

Company registration number: 608059

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**COMPANY INFORMATION**

<b>DIRECTORS</b>	Romira Hoxha Jason Lee
<b>COMPANY REGISTRATION NUMBER</b>	608059
<b>COMPANY REGISTERED OFFICE</b>	3rd Floor Kilmore House Park Lane Spencer Dock Dublin 1, D01 YE64 Ireland
<b>COMPANY SECRETARY AND ADMINISTRATOR</b>	TMF Administration Services Limited 3rd Floor Kilmore House Park Lane Spencer Dock Dublin 1, D01 YE64 Ireland
<b>NOTE TRUSTEE, PRINCIPAL PAYING AGENT, SWAP COLLATERAL CUSTODIAN AND ACCOUNT BANK</b>	The Bank of New York One Canada Square London E14 5AL England
<b>SWAP COUNTERPARTY AND CALCULATION AGENT</b>	Natixis S.A. 30 Avenue Pierre Mendes-France 75013 Paris France
<b>ARRANGER</b>	GraniteShares Jersey Limited 28 Esplanade St. Helier Jersey JE2 3QA Channel Islands
<b>LEGAL ADVISERS</b>	<i>Irish Law Advisers/Irish Listing Agent</i> Matheson 70 Sir John Rogerson's Quay Grand Canal Dock Dublin 2 Ireland  <i>English Law Advisers</i> Linklaters LLP One Silk Street London, EC2Y 8HQ United Kingdom  <i>Jersey Law Advisers</i> Carey Olsen 47 Esplanade St Helier Jersey JE1 0BD Channel Islands

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## GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY

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### DIRECTORS' REPORT FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

The directors present the Directors' Report and the unaudited financial statements of GraniteShares Financial Public Limited Company (the "Company") for the financial period from 1 July 2021 to 31 December 2021.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a public limited company, incorporated in Ireland on 17 July 2017, in accordance with the laws of Ireland with a registration number 608059.

The Company has been formed for the purpose of issuing collateralised exchange traded products ("ETP Securities" or "ETPs") and entering into a fully funded Swap agreements. Commercial activity commenced in September 2019 with the ETP Securities initially listed on the London Stock Exchange for trading on the secondary market.

The Company established a Collateralised ETP Securities Programme under which the Company issues, on an ongoing basis, collateralised exchange traded products of different classes (each a "Class") linked into indices providing exposure to a range of asset classes including equities, commodities, fixed income and currencies. The ETP Securities may have long or short, leveraged or unleveraged, exposure to the daily performance of the referenced index.

Each Class constitutes limited recourse obligations of the Company, secured on and payable solely from the assets constituting the ETP Securities in respect of such Class. Each Class of ETP Securities may comprise one or more tranches.

The ETP Securities have been listed for trading on the London Stock Exchange and applications may be made to the other European Stock Exchanges. The Company uses the net proceeds of the issuance of the ETP Securities to enter into Total Return Swap Transactions ("TRSs") to hedge its payment obligations in respect of each Class of the ETP with one or more Swap Providers once the Swap Provider has delivered eligible collateral. The TRS for each Class of ETP Securities will produce cash flows to service all of the Company's payment obligations in respect of that Class.

The Company entered into 30 additional ETP transactions during the financial period ended 31 December 2021.

Cash flows are a result of subscriptions and redemptions of ETP securities and expenses incurred. A movement on collateral does not generate a cash flow. The proceeds of the issuance of a tranche of ETP Securities of a Class will be paid by the Company to one or more of the Swap Providers with whom the Company has entered by the Company in relation that Class in proportion to the increase in the number of ETP Securities of that Class then outstanding.

The Company's payment obligations in respect of the ETP Securities of a Class will be covered entirely from payments received by the Company from the Swap Providers in respect of such TRS. Pursuant to the terms of each credit support document, the Company will be obliged to pay amounts equal to each distribution made on collateral held by it to the relevant Swap Provider upon receipt.

The ETP Securities do not bear interest at a prescribed rate. The return (if any) on the ETP Securities shall be calculated in accordance with the redemption provisions. The Classes of ETP Securities are disclosed in note 11.

#### RESULTS AND DIVIDENDS

The results for the financial year and the Company's financial position at the end of the financial year are set out on page 8 and 9, respectively. Profit on ordinary activities before taxation amounted to €1,000 (2020: €1,000). The corporation tax charge for the financial year is €250 (2020: €250).

No dividends were recommended to be paid for the financial period from 1 July 2021 to 31 December 2021 (2020: €nil).

	Financial period ended 31 December 2021	Financial year ended 30 June 2021
	€	€

#### Key performance indicators

(a) Net losses on financial assets at FVTPL	58,433,199	(9,147,643)
(b) Net gains on financial liabilities at FVTPL	(58,433,199)	9,147,643
(c) Financial assets at FVTPL	226,639,969	118,667,290
(d) Financial liabilities at FVTPL	(226,639,969)	(118,667,290)

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## GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY

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### DIRECTORS' REPORT (CONTINUED) FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

#### PRINCIPAL RISKS AND UNCERTAINTIES

The operations of the Company are subject to various risks. Information about the financial risk management objectives and policies of the Company, along with exposure of the Company to market risk, credit risk, liquidity risk, concentration risk and operational risk are disclosed in note 14 to the unaudited financial statements.

#### GOING CONCERN

The directors have assessed the ability of the company to continue in operational existence for twelve months from the date of approval of the financial statements ('the period of assessment') and have concluded that it is appropriate to prepare the unaudited financial statements on a going concern basis.

The nature of the Company's business dictates that the outstanding ETPs may be redeemed at any time by any authorised participant who has entered into an authorised participant agreement with the Company. As the redemption of ETPs will coincide with the sale of an equal amount of the TRS's, no liquidity risk is considered to arise. The Company has entered into its' primary service contracts with service providers on a non-recourse basis and these costs are being met by GraniteShares Jersey Limited. Therefore, the directors are confident that the company will have the ability to continue to pay its' operating costs and any redemptions that may arise within the period of assessment.

