and liabilities when their fair value is negative, unless there is the legal ability and intention to settle net. Gains and losses arising from changes in the fair value of derivatives are included in the Statement of Comprehensive Income in the financial period in which they arise. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises profits on day one.

The Company is required to place collateral with the derivatives' broker and the derivative counterparties covering the open derivative positions. The size of the collateral is derived based on the difference between initial and the subsequent fair value of each derivative financial instrument. Derivatives' collateral is held at cost and it included within trade and other receivables.

#### **Share capital**

Ordinary shares are classified as equity as per the Company's Constitution.

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Other income

Other income is recognised in the Statement of Comprehensive Income on an accrual basis. Other income includes issuance fees earned and reimbursement for administration expenses received from Cirdan Capital Management limited.

#### Other expenses

Other expenses are recognised in the Statement of Comprehensive Income on an accrual basis. Other expenses include trade fees paid.

### 3. NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Interest income on financial assets at FVTPL	2,913,452	65,916
Net realised gain / (loss) on disposal of assets at FVTPL	1,285,992	(369,511)
Net unrealised gain on fair value of financial assets at FVTPL	296,019	1,839,430
Dividend income	68,656	116,769
	<u>4,564,119</u>	<u>1,652,604</u>

### 4. NET GAIN ON DEBT INSTRUMENTS AT AMORTISED COST

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Interest income on financial assets at amortised cost	2,106,419	1,799,423
Interest income on cash and cash equivalents	318,321	42,259
Net realised (loss) on disposal of debt instruments at cost	(164)	(380,994)
Net unrealised foreign exchange (loss)/gain	(465,859)	359,532
	<u>1,958,717</u>	<u>1,820,220</u>

### 5. NET (LOSS) ON SHORT INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Net (loss) on short investments at FVTPL	-	(781,249)
	<u>-</u>	<u>(781,249)</u>

### 6. NET GAIN ON CERTIFICATES ISSUED AT FAIR VALUE THROUGH PROFIT AND LOSS

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Interest expense on certificates issued at FVTPL	(10,756,042)	(13,303,365)
Net realised gain on redemption of certificates at FVTPL	6,276,959	6,414,115
Net unrealised gain on fair value of certificates at FVTPL	45,358,837	32,625,081
	<u>40,879,754</u>	<u>25,735,831</u>

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 7. NET (LOSS) ON CERTIFICATES ISSUED AT AMORTISED COST

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Interest expense on certificates issued at amortised cost	430,673	(1,014,746)
Interest expense on cash and cash equivalents	(733,429)	(354,625)
Net realised (loss)/gain on redemption of certificates at cost	9,655	(72,057)
Net unrealised foreign exchange loss	-	(6,515)
	<u>(293,101)</u>	<u>(1,447,943)</u>

### 8. NET (LOSS)/GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2021 €
Net (loss)/gain on derivative financial instruments	<u>(18,606,122)</u>	<u>(7,810,560)</u>
	<u>(18,606,122)</u>	<u>(7,810,560)</u>

The net (loss)/gain on derivative financial instruments at fair value through profit and loss is comprised of realised and unrealised gains / losses as well as interest income and interest expense receivable or payable on those derivatives.

### 9. ARRANGER AND GUARANTOR FEE EXPENSE

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Arranger fees on Actively Managed Certificates (AMC)	(1,895,183)	(1,980,594)
Arranger fees on Structured Products	(23,859,040)	(8,391,829)
Guarantor fees	<u>(2,243,961)</u>	<u>(7,959,923)</u>
	<u>(27,998,184)</u>	<u>(18,332,346)</u>

#### Arranger fees and Guarantor fees

Arranger fees are negotiated for each Series separately. Cirdan Capital Management Ltd is also entitled as Guarantor to receive any excess returns over the contractual obligations of the Certificates. Arranger and Guarantor fees are recognised on the accrual basis and consist of the following:

#### Management Fees

Management fees are calculated using a fixed percentage based on the level of investment asset held in a certificate, charged on Actively Management Certificates (AMC's).

#### Performance Fees

Performance fees are calculated using a fixed percentage based on the performance of an investment asset held in a certificate, compared to a set watermark, charged on Actively Management Certificates (AMC's).

#### Structuring Fees

Structuring fees are calculated using either a fixed percentage of funds received on a Certificate or an agreed amount of fees related to the issuance of a certificate. These would be charged on all structured products, excluding Actively Management Certificates (AMC's).

#### Market Making Fees

Market Making fees are related to the function of the market making, creating a suitable buy and sell transaction at a beneficial level to the Company. The fee could be charged across any Certificate.

The arranger is entitled to receive an arranger fee for each active Series. Arranger fees are negotiated between Cirdan and Certificate holders for each Series separately. The arranger is also entitled to receive any excess returns generated over the contractual obligations of the Certificates.



# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 9. ARRANGER AND GUARANTOR FEE EXPENSE (CONTINUED)

The arranger fees consist of management fees, performance fees, structuring fees and market making fees.

Guarantor expenses consist of surpluses payable to the Guarantor. Surpluses payable will only be paid once such surpluses are realised and after settlement of all the Company's obligations under the terms of the Certificates.

### 10. ADMINISTRATION EXPENSES

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Interactive Brokers' commissions and fees	(391,875)	(631,915)
Bank charges	(50,475)	(124,174)
Other administrative expenses	-	(44,927)
Commissions	(19,475)	(19,932)
Service charges	-	(75)
	<u>(461,825)</u>	<u>(821,023)</u>

The Company has no employees. Accounting services have been outsourced to the Corporate Service Provider. Corporate secretarial services have been outsourced to Trustmoore Corporate Secretary (Ireland) Limited. Joanne Kenny and David Kenny, directors of the Company, are also directors of F.P.R. Trust Corporate Services Limited, which received €20,000 (Jan 2022: €20,000) by way of remuneration for provision of directors' services. The Company does not pay any director fees to Antonio De Negri.

The Mazars audit fee is €93,500 excluding VAT (Jan 2022: €28,000). Tax fees excluding VAT payable to Mazars are €2,500 (Jan 2022: €2,500).

During the year certain expenses, including corporation and administration fees payable to Mazars and directors fees payable to F.P.R. Trust Corporate Services Limited were directly incurred and settled on behalf of the Company by Cirdan Capital Management Limited.

### 11. OTHER INCOME

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Other income	-	101,006
	<u>-</u>	<u>101,006</u>

Other income mainly consists of issuance fees that were received during the financial period.

### 12. OTHER EXPENSES

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Dividend charges	-	(66,394)
Other expenses	-	(37,787)
WHT expenses	(43,358)	(12,359)
	<u>(43,358)</u>	<u>(116,540)</u>

Other expenses mainly consist of trade fees that were paid during the financial period.

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 13. TAXATION

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Corporation tax charge	-	-

The reconciliation between the current tax charge for the financial period and the current charge that would result from applying the standard rate of Irish corporation tax to profits on ordinary activities is explained below:

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax for the financial year at 12.5%	-	-
Effects of:		
Higher rate tax applicable under Section 110 TCA, 1997	-	-
Current tax charge for the financial period/year	-	-

The Company is a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such the profits are chargeable to corporation tax under case III of schedule D at the rate of 25% but are computed in accordance with the provisions applicable to case I of schedule D.

### 14. CASH AND CASH EQUIVALENTS

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Cash and cash equivalents	55,336,823	38,590,082
Money Market Funds	5,449,649	1,007
	60,786,472	38,591,089

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturity of three months or less.

### 15. FINANCIAL ASSETS AT FVTPL

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Balance at the beginning of the financial period/year	36,931,159	17,016,537
Purchases of financial assets at FVTPL	215,423,024	247,723,724
Disposal of financial assets at FVTPL	(219,906,494)	(229,279,021)
Net realised (loss) on disposal of assets at FVTPL	1,285,992	(369,551)
Net unrealised gain on fair value of financial assets at FVTPL	296,019	1,839,430
Balance at the end of the financial period/year	34,029,700	36,931,159

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 15. FINANCIAL ASSETS AT FVTPL (CONTINUED)

The table below classifies financial assets into investments used for hedging exposures and discretionary investments ("Treasury Management trading") following the Company's investment strategy:

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
<b>Financial assets at FVTPL used for hedging exposures</b>		
Financial assets at FVTPL	21,319,584	5,840,320
	<u>21,319,584</u>	<u>5,840,320</u>
<b>Financial assets at FVTPL used for treasury management trading</b>		
Financial assets at FVTPL	12,710,116	31,090,839
	<u>12,710,116</u>	<u>31,090,839</u>

The portfolio of financial assets consists primarily of bonds, common stocks, equity stock indices, mutual funds stocks and stock warrants and securitised assets, denominated in EUR, USD, GBP, CHF and CAD.