Based on the above, the directors have concluded that the Company has no material uncertainties which would cast a significant doubt on the Company's ability to continue as a going concern over the period of assessment.

#### DIRECTORS AND COMPANY SECRETARY

The directors and the company secretary are listed on page 2. The directors and the company secretary had no material interest in any contract of significance in relation to the business of the Company. The directors and company secretary who held office on 30 June 2021 did not hold any shares, debentures or loan stock of the Company on that date or during the financial year (2020: same).

#### POWERS OF DIRECTORS

The Board is responsible for managing the business affairs of the Company in accordance with the Company's Constitution. The directors may delegate certain functions to TMF Administration Services Limited (the "Administrator") and other parties, subject to the supervision and direction of the directors.

#### DIRECTORS' COMPLIANCE STATEMENT

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

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

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

- (i) a compliance policy statement has been drawn up as required by Section 225(3)(a) of the Act 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 obligation; and
- (iii) a review has been conducted, in the financial year, of the arrangements and structures referred to in paragraph (ii).

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## GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY

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### DIRECTORS' REPORT (CONTINUED) FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

#### CORPORATE GOVERNANCE STATEMENT

The directors have established processes regarding internal controls and risk management systems to ensure effective oversight of the financial reporting process. These include appointing the Administrator to maintain the accounting records of the Company. The Administrator is contractually obliged to maintain adequate accounting records and to that end the Administrator performs reconciliations of its records to those of Granitshares Jersey Limited ("the Arranger"). The Administrator is also contractually obliged to prepare the annual report including financial statements for review and approval by the directors. The directors evaluate and discuss significant accounting and reporting issues as the need arises.

From time to time the directors also examine and evaluate the Administrator's financial accounting and reporting routines and monitor and evaluate the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the directors. The directors are responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The directors have also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the directors judge to be significant for internal control over financial reporting. These control structures include appropriate segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's financial statements. The directors delegate the asset valuation function to the Arranger who operates a sophisticated system of controls to ensure appropriate valuation. All the values for the financial instruments held by the Company have been provided by the Arranger and in our opinion, they are the most appropriate and reliable source of such fair values in its capacity as Arranger. We are satisfied that the amounts as stated in the Company's financial statements represent a reasonable approximation of those values.

The Company's policies and the directors' instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The directors have an annual process to ensure that appropriate measures are taken to consider and address any shortcomings identified and measures recommended by the independent auditors. Given the contractual obligations of the Administrator, the directors have concluded that there is currently no need for the Company to have a separate audit committee or internal audit function in order for the directors to perform effective monitoring and oversight of the internal controls and risk management systems of the Company in relation to the financial reporting process. Therefore, the Company has taken the exemption available for Section 110 companies as set out under Section 1551 of the Companies Act 2014 S 11 (c) not to have a separate audit committee.

No director has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

The directors are responsible for managing the business affairs of the Company in accordance with the Company Constitution. The directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the directors. The Board consists of three directors.

#### ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept by the Company. The measures are taken by the directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at the Company's registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, D01 YE64, Ireland.

#### SHAREHOLDERS' MEETINGS

The shareholder's rights and the operations of the shareholders meetings are defined in the Company's Constitution and complies with the Companies Act 2014.

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**RELATED PARTY TRANSACTIONS**

The related party transactions in relation to the Company are disclosed in note 16.

**SIGNIFICANT SUBSEQUENT EVENTS**

The significant subsequent events in relation to the Company are disclosed in note 17.

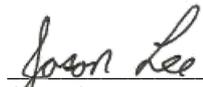
**POLITICAL DONATIONS**

The Company did not make any political donations during the financial year (2020: nil).

**RESEARCH AND DEVELOPMENT**

The Company did not engage in any research and development activity during the financial year (2020: nil).

This report was approved by the Board on 30 March 2022 and signed on its behalf by:

  
\_\_\_\_\_  
Jason Lee  
Director

  
\_\_\_\_\_  
Romira Hoxha  
Director

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish company law and regulations.

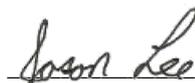
Irish company law, requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable Irish law.

Under Irish company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that financial year and otherwise comply with Companies Act 2014. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative, but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

This report was approved by the Board on 30 March 2022 and signed on its behalf by:

  
\_\_\_\_\_  
Jason Lee  
Director

  
\_\_\_\_\_  
Romira Hoxha  
Director

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

	Notes	Financial period ended 31 December 2021 €	Financial year ended 30 June 2021 €
Net losses on financial assets at fair value through profit or loss	3	58,433,199	(9,147,643)
Net gains on financial liabilities at fair value through profit or loss	4	(58,433,199)	9,147,643
<b>Net operating Income</b>		-	-
Other income	5	1,160,536	940,119
Administration expenses	6	(1,159,536)	(939,119)
<b>Profit for the financial period/year before taxation</b>		1,000	1,000
Taxation	7	(250)	(250)
<b>Profit for the financial period/year after taxation</b>		750	750
Other comprehensive income		-	-
<b>Total comprehensive income for the financial period/year</b>		750	750

The accompanying notes on pages 12 to 29 form an integral part of these unaudited financial statements.

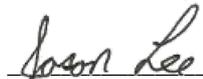
**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	As at 31 December 2021 €	As at 30 June 2021 €
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	8	226,639,969	118,667,290
Other receivables	9	281,784	210,968
Cash and cash equivalents	10	273,289	15,321
<b>TOTAL ASSETS</b>		<u>227,195,042</u>	<u>118,893,579</u>
<b>LIABILITIES</b>			
Financial liabilities at fair value through profit or loss	11	226,639,969	118,667,290
Corporation tax payable	7	250	-
Other payables	12	527,573	199,789
<b>TOTAL LIABILITIES</b>		<u>227,167,792</u>	<u>118,867,079</u>
<b>EQUITY</b>			
Share capital	13	25,000	25,000
Retained earnings		2,250	1,500
		<u>27,250</u>	<u>26,500</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>227,195,042</u>	<u>118,893,579</u>

The accompanying notes on pages 12 to 29 form an integral part of these unaudited financial statements.

The unaudited financial statements were approved and authorised for issue by the Board on 30 March 2022 and signed on its behalf by:

  
 \_\_\_\_\_  
 Jason Lee  
 Director

  
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 Romira Hoxha  
 Director

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**For the financial period from 1 July 2021 to 31  
December 2021**

	<b>Share Capital €</b>	<b>Retained earnings €</b>	<b>Total €</b>
As at 1 July 2021	25,000	1,500	26,500
Total comprehensive income for the financial year	-	750	750
As at 31 December 2021	<u>25,000</u>	<u>2,250</u>	<u>27,250</u>

**For the financial year ended 30 June 2021**

	<b>Share Capital €</b>	<b>Retained earnings €</b>	<b>Total €</b>
As at 1 July 2020	25,000	750	25,750
Total comprehensive income for the financial year	-	750	750
As at 30 June 2021	<u>25,000</u>	<u>1,500</u>	<u>26,500</u>

The accompanying notes on pages 12 to 29 form an integral part of these unaudited financial statements.

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

	Notes	Financial period ended 31 December 2021 €	Financial year ended 30 June 2021 €
<b>Cash flows from operating activities</b>			
Profit on ordinary activities before taxation		1,000	1,000
<i>Adjustments:</i>			
Net losses on financial assets at fair value through profit or loss	3	58,433,199	(9,147,643)
Net gains on financial liabilities at fair value through profit or loss	4	(58,433,199)	9,147,643
Movements in other receivables		(70,816)	98,934
Movements in other payables		327,784	(90,363)
		257,968	9,571
Taxation paid		-	(500)
<b>Net cash generated from/(used in) operating activities</b>		257,968	9,071
<b>Cash flows from investing activities</b>			
TRS purchases		(161,938,249)	(133,766,166)
TRS sales		112,398,769	8,111,244
<b>Net cash used in investing activities</b>		(49,539,480)	(125,654,922)
<b>Cash flows from financing activities</b>			
Issuance of ETP Securities	11	161,938,249	133,766,166
Repayment of ETP Securities	11	(112,398,769)	(8,111,244)
<b>Net cash from financing activities</b>		49,539,480	125,654,922
<b>Net decrease in cash and cash equivalents</b>		257,968	9,071
Cash and cash equivalents at beginning of of the financial year		15,321	6,250
<b>Cash and cash equivalents at the end of the financial period/year</b>	10	273,289	15,321

The accompanying notes on pages 12 to 29 form an integral part of these unaudited financial statements.

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## GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY

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### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

#### 1. GENERAL INFORMATION

The Company was incorporated on 17 July 2017 in accordance with the laws applicable in Ireland under registration number 608059. The Company is a public limited company and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA, 1997"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA in respect of taxable profits. The Company's registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, D01 YE64, Ireland.

The Company has been formed for the purpose of issuing collateralised ETP Securities and entering into a fully funded Swap agreement. Commercial activity commenced in September 2019 with the ETP Securities initially listed on the London Stock Exchange for trading on the secondary market.

The Company established a Collateralised ETP Securities Programme under which the Company issues, on an ongoing basis, collateralised exchange traded products of different classes (each a "Class") linked into indices providing exposure to a range of asset classes including equities, commodities, fixed income and currencies. The ETP Securities may have long or short, leveraged or unleveraged, exposure to the daily performance of the referenced index.

The ETP Securities have been listed for trading on the London Stock Exchange and applications have been made to the other European Stock Exchanges. The Company uses the net proceeds of the issuance of the ETP Securities to enter into Total Return Swap Transactions ("TRS") to hedge its payment obligations in respect of each Class of the ETS with one or more Swap Providers once the Swap Provider has delivered eligible collateral. The TRS for each Class of ETP Securities will produce cash flows to service all of the Company's payment obligations in respect of that Class.

The Company's principal activity is the listing and issue of ETPs. The securities are issued as demand requires. The Company purchases a matching TRS from swap providers to hedge its liabilities and ensure the assets can service its liabilities. The number and terms of ETPs outstanding will match the number and terms of ETP Swap Contracts so that the obligations of the Company and the Swap Provider Match. The price of an ETP Swap Contract will equal the price of an ETP. GraniteShares Jersey Limited (the "Arranger") supplied and/or arranged for the supply of all administrative services to the Company and paid all management and administration costs of the Company, in return for which the Company pays the Arranger an arranger fee.

The Company considers the capital management and its current capital resources to be adequate to maintain the ongoing listing and issue of the ETPs.

#### 2. ACCOUNTING POLICIES

##### (a) Statement of compliance

The unaudited financial statements have been prepared in accordance with IFRS as adopted by the European Union and those parts of Companies Act 2014 applicable to companies reporting under IFRS. The accounting policies adopted by the Company have been applied consistently. The unaudited financial statements have been prepared on a going concern basis.

##### (b) Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention except for the Company's financial assets and liabilities at fair value through profit and loss.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES (CONTINUED)**

**(c) New and amended standards and interpretations**

**Standards, amendments, and interpretations are not yet effective and have not been adopted early by the Company**

The following standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group and the Company. The directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Group and the Company.

Standard	Effective date*	Description
Classification of Liabilities as Current or Non-Current – Amendments to IAS 1	1 January 2022 (possibly deferred to 1 January 2023)	This is a narrow-scope amendment to IAS 1, 'Presentation of Financial Statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. This amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
Annual improvements to IFRS Standards 2018-2020	1 January 2022	Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'

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

**(d) Use of estimates and judgements**

The preparation of the unaudited financial statements requires the directors to make judgments, 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.

Estimates and underlying assumptions will be reviewed on an ongoing basis. Revisions to accounting estimates will be recognised in the period in which the estimates are revised and in any future periods affected.