### 16. DEBT INSTRUMENTS AT AMORTISED COST

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
<b>Balance at the beginning of the period/year</b>	31,377,751	24,052,399
Purchases of debt instruments at amortised cost	57,401,144	23,332,511
Disposal of debt instruments at amortised cost	(16,368,422)	(16,383,705)
Reclassification to trade and other receivables	9,965,500	-
Net realised gain on disposal of debt instruments at amortised cost	(164)	(380,994)
Net unrealised foreign exchange gain / (loss)	(272,662)	757,540
<b>Balance at the end of the period/year</b>	<u>82,103,146</u>	<u>31,377,751</u>

The whole portfolio of debt instruments at amortised cost is used for treasury management trading.

The portfolio of financial assets consists of debt instruments denominated in EUR. This includes €33,275,791 bonds pledged as collateral. The prior year amount of €9,965,500 has been re-classified from Trade and Other Receivables.

Included in the above debt instruments are investments in passthrough securities issued by Aldburg S.A., a special purpose vehicle incorporated in Luxembourg and arranged by Cirdan Capital Management Limited.

### 17. TRADE AND OTHER RECEIVABLES

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Cash collateral receivable for derivatives futures	672,229	700
Cash collateral for margin calls	121,040,410	85,259,464
Reclassification to debt instruments	(9,965,500)	-
Other receivables	757,911	5,119,216
Receivable from subscriptions to Certificates	762,773	1,969,179
	<u>113,267,823</u>	<u>92,348,559</u>

€9,965,500 of bonds pledged as collateral has been re-classified to Debt Instrument at Amortised Cost.

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 18. REVERSE REPURCHASE AGREEMENTS

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Reverse repurchase agreements	40,690,000	-
	40,690,000	-

Reverse repurchase agreements involve purchases of securities with an agreement to resell substantially identical investments at a fixed price on a certain future date.

During the period, the Company engaged Fourchildren Limited, through a Group Master Repurchase Agreement (GRMA) to accept security of assets, in exchange for funding activities. As at 31 December 2022, the total fair value of the security received was €40,690,000 (2021: Nil), none of which had been resold or repledged. These transactions were conducted under terms that are usual and customary to standard reverse repurchase agreements.

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST

There are two types of Certificates issued by the Company:

#### Index linked Certificate

An index linked Certificate is a structured product whereby the performance of the Certificate is directly linked to the performance of an underlying index. The index could be a fixed composition of underlying assets, or, may have a fluid composition, which is managed (Actively Managed Certificates-‘AMC’) within a pre-set investment mandate based on a treasury management methodology (“Index rules”). The investment objective is to achieve an increase in capital value.

#### Coupon paying Certificate

A coupon paying Certificate is a structured product with a pre-set coupon payoff, payable conditionally on the performance of the underlying assets. The assets are a fixed selection, as set out at issuance, with observation dates pre-defined to observe the value at a given time. Depending on the performance of the underlying assets against the thresholds defined in the issue terms of the Certificate, there may be a coupon payable to the Certificate holder. At maturity the investor will receive the notional amount if the performance of the underlying assets is above the pre-determined thresholds, otherwise the investor will incur a loss.

Certain Certificates’ return, in respect of interest payable and/or redemption amount, is linked to the performance of a reference item such as one or more indices or one or more shares or depository receipts. The satisfaction of the economic obligations in respect of the Certificates is unconditionally and irrevocably guaranteed by Cirdan Capital Management Limited (the “Guarantor”). The obligations of the Guarantor under its guarantee will be direct, unconditional and unsecured obligations of the Guarantor and will rank pari passu with all other unsecured and unsubordinated obligations of the Guarantor. A Certificate holder does not have rights of ownership in the reference item(s).

The value of certain Certificates will move in accordance with the value of the reference item. For Certificates that are capital protected, the redemption value will always be equal to a minimum of the nominal amount per Certificate, of the specified denomination of the Certificate. The redemption amount is guaranteed by the Guarantor.

For all other Certificates, which are not capital protected, if the reference item value on the redemption valuation date is below 100 per cent, the loss will be equal to that of a direct investment in the reference item on the redemption valuation date, subject to a minimum redemption amount of 10 per cent, of the specified denomination of the Certificate. The minimum redemption amount of 10 per cent is guaranteed by the Guarantor.

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
<b>Non-current liabilities</b>		
Certificates issued at FVTPL	180,486,231	94,069,859
Certificates issued at amortised cost	-	17,507,940
	180,486,231	111,577,799

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
<b>Current liabilities</b>		
Certificates issued at FVTPL	9,746,015	28,050,555
Certificates issued at amortised cost	18,768,232	18,333,705
	<u>28,514,247</u>	<u>46,384,260</u>

#### Certificates issued at FVTPL

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
<b>Balance at the beginning of the financial period/ year</b>	(122,120,414)	(54,814,481)
Subscriptions of Certificates issued at FVTPL	(180,933,669)	(155,193,611)
Redemption of Certificates issued at FVTPL	60,566,744	48,848,482
Reclassification	-	-
Net realised gain on redemption of Certificates issued at FVTPL	6,196,297	6,414,115
Net unrealised gain on fair value of Certificates issued at FVTPL	46,058,796	32,625,081
<b>Balance at the end of the financial period/year</b>	<u>(190,232,246)</u>	<u>(122,120,414)</u>

#### Certificates issued at amortised cost

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
<b>Balance at the beginning of the financial period/year</b>	(35,841,645)	(27,147,345)
Reclassification	-	-
Subscriptions of Certificates issued at amortised cost	(8,838,920)	(21,477,182)
Redemption of Certificates issued at amortised cost	24,962,455	12,888,102
Net realised (loss)/gain on redemption of Certificates issued at amortised cost	13,639	(72,057)
Amortisation premium/discount of certificates	935,023	(26,648)
Net unrealised foreign exchange (loss)	1,216	(6,515)
<b>Balance at the end of the financial period/year</b>	<u>(18,768,232)</u>	<u>(35,841,645)</u>

Reclassification relates to a change in presentation of Certificates disclosed in the prior year financial statements.

All Certificates are listed, other than Series 2020-37 and 2021-98. The Certificates are listed on the Frankfurt Stock Exchange, the EuroTLX Stock Exchange and the Vienna Stock Exchange (Third Market). The nature of the markets on which the Certificates are listed are Multi-Lateral Trading Facilities exchanges, MTF.

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

#### Certificates issued at fair value through Profit and Loss

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2018-06	USD	06/09/2022	3,036,250	Cancelled	-	-
2018-07	EUR	31/08/2022	5,335,289	1,943,277	-	2,534,524
2018-08	EUR	31/08/2022	5,000,000	Cancelled	-	-
2018-10	EUR	14/09/2022	5,000,000	Cancelled	-	-
2019-02	EUR	18/02/2022	6,000,000	4,498,725	-	5,770,367
2019-03	USD	07/03/2023	0,000,000	Redeemed	-	-
2019-06	EUR	N/A	35,000,000	8,621,000	-	-
2019-07	EUR	25/07/2024	4,000,000	Cancelled	-	-
2019-09	USD	21/08/2029	5,000,000	2,480,000	1,529,132	1,589,793
2019-10	USD	21/08/2029	5,000,000	38,000	89,876	87,809
2019-13	EUR	14/10/2024	5,000,000	1,009,000	-	995,895
2019-14	EUR	23/10/2024	10,000,000	Cancelled	-	-
2019-17	USD	20/11/2024	5,000,000	421,000	392,035	466,773
2019-19	EUR	27/12/2023	8,000,000	400,000	138,196	410,514
2019-20	EUR	27/12/2023	3,000,000	605,000	771,834	769,084
2020-01	EUR	25/02/2025	3,000,000	Cancelled	-	-
2020-03	USD	24/03/2025	5,000,000	741,000	-	890,092
2020-04	USD	24/03/2025	5,000,000	,000	-	586,386
2020-05	EUR	17/04/2025	5,000,000	60,200	105,825	95,874
2020-06	EUR	12/05/2025	5,000,000	290,000	13,984	280,796
2020-09	EUR	12/06/2023	10,000,000	4,761,000	5,901,726	6,690,824
2020-10	USD	23/08/2025	10,000,000	6,922,000	4,762,782	6,271,187
2020-11	EUR	22/08/2022	5,000,000	386,000	-	60,331
2020-13	EUR	14/08/2025	2,000,000	1,074,000	1,306,803	1,210,957
2020-14	EUR	01/09/2025	5,000,000	1,475,000	643,779	1,587,794
2020-16	EUR	25/09/2025	10,000,000	1,641,000	1,521,289	1,656,246
2020-17	EUR	01/10/2025	3,000,000	500,000	454,064	489,320
2020-20	EUR	26/10/2022	3,000,000	Redeemed	-	-
2020-22	EUR	31/10/2025	3,000,000	Cancelled	-	-
2020-23	EUR	20/11/2023	3,000,000	263,000	5,151	249,378
2020-24	EUR	23/11/2022	2,000,000	151,000	-	83,337
2020-25	EUR	17/11/2025	5,000,000	1,000	-	861