The principal application of judgement and sources of estimation of uncertainty arise with respect to determining the business model (see note 2(f)), determining the functional currency (see note 2(e)) and financial instruments at fair value. See note 14 for further discussion on how the fair values of the assets and liabilities are determined.

**(e) Functional and presentation currency**

These unaudited financial statements are presented in Euro ("EUR" or "€") which is the Company's presentation currency. The Directors of the Company believe that Euro is the appropriate presentation currency as it reports to the Central Bank of Ireland in Euro.

Functional currency is the currency of the primary economic environment in which the entity operates. The ETP Securities issued by the Company and swap transactions entered into by the Company are denominated in Pound Sterling ("GBP" or "£") and US Dollars (US or "\$"). The Directors of the Company believe that Pound Sterling most faithfully represents the economic effects of the underlying transactions, events and conditions.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments

**Classification**

The Company has adopted the following classifications for financial instruments:

Financial assets:

- At fair value through profit or loss: TRS.
- Amortised cost: Cash and cash equivalents and other receivables.

Financial liabilities:

- At fair value through profit or loss: ETP Securities.
- Amortised cost: other payables.

The classification is determined by both:

- The Company's business model for managing the financial asset and financial liability.
- The contractual cash flow characteristics of the financial assets and financial liability.

**Recognition**

Purchases and sales of financial instruments are recognised using trade date accounting, the day that the Company commits to purchase or sell the asset. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded through the Statement of Comprehensive Income.

**Measurement**

Financial instruments that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

**Fair value estimation**

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.

The price per ETP Securities is calculated daily to reflect the daily change in the relevant index of the ETP Securities, and will take into account all applicable fees and adjustments. On the issue date of the class, the price per ETP Securities will be equal to its issue price. On any valuation date thereafter, the price per ETP is calculated according to a formula which reflects the price per ETP on the immediately preceding valuation date.

The TRSs are valued at fair value utilising predefined formula and market prices consistent with the ETP valuation process. In the absence of readily available market prices, the Swap Provider will provide the inputs for the valuation. Where possible, the Company independently calculates the fair value and verifies the Swap Providers valuation with any variation investigated. The valuation determined by the Swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arm's length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. All TRSs are carried as assets when fair value is positive and as liabilities when fair value is negative.

**Transfer between levels of the fair value hierarchy**

There were no transfers between levels of the fair value hierarchy in the financial year.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where the Company currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

**Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the Statement of Financial Position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income.

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

**Net gain/(loss) on financial instruments at fair value through profit or loss**

Realised gain/(loss) on financial assets are recorded as part of net gain/(loss) on financial assets (or liabilities) at fair value through profit or loss within the Statement of Comprehensive Income.

Unrealised gain/(loss) relates to gains and losses arising from changes in fair value of financial instruments during the financial year. Unrealised gain/(loss) on financial instruments are recognised within net gain/(loss) on financial assets (or liabilities) at fair value through profit or loss within the Statement of Comprehensive Income.

**Expected credit losses**

Under IFRS9, the classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cashflow characteristics. The impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. The financial assets at amortised cost consist of cash and cash equivalents and other receivables.

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

See note 14(b) further discussion on credit risk.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021

**2. ACCOUNTING POLICIES (CONTINUED)**

**(g) Cash and cash equivalents**

Cash and cash equivalents includes cash held with banks which is subject to insignificant risk in terms of changes of fair value with original maturities of three months or less, and are used by the Company in the management of its short-term commitments.

**(h) Other receivables**

Other receivables with no stated interest rate and receivable within one year are recorded at transaction price. The Company accrues arranger fees to be payable to the arranger once they are received from the swap provider.

**(i) Ordinary share capital presented as equity**

Ordinary shares are not redeemable and do not participate in the net income of the Company are classified as equity as per the Company's Constitution.

**(j) Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the financial year using the tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustments to tax payable in respect of previous periods, if any.

Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but have not been reversed by the financial year end date except as otherwise required by IAS 12 'Deferred Tax'. Provision is made at the tax rates that are expected to apply in the financial year in which the temporary differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(k) Other income and administration expenses**

The Company is entitled to receive a management fee which is calculated and paid by the Swap Provider by reference to a management fee rate under the specified terms of each relevant TRS by charging the applicable fee rate on the daily market value of each security.

The Company receives income from the Arranger to cover any expenses that are incurred. This is classified as 'other income' in the Statement of Comprehensive Income.

The Company pays an arranger fee to the Arranger which is calculated based on the amount of fees received from the Swap Provider. The arranger fees are accrued on a daily basis and are recorded in the Statement of Comprehensive income.

Creation and Redemption fees are charged to the Company by the Paying Agent. The Company then charges these to the Authorised Participants. They are charged on a per transaction basis.

Administration expenses include amounts accrued for expenses such as administration and management incurred at the financial year end.