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

#### Certificates issued at fair value through Profit and Loss (continued)

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2020-26	EUR	17/11/2025	5,000,000	13,000	12,562	13,634
2020-27	EUR	17/11/2025	5,000,000	13,000	12,747	17,113
2020-28	EUR	17/11/2025	5,000,000	23,000	16,668	26,054
2020-29	EUR	17/11/2025	5,000,000	38,000	36,968	41,392
2020-30	USD	11/05/2022	5,000,000	1,017,000	-	899,312
2020-31	EUR	14/12/2021	3,000,000	Redeemed	-	-
2020-33	EUR	16/06/2022	15,000,000	9,912,000	-	9,340,078
2020-35	EUR	17/12/2024	5,000,000	1,280,000	288,165	542,081
2020-36	EUR	27/12/2024	1,750,000	963,480	2,733	2,753
2020-37	EUR	02/01/2026	3,000,000	480,000	82,710	82,944
2020-38	EUR	06/01/2025	3,500,000	328,125	829	938
2021-01	EUR	08/01/2026	10,000,000	1,706,000	1,008,582	1,486,983
2021-02	EUR	05/02/2025	2,850,000	1,242,866	3,239	3,271
2021-03	EUR	30/01/2024	3,000,000	977,000	873,398	804,366
2021-04	EUR	16/12/2025	10,000,000	812,000	1,151,756	715,080
2021-05	EUR	26/03/2026	10,000,000	60,000	433,083	56,951
2021-06	EUR	20/02/2025	3,000,000	935,000	324,429	812,702
2021-07	EUR	26/02/2025	1,900,000	161,500	-	8,927
2021-08	EUR	25/08/2022	3,000,000	551,000	-	180,619
2021-09	EUR	31/08/2022	3,000,000	Cancelled	-	-
2021-10	EUR	13/03/2025	3,000,000	220,000	68,110	116,777
2021-11	EUR	13/03/2025	3,000,000	492,000	358,904	410,182
2021-12	EUR	10/03/2026	10,000,000	6,518,000	6,173,401	4,905,839
2021-13	EUR	24/03/2025	1,950,000	50,700	520	7,085
2021-14	EUR	16/03/2026	5,000,000	7,000	1,520	5,827
2021-15	EUR	25/03/2025	5,000,000	309,000	118,803	226,282
2021-16	EUR	30/09/2022	5,000,000	398,000	-	158,047
2021-17	EUR	01/04/2025	5,000,000	1,245,000	-	1,215,619
2021-18	USD	25/03/2026	10,000,000	Redeemed	-	-
2021-19	EUR	31/03/2025	1,950,000	681,642	243,818	21,148
2021-20	EUR	09/04/2026	10,000,000	2,254,000	3,971,000	2,196,953
2021-21	EUR	09/04/2026	10,000,000	1,323,000	-	1,117,089
2021-22	EUR	29/04/2026	13,000,000	10,749,000	221,014	2,101,431
2021-23	EUR	04/05/2026	10,000,000	760,000	677,092	740,287
2021-25	EUR	22/04/2026	5,000,000	2,662,000	1,562,846	2,459,476
2021-26	EUR	06/05/2026	10,000,000	9,433,000	892,581	1,085,739
2021-28	EUR	30/04/2025	3,000,000	748,000	-	573,343
2021-29	EUR	28/04/2026	3,000,000	613,000	616,968	580,022
2021-30	EUR	13/05/2026	10,000,000	3,719,000	3,418,516	3,647,038
2021-31	EUR	21/05/2026	10,000,000	4,561,000	67,963	2,138,197
2021-32	EUR	06/12/2022	3,000,000	Redeemed	-	-
2021-33	EUR	18/05/2026	10,000,000	Redeemed	-	-
2021-34	EUR	27/05/2026	5,000,000	39,000	100,573	90,012
2021-35	EUR	10/06/2026	3,000,000	396,000	65,600	166,083
2021-36	EUR	30/06/2026	3,000,000	1,353,000	197,074	443,108
2021-37	EUR	03/06/2026	3,000,000	64,000	12,172	34,079
2021-38	EUR	23/06/2026	3,000,000	768,000	21,481	202,215
2021-39	EUR	26/06/2025	3,000,000	1,112,000	92,407	264,880
2021-40	EUR	30/06/2026	5,000,000	1,072,000	810,553	1,050,904
2021-41	EUR	15/07/2025	6,000,000	2,872,000	1,610,697	2,109,199
2021-42	EUR	15/07/2025	5,000,000	3,091,000	1,229,771	1,986,896
2021-43	EUR	28/07/2026	3,000,000	543,000	66,042	199,337
2021-44	EUR	27/01/2023	10,000,000	242,000	19,979	60,717
2021-46	EUR	06/08/2026	15,000,000	6,562,000	9,070,356	5,783,879
2021-47	EUR	13/08/2024	3,000,000	304,000	51,547	112,208
2021-48	EUR	20/08/2025	4,000,000	782,000	-	308,344
2021-49	EUR	18/08/2027	3,000,000	953,000	1,267,258	872,817

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

#### Certificates issued at fair value through Profit and Loss (continued)

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2021-50	EUR	01/09/2026	10,000,000	1,377,000	1,347,469	1,245,773
2021-51	EUR	26/08/2025	3,000,000	218,000	10,486	51,797
2021-52	EUR	29/08/2023	10,000,000	580,000	100,337	283,794
2021-53	EUR	16/09/2026	3,000,000	2,027,000	782,310	775,328
2021-54	EUR	22/09/2026	3,000,000	911,000	-	792,478
2021-55	EUR	21/03/2023	3,000,000	646,000	18,933	183,529
2021-56	EUR	23/09/2026	3,000,000	534,000	86,279	350,357
2021-57	EUR	01/10/2025	5,000,000	2,786,000	4,011,947	2,664,530
2021-58	EUR	03/04/2023	10,000,000	1,036,000	25,351	161,926
2021-59	EUR	12/10/2026	5,000,000	404,000	1,666,415	399,370
2021-60	EUR	05/10/2026	5,000,000	2,245,000	2,184,216	-
2021-61	EUR	21/10/2025	5,000,000	1,235,000	84,552	429,286
2021-62	EUR	09/10/2025	10,000,000	8,065,000	-	983,124
2021-63	EUR	08/10/2026	5,000,000	30,000	176,663	28,921
2021-65	EUR	08/10/2026	5,000,000	237,000	1,453,562	202,272
2021-66	EUR	08/10/2026	5,000,000	80,000	249,766	82,853
2021-67	EUR	08/10/2026	5,000,000	12,000	8,707	12,144
2021-68	EUR	08/10/2026	5,000,000	120,000	4,329,878	124,772
2021-69	EUR	13/10/2026	5,000,000	489,000	25,680	485,626
2021-70	EUR	29/10/2025	5,000,000	883,000	89,968	205,298
2021-71	EUR	17/11/2025	1,600,000	358,800	77,819	73,554
2021-72	EUR	04/11/2025	3,000,000	760,000	5,928	170,848
2021-73	EUR	11/11/2025	3,000,000	799,000	106,637	297,308
2021-74	EUR	24/11/2025	900,000	298,575	225,526	15,924
2021-75	EUR	24/11/2025	900,000	204,975	205,886	21,864
2021-76	EUR	16/11/2026	3,000,000	299,000	287,931	244,911
2021-77	EUR	18/11/2025	5,000,000	305,000	65,736	42,700
2021-78	EUR	18/11/2026	5,000,000	317,000	15,350	44,697
2021-79	EUR	21/11/2023	3,000,000	643,000	127,650	208,653
2021-80	EUR	27/11/2026	3,000,000	505,000	-	54,742
2021-81	EUR	27/11/2025	5,000,000	912,000	601,801	623,717
2021-82	EUR	07/12/2026	2,000,000	307,000	845,440	259,323
2021-83	EUR	12/06/2023	3,000,000	300,000	36,210	196,590
2021-84	EUR	02/12/2026	2,000,000	500,000	-	75,700
2021-85	EUR	08/12/2025	2,000,000	520,000	-	441,116
2021-86	EUR	09/12/2025	3,000,000	188,000	88,451	115,339
2021-87	EUR	31/12/2025	3,000,000	507,000	44,627	175,270
2021-88	EUR	18/12/2025	2,000,000	510,000	63,124	161,211
2021-89	EUR	23/12/2024	1,500,000	485,000	22,159	215,922
2021-90	EUR	22/06/2023	5,000,000	22,000	3,056	15,714
2021-91	EUR	23/12/2026	3,000,000	1,771,000	4,808,940	1,556,709
2021-92	EUR	28/12/2023	1,500,000	250,000	23,725	120,850
2021-93	EUR	23/12/2026	5,000,000	2,973,000	9,701,096	2,697,997
2021-94	EUR	03/01/2024	3,000,000	250,000	34,275	134,175
2021-95	EUR	30/12/2026	3,000,000	467,000	680,029	429,826
2021-98	EUR	31/12/2023	120,080	120,080	-	8,740
2022-01	EUR	11/01/2028	3,000,000	324,000	1,377,363	302,043
2022-02	EUR	12/01/2027	3,000,000	754,000	1,029,003	672,395
2022-03	EUR	19/01/2027	3,000,000	61,000	35,347	38,454
2022-04	EUR	19/01/2027	3,000,000	14,000	74,893	10,235
2022-05	EUR	20/01/2026	1,500,000	368,000	282,482	256,054
2022-06	EUR	25/01/2027	7,000,000	517,000	3,920,115	514,415
2022-07	EUR	29/01/2025	3,000,000	371,000	135,980	301,622
2022-08	EUR	27/01/2027	5,000,000	2,518,000	8,323,610	2,100,767
2022-09	EUR	05/02/2024	3,000,000	788,000	1,046,986	721,729
2022-10	EUR	04/02/2027	5,000,000	85,000	66,054	-
2022-11	EUR	04/02/2026	5,000,000	113,000	105,915	-
2022-12	EUR	04/02/2026	5,000,000	35,000	266,594	31,598
2022-13	EUR	05/02/2026	3,000,000	224,000	61,398	-
2022-14	EUR	10/02/2026	1,000,000	240,000	83,664	-
2022-15	EUR	12/02/2024	3,000,000	270,000	64,233	-
2022-16	EUR	25/02/2027	5,000,000	308,000	103,026	-
2022-17	EUR	20/02/2024	2,000,000	241,000	31,234	-



# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

#### Certificates issued at fair value through Profit and Loss (continued)

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2022-18	EUR	30/08/2032	10,800,000	10,800,000	8,000	-
2022-19	EUR	18/02/2026	1,000,000	150,000	35,760	-
2022-20	EUR	18/02/2026	1,000,000	457,000	148,799	-
2022-21	EUR	24/02/2027	15,000,000	11,513,000	5,289,072	-
2022-23	EUR	16/03/2027	3,000,000	283,000	179,847	-
2022-24	EUR	07/03/2025	3,000,000	1,831,000	1,735,788	-
2022-25	EUR	08/03/2027	2,000,000	372,000	295,182	-
2022-27	EUR	31/03/2026	3,000,000	327,000	115,823	-
2022-28	EUR	17/05/2027	15,000,000	3,102,000	2,939,854	-
2022-29	USD	24/02/2023	1,000,000	250,000	49,500	-
2022-30	USD	24/02/2023	1,000,000	250,000	98,497	-
2022-31	USD	24/03/2023	1,000,000	250,000	65,248	-
2022-32	USD	24/02/2023	1,000,000	250,000	60,067	-
2022-33	EUR	12/04/2027	3,000,000	1,529,000	1,111,108	-
2022-35	EUR	02/04/2027	3,000,000	49,000	34,206	-
2022-36	EUR	31/03/2026	3,000,000	262,000	197,286	-
2022-38	EUR	02/04/2026	10,000,000	762,000	660,730	-
2022-39	EUR	06/04/2023	3,000,000	13,000	12,857	-
2022-40	EUR	14/04/2026	3,000,000	42,000	21,596	-
2022-41	EUR	16/04/2027	5,000,000	74,000	65,053	-
2022-42	EUR	12/04/2027	5,000,000	54,000	45,684	-
2022-43	EUR	28/10/2025	3,000,000	824,000	453,942	-
2022-44	EUR	28/04/2027	3,000,000	391,000	317,648	-
2022-45	EUR	05/05/2027	3,000,000	885,000	618,704	-
2022-46	EUR	04/05/2027	5,000,000	13,000	1,205	-
2022-47	EUR	04/05/2027	10,000,000	4,324,000	2,516,568	-
2022-48	EUR	04/05/2027	5,000,000	1,194,000	953,409	-
2022-49	EUR	07/05/2025	2,000,000	23,000	15,934	-
2022-50	EUR	10/06/2027	3,000,000	193,000	151,544	-
2022-51	EUR	26/05/2026	1,000,000	337,000	255,918	-
2022-52	EUR	11/05/2027	5,000,000	4,470,000	2,110,734	-
2022-53	EUR	12/05/2025	1,500,000	85,000	70,006	-
2022-55	EUR	20/05/2027	1,500,000	578,000	448,412	-
2022-56	EUR	20/05/2027	1,500,000	299,000	250,622	-
2022-57	EUR	11/05/2032	10,000,000	2,991,000	2,647,741	-
2022-58	EUR	11/07/2024	20,000,000	12,673,000	12,736,060	-
2022-59	EUR	31/05/2027	3,000,000	268,000	222,796	-
2022-61	EUR	27/07/2026	1,475,000	951,021	406,199	-
2022-62	EUR	26/05/2026	3,000,000	2,205,000	2,111,949	-
2022-63	EUR	15/06/2026	3,000,000	242,000	207,563	-
2022-64	EUR	11/06/2027	3,000,000	404,000	341,038	-
2022-65	EUR	23/06/2025	5,000,000	67,000	10,238	-
2022-66	EUR	23/12/2025	5,000,000	75,000	20,670	-
2022-67	EUR	23/06/2032	10,000,000	478,000	469,872	-
2022-68	EUR	03/07/2028	3,000,000	188,000	173,688	-
2022-69	EUR	29/06/2027	10,000,000	4,099,000	3,960,864	-
2022-70	EUR	29/06/2027	10,000,000	3,369,000	3,140,919	-
2022-71	EUR	01/07/2027	3,000,000	487,000	325,219	-
2022-72	EUR	30/06/2026	3,000,000	1,000,000	533,700	-
2022-73	EUR	17/07/2028	3,000,000	446,000	378,739	-
2022-74	EUR	21/07/2026	1,000,000	395,000	378,766	-
2022-75	EUR	12/07/2027	10,000,000	281,000	262,982	-
2022-76	EUR	07/09/2027	3,000,000	381,000	292,418	-
2022-77	EUR	08/09/2026	740,000	341,140	82,980	-
2022-78	EUR	15/07/2027	2,310,000	361,130	305,929	-
2022-79	EUR	26/07/2027	10,000,000	812,000	774,550	-