**(l) Foreign currency transaction**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income.

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

<b>3. NET LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 30 June 2021</b>
	€	€
Unrealised gain/(losses) on financial assets at fair value through profit or loss	(3,147,177)	5,734,031
Realised losses on financial assets at fair value through profit or loss	61,580,376	(14,881,674)
	<u>58,433,199</u>	<u>(9,147,643)</u>
Net losses on financial assets at fair value through profit or loss arises from changes in fair value on ETPs listed on the London Stock Exchange.		
<b>4. NET GAINS ON FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 30 June 2021</b>
	€	€
Unrealised (losses)/gains on financial liabilities at fair value through profit or loss	3,147,177	(5,734,031)
Realised gains on financial liabilities at fair value through profit or loss	(61,580,376)	14,881,674
	<u>(58,433,199)</u>	<u>9,147,643</u>
<b>5. OTHER INCOME</b>	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 30 June 2021</b>
	€	€
Issuer profit	1,000	1,000
Management fees income	953,861	477,901
Other income	205,675	461,218
	<u>1,160,536</u>	<u>940,119</u>
<b>6. ADMINISTRATION EXPENSES</b>	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 30 June 2021</b>
	€	€
Corporate service fees	(12,179)	(12,179)
Audit and tax fees	(60,508)	(72,344)
Arranger fees	(953,861)	(477,901)
Other expenses	(132,988)	(376,695)
	<u>(1,159,536)</u>	<u>(939,119)</u>
Auditors remuneration for the financial year is as follows:	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 30 June 2021</b>
	€	€
Audit fees	(60,508)	(68,346)
Tax compliance	(3,998)	(3,998)
	<u>(64,506)</u>	<u>(72,344)</u>
The Company has no employees and services required are contracted from third parties. TMF Administration Services Limited allocated approximately EUR 1,000 (2020: EUR 1,000) from the corporate service fee received as consideration for the making available of individuals to act as directors of the Company.		
<b>7. CORPORATION TAX</b>	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 30 June 2021</b>
	€	€
Corporation tax based on profit for the financial year	250	250
Profit on ordinary activities before taxation	<u>1,000</u>	<u>1,000</u>
Profit on ordinary activities multiplied by the standard rate of 12.5%	(125)	(125)
Effect of higher tax rate (25%) applicable under Section 110 TCA, 1997	(125)	(125)
Current tax charge for the financial year	<u>(250)</u>	<u>(250)</u>

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

<b>7. CORPORATION TAX (CONTINUED)</b>	<b>As at</b>	<b>As at</b>
	<b>31 December 2021</b>	<b>30 June 2021</b>
	€	€
Beginning corporation tax payable	250	-
Additional corporation tax charged	250	250
Corporation tax paid	(500)	-
Ending corporation tax payable	<u>-</u>	<u>250</u>
<p>The Company is a qualifying company within the meaning of Section 110 of the TCA, 1997. As such, the profits are chargeable to corporation tax under Case III of Schedule D of the TCA at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA. There was no deferred tax during the financial period (2020: nil).</p>		
<b>8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>As at</b>	<b>As at</b>
	<b>31 December 2021</b>	<b>30 June 2021</b>
	€	€
Fair value of TRS	<u>226,639,969</u>	<u>118,667,290</u>
<b>9. OTHER RECEIVABLES</b>	<b>As at</b>	<b>As at</b>
	<b>31 December 2021</b>	<b>30 June 2021</b>
	€	€
Issuer profit receivable	3,000	2,000
Share capital receivable	18,750	18,750
Other receivables	260,034	190,218
	<u>281,784</u>	<u>210,968</u>
<b>10. CASH AND CASH EQUIVALENTS</b>	<b>As at</b>	<b>As at</b>
	<b>31 December 2021</b>	<b>30 June 2021</b>
	€	€
Cash and cash equivalents	<u>273,289</u>	<u>15,321</u>
<b>11. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>As at</b>	<b>As at</b>
	<b>31 December 2021</b>	<b>30 June 2021</b>
	€	€
1 July 2020	118,667,290	2,160,011
<b>Cash flows:</b>		
Proceeds	161,938,249	133,766,166
Repayment	(112,398,769)	(8,111,244)
<b>Non-cash:</b>		
Fair value movement	58,433,199	(9,147,643)
Fair value of ETP Securities	<u>226,639,969</u>	<u>118,667,290</u>

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**11. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

As at 31 December 2021, the following are the ETP Securities in issue which are listed on the London Stock Exchange:

Security Name	ISIN	BBG Ticker main listing	Launch date
GraniteShares 3x Leveraged Alphabet ETP	XS2193968307	3LAL	29/06/2020
GraniteShares -3x Short Alphabet ETP	XS2193968729	3SAL	29/06/2020
GraniteShares 3x Leveraged Amazon ETP	XS2193969537	3LZN	29/06/2020
GraniteShares -3x Short Amazon ETP	XS2193969701	3SZN	29/06/2020
GraniteShares 3x Leveraged Apple ETP	XS2193969883	3LAP	29/06/2020
GraniteShares -3x Short Apple ETP	XS2193970030	3SAP	29/06/2020
GraniteShares 3x Leveraged Facebook ETP	XS2193971350	3LFB	29/06/2020
GraniteShares -3x Short Facebook ETP	XS2193971517	3SFB	29/06/2020
GraniteShares 3x Leveraged Microsoft ETP	XS2193970204	3LMS	29/06/2020
GraniteShares -3x Short Microsoft ETP	XS2193970386	3SMS	29/06/2020
GraniteShares 3x Leveraged Netflix ETP	XS2193970543	3LNF	29/06/2020
GraniteShares -3x Short Netflix ETP	XS2193970899	3SNF	29/06/2020
GraniteShares 3x Leveraged NVIDIA ETP	XS2193971947	3LNV	29/06/2020
GraniteShares -3x Short NVIDIA ETP	XS2193972168	3SNV	29/06/2020
GraniteShares 3x Leveraged Tesla ETP	XS2193972598	3LTS	29/06/2020
GraniteShares -3x Short Tesla ETP	XS2193972671	3STS	29/06/2020
GraniteShares 3x Leveraged UBER ETP	XS2193972838	3LUB	29/06/2020
GraniteShares -3x Short UBER ETP	XS2193973059	3SUB	29/06/2020
GraniteShares 3x Leveraged NIO ETP	XS2193973133	3LNI	04/03/2021
GraniteShares -3x Short NIO ETP	XS2193973216	3SNI	04/03/2021
GraniteShares 3x Leveraged Vodafone ETP	XS2009195566	3LVO	13/09/2019
GraniteShares -3x Short Vodafone ETP	XS2009195640	3SVO	29/08/2019
GraniteShares 3x Leveraged Glencore ETP	XS2066789251	3LGL	04/11/2019
GraniteShares -3x Short Glencore ETP	XS2066789335	3SGL	04/11/2019
GraniteShares 3x Leveraged Lloyds TSB ETP	XS2066792982	3LLL	04/11/2019
GraniteShares -3x Short Lloyds TSB ETP	XS2066793014	3SLL	04/11/2019
GraniteShares 3x Leveraged BP ETP	XS2066792396	3LBP	04/11/2019
GraniteShares -3x Short BP ETP	XS2066792636	3SBP	04/11/2019
GraniteShares 3x Leveraged AstraZeneca ETP	XS2066793287	3LAZ	04/11/2019
GraniteShares -3x Short AstraZeneca ETP	XS2066793444	3SAZ	04/11/2019
GraniteShares 3x Leveraged Diagio ETP	XS2066793790	3LDO	04/11/2019
GraniteShares -3x Short Diagio ETP	XS2066793873	3SDO	04/11/2019
GraniteShares 3x Leveraged BAE ETP	XS2066799995	3LBA	04/11/2019
GraniteShares -3x Short BAE ETP	XS2066849337	3SBA	04/11/2019
GraniteShares 3x Leveraged RIO ETP	XS2066849501	3LRI	04/11/2019
GraniteShares -3x Short RIO ETP	XS2066849766	3SRI	04/11/2019
GraniteShares 3x Leveraged Barclays ETP	XS2066849923	3LBC	04/11/2019
GraniteShares -3x Short Barclays ETP	XS2066850004	3SBC	04/11/2019
GraniteShares 3x Leveraged Royal Dutch ETP	XS2066850343	3LRD	04/11/2019
GraniteShares -3x Short Royal Dutch ETP	XS2066850699	3SRD	04/11/2019
GraniteShares 3x Leveraged Rolls Royce ETP	XS2066850772	3LRR	04/11/2019
GraniteShares -3x Short Rolls Royce ETP	XS2305052255	3SRR	04/11/2019
GraniteShares 1x Leveraged FAANG ETP	XS2305050556	FANG	04/03/2021
GraniteShares 3x Leveraged FAANG ETP	XS2305050804	3FNG	04/03/2021
GraniteShares -1x Short FAANG ETP	XS2305051109	SFNG	04/03/2021
GraniteShares -3x Short FAANG ETP	XS2305051018	3SFG	04/03/2021
GraniteShares 1x Leveraged GAFAM ETP	XS2305050630	GFAM	04/03/2021
GraniteShares 3x Leveraged GAFAM ETP	XS2305051281	3GFM	04/03/2021
GraniteShares -1x Short GAFAM ETP	XS2305051521	SGFM	04/03/2021
GraniteShares -3x Short GAFAM ETP	XS2305051448	3SGF	04/03/2021
GraniteShares 1x Leveraged FATANG ETP	XS2305050713	FTNG	04/03/2021
GraniteShares 3x Leveraged FATANG ETP	XS2305051877	3FTG	04/03/2021
GraniteShares -1x Short FATANG ETP	XS2305052172	SFTG	04/03/2021
GraniteShares -3x Short FATANG ETP	XS2305051950	3SFT	04/03/2021

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
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**11. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Security Name	ISIN	BBG Ticker main listing	Launch date
GraniteShares 3x Leveraged Palantir ETP	XS2377111906	3LPA	25/08/2022
GraniteShares -3x Short Palantir ETP	XS2377112037	3SPA	25/08/2022
GraniteShares 3x Leveraged AMD ETP	XS2377112110	3LAM	25/08/2022
GraniteShares -3x Short AMD ETP	XS2377112201	3SAM	25/08/2022
GraniteShares 3x Leveraged Moderna ETP	XS2377112466	3LMO	25/08/2022
GraniteShares -3x Short Moderna ETP	XS2377112540	3SMO	25/08/2022
GraniteShares 3x Leveraged Airbus ETP	XS2376933375	3LAR	25/08/2022
GraniteShares -3x Short Airbus ETP	XS2376937442	3SAR	25/08/2022
GraniteShares 3x Leveraged AXA ETP	XS2376944224	3LAX	25/08/2022
GraniteShares -3x Short AXA ETP	XS2376951781	3SAX	25/08/2022
GraniteShares 3x Leveraged BNP Paribas ETP	XS2376951948	3LBN	25/08/2022
GraniteShares -3x Short BNP Paribas ETP	XS2376952243	3SBN	25/08/2022
GraniteShares 3x Leveraged Danone ETP	XS2376974304	3LDA	25/08/2022
GraniteShares -3x Short Danone ETP	XS2376974486	3SDA	25/08/2022
GraniteShares 3x Leveraged L'Oreal ETP	XS2376974726	3LOR	25/08/2022
GraniteShares -3x Short L'Oreal ETP	XS2376974999	3SOR	25/08/2022
GraniteShares 3x Leveraged LVMH ETP	XS2376975020	3LLV	25/08/2022
GraniteShares -3x Short LVMH ETP	XS2376975376	3SLV	25/08/2022
GraniteShares 3x Leveraged Safran ETP	XS2376975533	3LSA	25/08/2022
GraniteShares -3x Short Safran ETP	XS2376975616	3SSA	25/08/2022
GraniteShares 3x Leveraged Sanofi ETP	XS2376975962	3LSN	25/08/2022
GraniteShares -3x Short Sanofi ETP	XS2376976341	3SSN	25/08/2022
GraniteShares 3x Leveraged Schneider Electric ETP	XS2376976770	3LSE	25/08/2022
GraniteShares -3x Short Schneider Electric ETP	XS2376976853	3SSE	25/08/2022
GraniteShares 3x Leveraged STMicroelectronics ETP	XS2376978982	3LST	25/08/2022
GraniteShares -3x Short STMicroelectronics ETP	XS2376979287	3SST	25/08/2022
GraniteShares 3x Leveraged Total ETP	XS2376979790	3LTO	25/08/2022
GraniteShares -3x Short Total ETP	XS2376979873	3STO	25/08/2022
GraniteShares 3x Leveraged Volkswagen ETP	XS2376990417	3LVW	25/08/2022
GraniteShares -3x Short Volkswagen ETP	XS2376991142	3SVW	25/08/2022

**12. OTHER PAYABLES**

	As at 31 December 2021 €	As at 30 June 2021 €
Corporate services fees payable	17,284	18,088
Audit and tax fees payable	67,440	70,374
Arranger fees payable	434,565	103,043
Other payables	8,284	8,284
	527,573	199,789

**13. SHARE CAPITAL**

	As at 31 December 2021 €	As at 30 June 2021 €
<b>Authorised</b>		
100,000,000 ordinary shares of €1 each	100,000,000	100,000,000
<b>Issued and called up</b>		
25,000 ordinary shares of €1	25,000	25,000

The Company's capital as at the financial year end is best represented by the ordinary shares outstanding.

The Company issued 25,000 shares which are held by TMF Management (Ireland) Limited on trust for charitable purposes. On 26 March 2019, the shareholder paid up 25% of the share capital.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
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The Company monitors capital on the basis of the carrying amount of equity plus notes issued, less cash as presented in the statement of financial position.

**14. FINANCIAL RISK MANAGEMENT**

The Company's financial instruments include the financial assets at fair value through profit or loss, other receivables, cash and cash equivalents, financial liabilities at fair value through profit or loss and other payables that arise directly from its operations.

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

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

Market risk;  
Credit risk;  
Liquidity risk;  
Operational risk; and  
Concentration risk

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

**(a) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and securities prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk embodies the potential for both losses and gains and includes currency risk and market price risk.

**(i) Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in foreign currency.

The ETP Securities issued by the Company are denominated in Pound Sterling, US Dollars and Euros. The proceeds of these issuances are used to fund the purchase of the TRSs in Pound Sterling, US Dollars and Euros. These are retranslated to EUR using the applicable exchange rates. As the base currency of the TRSs matches the base currency of the ETP Securities there is deemed to be no currency risk to the Company. The Company is owed a EUR amount from TMF Management (Ireland) Limited in relation to share capital receivable and the Company holds a EUR bank account. As these balances are minimal, the directors are satisfied that the Company faces minimal foreign exchange risk.

The closing exchange rates used are as follows:

	<b>31/12/2021</b>	<b>30/06/2021</b>
<b>USD</b>	1.1330500	1.1884
<b>GBP</b>	0.8393585	0.8581

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
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**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Market risk (continued)**

**(i) Foreign exchange risk (continued)**

The table below show the EUR equivalent of the nominal amounts of the foreign currency denominated financial instruments held by the Company along with the details of how the currency exposure is eliminated:

	<b>TRS Nominal EUR equivalent</b>	<b>ETP issued Nominal EUR equivalent</b>	<b>Net exposure Nominal EUR equivalent</b>
<b>As at 31/12/2021</b>			
<b>USD</b>	175,478,372	(175,478,372)	-
<b>GBP</b>	49,992,228	(49,992,228)	-
<b>EUR</b>	1,169,366	(1,169,366)	-
	226,195,042	(226,195,042)	-
<b>As at 30/06/2021</b>			
<b>USD</b>	82,707,101	(82,707,101)	-
<b>GBP</b>	35,960,189	(35,960,189)	-
	118,667,290	(118,667,290)	-

**(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 currency risk), whether those changes are caused by factors specific to the individual financial instrument or its seller, or factors affecting similar financial instruments traded in the market. The Arranger monitors the cash flows of the financial assets at fair value through profit or loss on a daily basis.

The Company uses the hierarchy below for determining and disclosing the fair value of financial instruments by valuation technique:

The level in the fair value hierarchy in which each fair value measurement is categorised includes:

Level 1: quoted prices (unadjusted) in an active market for identical assets or liabilities;

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

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

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Market risk (continued)**

**(ii) Price risk (continued)**

**Financial instruments measured at fair value through profit or loss**

<b>As at 31 December 2021</b>	<b>Level 2</b>	<b>Total</b>
	<b>€</b>	<b>€</b>
<b>Assets</b>		
Financial assets at fair value through profit or loss	226,639,969	226,639,969
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss	(226,639,969)	(226,639,969)
<b>As at 30 June 2021</b>	<b>Level 2</b>	<b>Total</b>
	<b>€</b>	<b>€</b>
<b>Assets</b>		
Financial assets at fair value through profit or loss	118,667,290	118,667,290
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss	(118,667,290)	(118,667,290)

The ETP Securities and TRSs have the same value and are considered to be fair valued under level 2 as the prices are compiled according to a formula which utilises a daily index for each ETP, based on market data as given by a third party provider, net of expenses incurred.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the last day of the accounting year. There were no transfers during the financial year between levels of the fair value hierarchy for financial assets and liabilities which are recorded at fair value.

**Sensitivity analysis:**

Any changes in the values of the TRSs held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by the holders of the ETP Securities issued by the Company. A 10% change in the value of the portfolio of TRSs held will result in a change in value of EUR22,663,997 (2020: EUR11,866,729) This will be offset by an equal change in the value of ETP securities issued, resulting in a net zero impact to the equity or profit of the Company. Therefore, the Company is fully economically hedged against changes in prices of underlying securities.

**(iii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As the Company has invested in TRSs to match the ETP Securities, there is deemed to be no interest rate risk to the Company.

The Company has a bank balance at The Bank of New York. Due to the level of cash held in the bank account, the directors do not believe that any movement in interest rates would affect the operations of the Company.

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Credit risk**

Credit risk arises from the possibility of obligors failing to meet their obligations to the Company and represents the most significant category of risk.

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

	<b>As at</b>	<b>As at</b>
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>€</b>	<b>€</b>
Financial assets at fair value through profit or loss	226,639,969	118,667,290
Other receivables	281,784	210,968
Cash and cash equivalents	273,289	15,321
	<b>227,195,042</b>	<b>118,893,579</b>

The Swap counterparty is Natixis S.A.. Nataxis S.A. has A (2020: A+) credit rating from Standard & Poor's.