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

#### Certificates issued at fair value through Profit and Loss (continued)

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2022-80	EUR	23/07/2027	1,050,000	549,500	201,745	-
2022-81	EUR	27/07/2027	930,000	11,160	4,478	-
2022-82	EUR	27/07/2026	1,825,000	474,500	139,425	-
2022-84	EUR	04/08/2023	5,000,000	56,000	44,386	-
2022-85	EUR	03/08/2027	1,400,000	307,300	295,052	-
2022-86	EUR	30/07/2026	3,000,000	513,000	481,964	-
2022-88	EUR	08/10/2026	2,430,000	92,340	96,535	-
2022-89	EUR	22/08/2023	5,000,000	172,000	135,278	-
2022-90	EUR	24/08/2027	10,000,000	2,986,000	1,853,410	-
2022-91	USD	13/09/2028	5,000,000	2,765,000	1,906,445	-
2022-92	EUR	11/09/2024	440,000	58,740	37,060	-
2022-93	EUR	25/08/2027	1,430,000	245,245	244,902	-
2022-94	EUR	01/10/2027	20,000,000	215,000	226,424	-
2022-95	EUR	07/09/2032	10,000,000	2,640,000	2,620,950	-
2022-96	EUR	15/09/2023	5,000,000	512,000	408,364	-
2022-97	EUR	27/09/2027	3,000,000	301,000	261,027	-
2022-98	EUR	16/09/2026	2,000,000	55,000	48,364	-
2022-99	EUR	16/09/2026	2,000,000	404,000	374,744	-
2022-100	EUR	21/09/2027	3,000,000	1,265,000	1,056,157	-
2022-101	EUR	23/11/2026	1,450,000	570,865	427,102	-
2022-103	EUR	06/10/2025	3,000,000	154,000	126,544	-
2022-104	EUR	11/11/2026	3,000,000	231,000	205,467	-
2022-105	EUR	13/10/2025	3,000,000	37,000	24,606	-
2022-106	EUR	04/10/2023	3,000,000	769,000	744,927	-
2022-107	EUR	06/10/2027	2,000,000	787,000	572,621	-
2022-108	EUR	12/10/2027	10,000,000	461,000	354,449	-
2022-109	EUR	03/11/2026	3,000,000	346,000	280,917	-
2022-110	EUR	04/10/2025	5,000,000	1,127,000	965,726	-
2022-111	EUR	15/04/2024	10,000,000	20,000	20,803	-
2022-112	EUR	10/11/2027	10,000,000	860,000	547,824	-
2022-113	EUR	21/10/2024	2,000,000	151,000	136,938	-
2022-114	USD	20/10/2023	900,000	460,000	2,415	-
2022-115	EUR	10/11/2027	3,000,000	346,000	197,790	-
2022-116	EUR	23/11/2027	3,000,000	346,000	446,938	-
2022-117	EUR	09/11/2027	4,000,000	346,000	195,938	-
2022-118	EUR	18/11/2027	2,000,000	346,000	157,182	-
2022-119	EUR	09/11/2027	3,000,000	346,000	269,218	-
2022-120	EUR	11/11/2025	5,000,000	346,000	331,839	-
2022-121	EUR	18/11/2027	3,000,000	346,000	373,283	-
2022-122	EUR	13/12/2027	2,000,000	346,000	493,450	-
2022-123	EUR	23/11/2032	3,000,000	346,000	716,221	-
2022-124	EUR	08/11/2023	3,000,000	346,000	269,815	-
2022-125	EUR	23/11/2027	2,000,000	346,000	219,186	-
2022-126	EUR	15/12/2026	2,000,000	346,000	292,566	-
2022-127	EUR	25/11/2024	3,000,000	346,000	226,542	-
2022-128	EUR	08/12/2026	3,000,000	346,000	42,512	-
2022-129	EUR	01/12/2025	2,000,000	346,000	172,906	-
2022-130	EUR	30/05/2024	10,000,000	500,000	500,000	-
2022-131	USD	02/12/2026	400,000	100,000	210,951	-
2022-132	EUR	08/12/2026	3,000,000	599,000	561,802	-
2022-133	USD	07/06/2024	440,000	189,200	37,412	-
2022-135	EUR	15/12/2025	3,000,000	16,000	13,964	-
2022-136	EUR	12/12/2024	3,000,000	1,023,000	934,798	-
2022-137	EUR	29/12/2027	6,000,000	156,000	132,646	-
2022-138	EUR	16/12/2025	2,000,000	600,000	539,700	-
2022-139	EUR	20/12/2027	3,000,000	164,000	133,211	-

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 19. CERTIFICATES ISSUED AT FVTPL AND AT COST (CONTINUED)

#### Certificates issued at fair value through Profit and Loss (continued)

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2022-140	EUR	21/12/2027	-	7,800	6,498	-
2022-141	EUR	22/12/2026	4,000,000	290,000	201,637	-
2022-143	USD	27/12/2027	3,000,000	152,000	130,379	-
2022-144	CHF	28/12/2023	2,000,000	600,000	521,077	-
2022-145	EUR	27/12/2027	-	500,000	367,870	-
R2018-01	EUR	12/10/2021	2,000,000	1,975,100	1,305,952	2,340,863
R2018-02	EUR	12/10/2021	1,000,000	693,278	518,251	798,731
R2018-03	EUR	12/10/2021	1,000,000	419,336	306,443	432,856
R2018-04	EUR	12/10/2021	1,000,000	358,234	254,584	376,725
R2018-05	EUR	12/10/2021	1,000,000	648,812	432,069	662,915
R2018-06	GBP	12/10/2021	1,000,000	19,353	-	-
R2018-07	GBP	12/10/2021	1,000,000	4,191	-	-
R2018-08	GBP	12/10/2021	1,000,000	2,401	-	-
R2018-09	GBP	12/10/2021	1,000,000	5,410	-	-
R2019-02	GBP	08/05/2023	1,000,000	Available	-	-
R2019-03	EUR	03/06/2022	3,000,000	656,072	161,366	312,254
R2019-04	EUR	13/06/2022	2,000,000	709,282	733,951	857,716
R2020-01	GBP	N/A	823,845	-	-	-
R2020-02	EUR	27/03/2024	3,000,000	2,127,704	1,391,901	1,850,779
R2020-03	EUR	21/05/2025	2,000,000	288,489	276,262	384,442
R2020-04	EUR	26/06/2025	2,000,000	337,641	259,566	411,018
R2020-05	EUR	24/07/2025	1,000,000	Available	-	-
R2020-06	EUR	31/07/2025	3,000,000	841,120	526,068	812,827
R2020-07	EUR	31/07/2025	1,000,000	435,374	336,635	408,241
R2020-08	EUR	28/09/2025	1,000,000	149,701	110,644	141,978
R2020-09	EUR	09/10/2025	1,000,000	85,919	53,513	98,792
R2020-10	EUR	15/09/2025	1,000,000	261,862	212,353	270,392
R2020-11	EUR	15/09/2025	1,000,000	149,029	99,283	141,295
R2020-17	EUR	15/12/2025	2,000,000	876,464	337,093	640,976
R2021-01	EUR	15/01/2026	1,000,000	267,194	182,621	242,051
R2021-02	EUR	29/01/2026	1,000,000	481,758	229,349	427,812
R2021-03	EUR	29/01/2026	1,000,000	323,676	196,981	382,294
R2021-04	EUR	29/01/2026	1,000,000	538,566	179,247	565,477
R2021-05	EUR	29/01/2026	1,000,000	198,419	128,359	152,139
R2021-06	EUR	01/03/2026	1,000,000	363,009	190,260	364,548
R2021-07	EUR	01/03/2026	1,000,000	207,096	146,045	213,995
R2021-08	EUR	01/03/2026	1,000,000	276,293	53,842	172,035
R2021-09	EUR	09/03/2026	3,000,000	869,096	321,140	636,974
					190,232,246	122,120,414

#### Certificates issued at amortised cost

Series	Currency	Maturity	Issued Amount CCY	Subscribed Amount CCY	Carrying Value as at 31 December 2022 €	Carrying Value as at 31 January 2022 €
2019-06	EUR	11/07/2022	35,000,000	18,256,000	Cancelled	18,333,705
R2019-01	EUR	08/05/2023	9,000,000	3,718,385	Cancelled	3,718,390
R2020-01	GBP	04/03/2024	1,000,000	16,179	Cancelled	19,455
2020-12	EUR	14/08/2023	20,000,000	12,720,000	17,194,258	12,802,457
R2019-1	EUR	08/05/2023	8,524,260	1,490,774	1,573,974	-
R2020-16	EUR	04/12/2023	2,000,000	967,640	-	967,638
					18,768,232	35,841,645

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 20. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of the derivative financial instruments is based on prices from the Derivatives' Brokers, Interactive Brokers LLC ("IB") and the Derivative Counterparties, Goldman Sachs International ("GSI") and J.P. Morgan Securities plc. ("JPM") and are considered level one and level two valuations. Derivative financial instruments are used to hedge the return on certain Certificates issued.

Based on the fair values provided by the Derivatives' Brokers and the Derivative Counterparties, the following derivative financial instruments are classified as assets as at 31 December 2022:

	As at 31 December 2022	As at 31 January 2022
<b>Non – Current Assets</b>		
<b>Instrument type</b>	<b>€</b>	<b>€</b>
Equity and index options	-	-
Options on futures	6,448,114	2,999,921
Futures	-	5,988,676
CFDs	129	870,999
Equity linked swaps	172,843	2,388,853
Stock warrants	-	5,241
Credit default index	-	8,801,732
Synthetics	840,823	-
Credit Derivative	-	47,345
	<b>7,461,909</b>	<b>21,102,767</b>

	As at 31 December 2022	As at 31 January 2022
<b>Current Assets</b>		
<b>Instrument type</b>	<b>€</b>	<b>€</b>
Synthetics	1,762,221	-
Options	100,263	-
Equity linked swaps	10,311	-
Warrants	65,585	-
CFDs	397,301	157,729
	<b>2,335,681</b>	<b>157,729</b>

Based on the fair values provided by the Derivatives' Brokers and the Derivative Counterparties, the following derivative financial instruments are classified as liabilities as at 31 December 2022:

	As at 31 December 2022	As at 31 January 2022
<b>Non – Current Liabilities</b>		
<b>Instrument type</b>	<b>€</b>	<b>€</b>
Options	(6,345,451)	(2,436,497)
Commodities	-	(886,098)
CFDs	(263)	(59,892)
Equity linked swaps	(79,714,372)	(44,952,897)
Warrants	-	(147,220)
Futures	-	(7,298)
Synthetics	-	(3,299,704)
	<b>(86,060,086)</b>	<b>(51,789,606)</b>

Based on the fair values provided by the Derivatives' Broker, the following derivative financial instruments are classified as liabilities as at 31 December 2022:

	As at 31 December 2022	As at 31 January 2022
<b>Current Liabilities</b>		
<b>Instrument type</b>	<b>€</b>	<b>€</b>
Synthetics	(3,961,002)	-
CFDs	(96,807)	(7,936)
Warrants	(2,328)	-
Equity linked swaps	(4,835,602)	(2,483,906)
Equity and index options	(141,915)	(130,407)
	<b>(9,037,654)</b>	<b>(2,622,249)</b>

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 21. TRADE AND OTHER PAYABLES

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Cash Collateral payable for derivatives	-	(5,988,676)
Guarantor amount payable	(6,416,316)	(4,172,356)
Other payables	(1,698,183)	(3,893,412)
Administration expenses payable	(49,050)	(229,010)
Other accruals – Interactive Brokers	(32)	(10,006)
	<u>(8,163,581)</u>	<u>(14,293,460)</u>

All accrued expenses are due within one year.

### 22. REPURCHASE AGREEMENTS

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Repurchase agreements	<u>(33,942,935)</u>	<u>-</u>

Securities sold under agreements to repurchase involves sales of securities with agreements to repurchase substantially identical investments at a fixed price on a certain future date.

During the period, the Company engaged J.P. Morgan Securities PLC, through a Global Master Repurchase Agreement (GRMA), to allow the sale of assets as security in exchange for receipt of capital. As at 31 December 2022, the Company had pledged collateral/ securities with a fair value of €43,697,426 (2021: Nil). These transactions were conducted under the normal market agreements for standard repurchase transactions.

### 23. INTEREST PAYABLE ON CERTIFICATES

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
Interest payable on Certificates	<u>(135,621)</u>	<u>(313,018)</u>

### 24. CALLED UP SHARE CAPITAL

	Financial period ended 31 December 2022	Financial year ended 31 January 2022
	€	€
<b>Authorised</b>		
25,000 ordinary shares of €1 each	<u>25,000</u>	<u>25,000</u>
<b>Allotted, called up and unpaid</b>		
25,000 ordinary shares of €1 each	<u>25,000</u>	<u>25,000</u>

The Company issued its shares to one shareholder. 25,000 shares are held by Cirdan Capital Management Limited (England and Wales).

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## SMARTETN PUBLIC LIMITED COMPANY

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

#### 25. UNSETTLED TRADES OF FINANCIAL ASSETS

	Financial period ended 31 December 2022 €	Financial year ended 31 January 2022 €
Unsettled trades receivable	21,680,857	6,497,365
Unsettled trades payable	(15,990,233)	(1,027)
	<u>5,690,624</u>	<u>6,496,338</u>

Included in the above unsettled trades receivable for year ended 31 January 2022 is the sale of a financial asset to Aldburg S.A. for €5,857,476. Aldburg S.A. is a special purpose vehicle incorporated in Luxembourg, of which Cirdan Capital Management Limited is the arranger to the vehicle.

#### 26. DIRECTORS AND EMPLOYEES

The Company had no employees during the financial period. Joanne Kenny and David Kenny, directors of the Company, are also directors of F.P.R. Trust Corporate Services Limited, which is due to receive €20,000 (Jan 2022: €20,000) by way of remuneration for provision of directorship services. This expense was incurred and settled by Cirdan Capital Management Limited. None of those fees are payable directly to either Joanne Kenny or David Kenny. The Company did not pay director fees to Antonio De Negri in the financial period ended 31 December 2022.

#### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### Financial risk management

The Company's financial instruments include cash at bank, financial assets, financial liabilities and other receivables/payables that arise directly from operations.

The Company is exposed to a variety of financial risks: capital risk, market risk (include foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk exposure. The Company has attempted to match the properties of its financial liabilities to its financial assets including derivative financial instruments to avoid significant elements of risk generated by mismatch of realised income and repayments from the investments against its obligations towards the Certificate holders. The directors seek to assess, monitor and manage the potential adverse effects of these risks on the Company's financial performance by appropriate methods as discussed below.

##### Operational risk exposure

Operational risk is the risk of direct or indirect loss arising from the Company's processes, personnel and infrastructure, and from external factors other than credit risk, market risk and liquidity risk. This includes risks arising from non-compliance with legal and regulatory requirements as well as generally accepted standards of corporate behaviour.

The Company's aim is to manage operational risk so as to limit financial losses and damage to its reputation while achieving its investment objectives. The Company has appointed external legal counsel and an independent corporate service provider to manage risks arising from non-compliance with legal and regulatory requirements. The arranger, which is also the Company's parent is responsible for managing operational risk related to hedging certificates issued against investments and derivative contracts entered into.

##### Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximizing the return to Certificate holders. The capital managed by the Company comprises of ordinary shares, Certificates issued and the financial liabilities outstanding as at financial period end. The Company is not subject to externally imposed capital requirements.

##### Market risk

Market risk is the potential change in the value caused by the movements in foreign exchange, in the interest rates or market prices of the financial instruments. The Certificate holders are exposed to the market risk of the underlying reference item of each Certificate issued by the Company. The Company are exposed to these same market risks in respect to its treasury management investment portfolio.

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### Market risk (continued)

#### (i) Foreign exchange risk (continued)

The Company enters into FX forwards to minimise the exposure to foreign exchange risk. Foreign exchange risk not hedged by the FX forwards is borne by the Certificate holders.

The table below shows the Company's exposure to foreign currency risk as at 31 December 2022:

#### Assets – 31 December 2022

	Financial assets at FVTPL	Debt instruments at cost	Derivative financial instruments – asset	Trade and other receivables	Other short term financial asset	Cash and cash equivalents	Unsettled trades receivable	Total
	'€000	'€000	'€000	'€000	'€000	'€000	'€000	'€000
EUR	16,305	82,103	1,111	103,845	40,690	50,148	21,380	315,582
USD	17,653	-	5,165	8,795	-	10,043	149	41,805
GBP	60	-	-	1	-	545	-	606
CHF	4	-	-	627	-	63	152	846
CAD	-	-	-	-	-	1	-	1
JPY	-	-	3,522	-	-	32	-	3,554
AUD	7	-	-	-	-	(32)	-	(25)
SEK	-	-	-	-	-	(13)	-	(13)
	<b>34,029</b>	<b>82,103</b>	<b>9,798</b>	<b>113,268</b>	<b>40,690</b>	<b>60,787</b>	<b>21,681</b>	<b>362,356</b>

#### Liabilities – 31 December 2022

	Certificates issued	Financial liabilities at FVTPL	Derivative financial instruments – liability	Interest payable on Certificates	Trade and other payables	Borrowings	Unsettled trades payable	Total
	'€000	'€000	'€000	'€000	'€000	'€000	'€000	'€000
EUR	199,145	-	86,454	135	8,145	33,943	15,749	343,571
USD	9,335	-	4,945	-	19	-	226	14,525
GBP	-	-	-	-	-	-	-	-
CHF	521	-	139	-	-	-	15	675
JPY	-	-	3,559	-	-	-	-	3,559
	<b>209,001</b>	<b>-</b>	<b>95,097</b>	<b>135</b>	<b>8,164</b>	<b>33,943</b>	<b>15,990</b>	<b>362,330</b>

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Market risk (continued)

##### (i) Foreign exchange risk (continued)

The table below shows the Company's exposure to foreign currency risk as at 31 January 2022:

#### Assets – 31 January 2022

	Financial assets at FVTPL	Debt instruments at cost	Derivative financial instruments – asset	Trade and other receivables	Cash and cash equivalents	Unsettled trades receivable	Total
	'€000	'€000	'€000	'€000	'€000	'€000	'€000
EUR	11,033	27,013	493	87,549	37,489	6,497	170,074
USD	25,781	-	20,767	511	1,359	-	48,418
GBP	42	4,365	-	64	1,972	-	6,477
CHF	-	-	-	-	19	-	19
CAD	76	-	-	-	(525)	-	(483)
JPY	-	-	-	3,011	616	-	3,627
AUD	-	-	-	316	(322)	-	(6)
NZD	-	-	-	-	5	-	5
ZAR	-	-	-	-	(11)	-	(11)
MXN	-	-	-	673	(665)	-	8
SGD	-	-	-	225	(1,347)	-	(1,122)
	<b>36,932</b>	<b>31,378</b>	<b>21,260</b>	<b>92,349</b>	<b>38,591</b>	<b>6,497</b>	<b>227,006</b>

#### Liabilities – 31 January 2022

	Certificates issued	Financial liabilities at FVTPL	Derivative financial instruments – liability	Interest payable on Certificates	Trade and other payables	Unsettled trades payable	Total
	'€000	'€000	'€000	'€000	'€000	'€000	'€000
EUR	147,151	-	3,810	313	4,388	1	155,663
USD	10,791	-	50,597	-	6,894	-	68,282
GBP	19	-	6	-	3,009	-	3,034
CAD	-	-	-	-	1	-	1
JPY	-	-	-	-	1	-	1
ZAR	-	-	-	-	1	-	1
	<b>157,961</b>	<b>-</b>	<b>54,413</b>	<b>313</b>	<b>14,294</b>	<b>1</b>	<b>226,982</b>

##### (i) Interest rate risk

The risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk is managed by entering into exact, and opposite derivative contracts to match the contractual requirements of the any Certificate interest payable.



# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Market risk (continued)

##### (ii) Interest rate risk (continued)

At the reporting date, the interest rate profile of the Company's financial assets and liabilities were as follows:

	Fixed rate €	Up to 1 month €	1 – 6 months €	Non- interest bearing €	Total €
<b>Assets</b>					
Financial assets at FVTPL	-	-	-	34,029,700	34,029,700
Debt instruments at amortised cost	-	-	82,103,146	-	82,103,146
Derivative financial instruments	-	-	-	9,797,590	9,797,590
Trade and other receivables	-	-	-	113,267,823	113,267,823
Other short term financial asset	-	-	-	40,690,000	40,690,000
Cash and cash equivalents	-	60,786,472	-	-	60,786,472
Unsettled trades receivable	-	-	-	21,680,857	21,680,857
	-	60,786,472	82,103,146	219,465,970	362,355,588

	Fixed rate €	Up to 1 month €	1 – 6 months €	Non- interest bearing €	Total €
<b>Liabilities</b>					
Certificates issued at FVTPL	3,287,550	-	12,736,060	192,976,867	209,000,477
Certificates issued at amortised cost	-	-	-	-	-
Short investments at FVTPL	-	-	-	-	-
Derivative financial instruments	-	-	-	95,097,740	95,097,740
Interest payable on Certificates	-	-	-	135,621	135,621
Trade and other payables	-	-	-	8,163,582	8,163,582
Borrowings	-	-	-	33,942,935	33,942,935
Unsettled trades payable	-	-	-	15,990,233	15,990,233
	3,287,550	-	12,736,060	346,306,977	362,330,588

As at 31 January 2022, the interest rate profile of the Company's financial assets and liabilities were as follows:

	Fixed rate €	Up to 1 month €	1 – 6 months €	Non- interest bearing €	Total €
<b>Assets</b>					
Financial assets at FVTPL	-	-	-	36,931,159	36,931,159
Debt instruments at amortised cost	-	-	31,377,751	-	31,377,751
Derivative financial instruments	-	-	13,415,079	7,845,417	21,260,496
Trade and other receivables	-	-	-	92,348,559	92,348,559
Cash and cash equivalents	-	38,591,089	-	-	38,591,089
Unsettled trades receivable	-	-	-	6,497,365	6,497,365
	-	38,591,089	44,792,830	143,622,500	227,006,419

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Market risk (continued)

##### (ii) Interest rate risk (continued)

Liabilities	Fixed rate €	Up to 1 month €	1 – 6 months €	Non- interest bearing €	Total €
Certificates issued at FVTPL	1,677,601	-	-	120,442,813	122,120,414
Certificates issued at amortised cost	-	-	18,333,705	17,507,940	35,841,645
Short investments at FVTPL	-	-	-	-	-
Derivative financial instruments	-	-	52,386,771	2,025,084	54,411,855
Interest payable on Certificates	-	-	-	313,018	313,018
Trade and other payables	-	-	-	14,293,460	14,293,460
Unsettled trades payable	-	-	-	1,027	1,027
	1,677,601	-	70,720,476	154,583,342	226,981,419

##### (ii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or all factors affecting all similar financial instruments traded in the market.

The price risk associated with the realisation of the certain financial assets held by the Company is offset by the changes in the fair value of the Certificates issued by the Company. Changes in the fair value of such financial assets the Company hold purely for hedging its exposures from the relevant issued Certificates will be offset by an equal and opposite fair value movements on those Certificates which the Company has entered offsetting hedging transactions. Certificate holders are exposed to a maximum loss of 90% of the original capital invested by the existence of the guarantees which the Company has in place from Cirdan Capital Management Limited.

The Company is further exposed to the price risk in unfavourable movements in the investment portfolio not held for hedging purposes. The exposure arises from the Company's investment in equity securities, equity-linked derivatives and private investments. The Company mitigates the risk by applying specific concentration rules on geographic location, industry and economic sector, to ensure the investments are diversified and not impacted by similar, once off events.

The Company uses the following three-tier hierarchy as a framework for disclosing fair value based on inputs to the valuation of the Company's financial instruments:

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

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Market risk (continued)

##### (iii) Price risk (continued)

The carrying amounts of financial instruments held at fair value are determined, in full or in part, by reference to the Level 1, Level 2 and Level 3 hierarchy categories as defined above. The table below sets out the instruments included in each category.

<b>31 December 2022</b>	<b>Level 1 €</b>	<b>Level 2 €</b>	<b>Level 3 €</b>	<b>Total €</b>
<b>Financial assets at FVTPL</b>				
Financial assets at FVTPL	17,100,693	16,762,395	166,612	34,029,700
Derivative financial instruments	3,192,317	6,605,273	-	9,797,590
	<u>20,293,010</u>	<u>23,367,668</u>	<u>166,612</u>	<u>43,827,290</u>
<b>Financial liabilities at FVTPL</b>				
Certificates issued at FVTPL	-	(188,613,167)	(1,619,079)	(190,232,246)
Derivative financial instruments	(3,058,627)	(92,039,113)	-	(95,097,740)
	<u>(3,058,627)</u>	<u>(280,652,280)</u>	<u>(1,619,008)</u>	<u>(285,329,986)</u>
<b>31 January 2022</b>	<b>Level 1 €</b>	<b>Level 2 €</b>	<b>Level 3 €</b>	<b>Total €</b>
<b>Financial assets at FVTPL</b>				
Financial assets at FVTPL	4,063,420	23,664,934	9,202,805	36,931,159
Derivative financial instruments	7,152,392	14,108,103	-	21,260,495
	<u>11,215,812</u>	<u>37,773,037</u>	<u>9,202,805</u>	<u>58,191,654</u>
<b>Financial liabilities at FVTPL</b>				
Certificates issued at FVTPL	-	(120,442,812)	(1,677,602)	(122,120,414)
Derivative financial instruments	(1,950,269)	(52,461,586)	-	(54,411,855)
	<u>(1,950,269)</u>	<u>(172,904,398)</u>	<u>(1,677,602)</u>	<u>(176,532,269)</u>

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

#### Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

A policy is implemented where the Company can only enter into financial instruments with reputable, pre-approved counterparties. This includes closely monitoring the creditworthiness of the Company's counterparties (brokers, custodians and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Credit risk (continued)

The net carrying amount of the financial instruments best represents the maximum credit risk exposure at the balance sheet date. The table below represents the maximum exposure to credit risk:

	31 December 2022
Assets	€
Financial assets at FVTPL	34,029,700
Debt instruments at amortised cost	82,103,146
Derivative financial instruments	9,797,590
Trade and other receivables	113,267,823
Other short term financial asset	40,690,000
Cash and cash equivalents	60,786,472
Unsettled trades receivable	21,680,857
	<u>346,365,354</u>
	31 January 2022
Assets	€
Financial assets at FVTPL	11,419,576
Debt instruments at amortised cost	35,814,327
Derivative financial instruments	21,260,495
Trade and other receivables	92,348,559
Cash and cash equivalents	38,591,089
Unsettled trades receivable	6,004,376
	<u>205,438,422</u>

(i) The credit rating profile of the Derivatives' Broker and Counterparties are as follows:

Financial assets at FVTPL	Financial period ended 31 December 2022 €	Credit rating	Rating agency
Aldburg S.A.	166,612	Unrated	N/A
BNP Paribas	37,412	A+	Fitch Ratings
Canadian Imperial Bank of Commerce	432,510	AA-	Fitch Ratings
Credit Suisse	11,987,179	A	Fitch Ratings
Other	1,815,899	Unrated	N/A
Interactive Brokers	17,005,264	BBB+	S&P
J.P. Morgan Structured Products	1,429,584	A+	S&P
Aldburg Public S.A.	95,430	Unrated	N/A
Morgan Stanley & Co. International PLC	1,059,810	A+	S&P
	<u>34,029,700</u>		
Debt instruments at amortised cost	Financial period ended 31 December 2022 €	Credit rating	Rating agency
Carlyle EURO CLO 2022-3 DAC	1,500,000	BBB	Fitch Ratings
Carlyle EURO CLO 2017-2 DAC	941,356	BBB	S&P
Harvest CLO XIX DAC	2,506,053	AA	Fitch Ratings
OZLME IV DAC	1,340,381	A+	Fitch Ratings
Adagio VIII CLO DAC	2,506,300	AA	Fitch Ratings
Dryden 51 EURO CLO 2017 BV	2,406,000	BBB-	Fitch Ratings
Harvest CLO XXIX DAC	1,372,000	A	Fitch Ratings
Barings EURO CLO 2014-2 DAC	3,138,060	AA+	Fitch Ratings
Palmer Square European Loan Funding 2022-3	7,000,000	AA	Fitch Ratings
Palmer Square European Loan Funding 2022-3	4,000,000	A	Fitch Ratings
Arbour CLO III DAC	267,205	Aa2	Moody's
Alburg S.A.	21,850,000	Unrated	N/A
French Republic	33,275,791	AA-	Fitch
	<u>82,103,146</u>		

# SMARTETN PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Credit risk (continued)

Derivative financial instruments	Financial period ended 31 December 2022 €	Credit rating €	Rating agency €
Interactive Brokers LLC	3,192,318	BBB+	S&P
Goldman Sachs International	882,301	A+	S&P
J.P. Morgan Securities plc.	785,674	A+	S&P
Citigroup Global Markets Limited	4,928,505	A+	S&P
Credit Suisse International	8,792	A	S&P
	<u>9,797,590</u>		
Derivative financial instruments	Financial year ended 31 January 2022 €	Credit rating €	Rating agency €
Interactive Brokers LLC	7,152,393	BBB+	S&P
Goldman Sachs International	12,169,831	A+	S&P
J.P. Morgan Securities plc.	1,938,272	A+	S&P
Credit Suisse	-	A+	S&P
	<u>21,260,496</u>		

- (ii) The credit rating profile of the banks holding the cash and cash equivalents balance is as follows:

Cash and cash equivalents	Financial period ended 31 December 2022 €	Credit rating €	Rating agency €
Citibank, N.A.	-	Aa3	Moody's
Goldman Sachs International Bank	27,036,991	Aa3	Moody's
Interactive Brokers LLC	23,897,192	BBB+	S&P
Banca 5	-	BBB	S&P
Banca Finnat Euramerica S.p.A	6,125	Not rated	N/A
BFF Bank S.p.A	4,307,718	Baa2	Moody's
European Depositary Bank SA	158,195	Not rated	N/A
Railsbank Technology Ltd	179,918	Not rated	N/A
Smart Bank S.p.A	5,200,333	Not rated	N/A
	<u>60,786,472</u>		
Cash and cash equivalents	Financial year ended 31 January 2022 €	Credit rating €	Rating agency €
Citibank, N.A.	6,485,506	Aa3	Moody's
Goldman Sachs International Bank	8,771,765	Aa3	Moody's
Interactive Brokers LLC	20,372,519	BBB+	S&P
Banca 5	314,067	BBB	S&P
Banca Finnat	2,647,232	Non-rated	N/A
	<u>38,591,089</u>		

- (iii) Credit risk for unsettled trades receivable is minimal as the balance is settled in the months following the financial period-end.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. The Company manages this risk by entering an exact equal, but opposite hedge to replicate the performance of the Certificate.

## SMARTETN PUBLIC LIMITED COMPANY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

#### 27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

##### Liquidity risk (continued)

Prudent liquidity risk management requires maintaining sufficient cash and marketable investments, which the Company does. The maturity profile of the financial liabilities as at 31 December 2022 is as follows:

<b>Liabilities</b>	<b>Gross contractual cashflow €</b>	<b>Up to 1 year €</b>	<b>1 – 2 years €</b>	<b>2 – 5 years €</b>	<b>5 years</b>
Certificates issued at FVTPL	190,232,246	71	9,120,946	180,451,956	659,273
Certificates issued at amortised cost	18,768,232	-	18,768,232	-	-
Interest payable on Certificates	135,621	135,621	-	-	-
Trade and other payables	8,163,582	8,163,582	-	-	-
Borrowings	33,942,935	33,942,935	-	-	-
Unsettled trades payable	15,990,233	15,990,233	-	-	-
	<b>267,232,848</b>	<b>58,232,442</b>	<b>27,889,178</b>	<b>180,706,746</b>	<b>659,273</b>

The maturity profile of the financial liabilities as restated at 31 January 2022 is as follows:

<b>Liabilities</b>	<b>Gross contractual cashflow €</b>	<b>Up to 1 year €</b>	<b>1 – 2 years €</b>	<b>2 – 5 years €</b>	<b>5 years</b>
Certificates issued at FVTPL	122,120,414	28,050,874	9,433,521	82,958,418	1,677,601
Certificates issued at amortised cost	35,841,645	18,333,386	17,488,802	19,457	-
Interest payable on Certificates	1,078,360	512,582	310,988	254,790	-
Trade and other payables	13,593,247	13,593,247	-	-	-
Unsettled trades payable	1,027	1,027	-	-	-
	<b>172,634,693</b>	<b>60,491,435</b>	<b>27,233,311</b>	<b>83,232,665</b>	<b>1,677,601</b>

The amounts shown are the contractual undiscounted cashflows whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows. The Company reviews the liquidity requirement on an ongoing, accrual basis to ensure that there is always sufficient liquidity to meet any short / medium term obligations

#### 28. RELATED PARTY TRANSACTIONS

The Certificates issued by the Company are unconditionally and irrevocably guaranteed by the Guarantor (the Parent Company). In case of shortfall, between the realisable value of the financial assets held by the Company and the contractual obligation of the Certificates issued by the Company, the Guarantor is obliged to cover the full amount of the shortfall. In case of a surplus, between the realisable value of the financial assets held by the Company and the contractual obligation of the Certificates issued by the Company, the Guarantor is entitled to the full amount of the surplus as a consideration for acting as Guarantor to the Company.

The amount payable by the Company to the Guarantor as at 31 December 2022 amounts to €2,243,961 (Jan 2022: €7,959,923 payable).

Cirdan Capital Management Limited is the sole shareholder of the Company, holding 25,000 of the issued ordinary shares.

During the financial period, the Company recognised arranger fees payable to Cirdan Capital Management Limited amounting to €25,754,223 (Jan 2022: €10,372,423), with €120,742 (Jan 2022: €120,742) remaining payable as at 31 December 2022.

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## SMARTETN PUBLIC LIMITED COMPANY

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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

#### 28. RELATED PARTY TRANSACTIONS (CONTINUED)

Cirdan Capital Management Limited acts as an arranger of Aldburg S.A., a company registered in Luxembourg. As at 31 December 2022, the Company holds Notes issued by Aldburg S.A. amounting to €22,016,612 (Jan 2022: €40,211,806). During the previous financial period the Company also purchased a financial asset for the purposes of onward selling this asset to Alburg S.A.. The asset was purchased and sold for €11,631,621. This is included in unsettled trades at prior year end as €5,857,476 receivable from Alburg S.A. in respect to this transaction. The amount outstanding was settled in February 2022.

Antonio De Negri, director of the Company, was also a director and majority shareholder of Cirdan Group S.p.A., which is parent to Capital Capital Management Limited during the financial period and in that capacity held material interest in transactions conducted with the Company.

Joanne Kenny and David Kenny, directors of the Company, are also directors of F.P.R. Trust Corporate Services Limited, which has received €20,000 by way of remuneration for provision of director services. The Company did not pay director fees to Antonio De Negri in the financial period ended 31 December 2022.

#### 29. DISCLOSURE OF THE ULTIMATE PARENT UNDERTAKING

The Company is a subsidiary undertaking of Cirdan Capital Management Limited, an entity incorporated in England and Wales, which owns 100% of the Company's shares. The ultimate parent company is Cirdan Group S.P.A. an entity incorporated in Italy, which owns 100% of Cirdan Capital Management Limited's shares. Copies of the Group financial statements are available at the registered address of the ultimate Parent Company at Via Dei Bossi 6, Milan 20121.

#### 30. SIGNIFICANT SUBSEQUENT EVENTS

There were no other material events after the end of the reporting financial period until the date of the signing of the financial statements which would require disclosure in the financial statements.

#### 31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 08 September 2023.