The Company has 6 bank accounts with The Bank of New York with a total balance of EUR273,289 (2020: EUR 15,321). The Bank of New York has a AA- (2020: AA-) credit rating from Standard & Poor's.

Other receivables were settled after the financial year end (2020: same).

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may be unable to fulfil its obligations, whether expected or unexpected. The legal maturity of the ETP Securities is 29 August 2069 and 6 November 2069. ETP Securities cannot be issued without a matching investment in a TRS being put in place. ETP Securities can be issued and redeemed daily, therefore this is the earliest maturity date for the purposes of the maturity analysis below.

The return on each issuance of ETP Securities will be linked to the daily performance of the corresponding TRS. The redemption amount of the ETP Securities will be derived from the liquidation of the corresponding TRS.

The following are the earliest contractual maturities of financial assets and financial liabilities:

	<b>Carrying amount</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>More than five years</b>
<b>As at 31 December 2021</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Financial assets at fair value through profit or loss	226,639,969	226,639,969	-	-
Other receivables	281,784	281,784	-	-
Cash and cash equivalents	273,289	273,289	-	-
	<b>227,195,042</b>	<b>227,195,042</b>	-	-
Financial liabilities at fair value through profit or loss	226,639,969	226,639,969	-	-
Corporation tax payable	-	-	-	-
Other payables	527,573	527,573	-	-
	<b>227,167,542</b>	<b>227,167,542</b>	-	-

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Liquidity risk (continued)**

<b>As at 30 June 2021</b>	<b>Carrying amount</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>More than five years</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Financial assets at fair value through profit or loss	118,667,290	118,667,290	-	-
Other receivables	210,968	210,968	-	-
Cash and cash equivalents	15,321	15,321	-	-
	<u>118,893,579</u>	<u>118,893,579</u>	-	-
Financial liabilities at fair value through profit or loss	118,667,290	118,667,290	-	-
Corporation tax payable	-	-	-	-
Other payables	199,789	199,789	-	-
	<u>118,867,079</u>	<u>118,867,079</u>	-	-

**(d) Operational risk exposure**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Board has established processes to manage operational risks. Those processes include appropriate segregation of responsibilities and specific control activities. The Board delegates management and administration function to the Administrator.

**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Concentration risk**

Concentration risk can arise from the type of assets held in the portfolio, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations.

The following is the classification of ETPs per industry:

<b>Industry</b>	<b>As at 31 December 2021 Number of ETP issuances</b>	<b>As at 30 June 2021 Number of ETP issuances</b>
Aerospace and Defence	4	4
Automobiles	7	4
Banking	4	4
Beverages	2	2
Coal	2	2
Consumer Staples	2	-
Consumer Discretionary	4	-
Entertainment	-	2
Financial	4	-
Healthcare	4	-
Interactive Media & Services	-	4
Internet & Direct Marketing	-	2
Industrials	4	-
Metal and Mining	2	2
Oil and Gas	6	4
Pharmaceuticals	2	2
Telecommunication services	2	2
Road & Rail	-	2
Semiconductors& Semiconductor	-	2
Software	-	2
Technology	35	12
Technology Hardware, Storage	-	2
	<b>84</b>	<b>54</b>

Due to the nature of the ETPs issued, any profit or loss arising from the concentration risk will pass on to the holders of the ETPs. There is no residual risk remaining to the Company.

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**GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY**

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(f) Offsetting Financial assets and Financial liabilities**

The Company does not offset financial assets and financial liabilities. These are presented separately in the Statement of Financial Position.

Financial assets and liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**As at 31 December 2021**

	<b>Gross amount of recognised financial assets €</b>	<b>Net amount of recognised financial assets €</b>	<b>Financial instruments received €</b>	<b>Net amount €</b>
Financial assets at fair value through profit or loss	226,639,969	226,639,969	(226,639,969)	-

	<b>Gross amount of recognised financial liabilities €</b>	<b>Net amount of recognised financial liabilities €</b>	<b>Financial instruments received €</b>	<b>Net amount €</b>
Financial liabilities at fair value through profit or loss	226,639,969	226,639,969	(226,639,969)	-

GRANITESHARES FINANCIAL PUBLIC LIMITED COMPANY

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(f) Offsetting Financial assets and Financial liabilities (continued)**

As at 30 June  
2021

	Gross amount of recognised financial assets €	Net amount of recognised financial assets €	Financial instruments received €	Net amount €
Financial assets at fair value through profit or loss	118,667,290	118,667,290	(118,667,290)	-

	Gross amount of recognised financial liabilities €	Net amount of recognised financial liabilities €	Financial instruments received €	Net amount €
Financial liabilities at fair value through profit or loss	118,667,290	118,667,290	(118,667,290)	-

**15. CONTINGENT LIABILITIES AND COMMITMENTS**

There were no contingent liabilities or commitments as of 30 June 2021 (2020: nil). Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the financial year in which the changes in probability occur.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2021**

**16. RELATED PARTY TRANSACTIONS**

Graniteshares Jersey Limited, acting as Arranger for the Company, have and will continue to will cover expenses arising, if any, prior to the Company commencing trading.

The Administrator provides corporate administration services to the Company's at arm's length commercial rates. The directors received no remuneration from the Company in respect of qualifying services rendered during the financial period.

There were no other contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 2014, at any time during the financial period (2020: same).

**17. SIGNIFICANT SUBSEQUENT EVENTS**

There were no other significant subsequent events which need to be adjusted or disclosed in the unaudited financial statements.

**18. CHARGES**

The Issuer's obligations to the Noteholders (and certain other Issuer secured parties) are secured pursuant to the Security Deed between, amongst others, the Issuer and BNY Mellon Corporate Trustee Services Limited in its capacity as Note Trustee.

**19. APPROVAL OF UNAUDITED FINANCIAL STATEMENTS**

The unaudited financial statements were approved and authorised for issue by the Board on 30 March 2022.