

# GOLDMONEY INC. SHAREHOLDER LETTER

FISCAL YEAR 2026

Dear Fellow Shareholders,

This letter should be read in conjunction with the financial statements filed separately on SEDAR. The table below presents our key performance indicators over the past five fiscal years:

	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Shares Outstanding	12,539,862	12,925,350	13,137,250	13,995,745	15,126,267
Shareholder Equity	\$223,135,907	\$162,976,751	\$141,177,857	\$172,122,700	\$174,935,762
Tangible Equity Inclusive of MENE	\$209,221,829	\$150,004,820	\$126,100,396	\$142,203,438	\$134,849,842
Tangible Equity Exclusive of MENE	\$195,827,574	\$137,337,234	\$105,456,997	\$107,599,252	\$100,031,846
Share Price (\$CAD)	\$16.13	\$7.98	\$8.38	\$9.80	\$9.75
Market Cap (\$CAD)	\$202,267,974	\$103,144,293	\$110,090,155	\$137,158,301	\$147,481,105
Tangible Equity per Share (\$CAD)	\$16.68	\$11.61	\$9.60	\$10.16	\$8.91
Tangible Equity per Share Excluding MENE	\$15.62	\$10.63	\$8.03	\$7.69	\$6.61

*Note: See endnote (i) for discussion on the reconciliation of non-IFRS measures.*

Fiscal 2026 was, by every measure that matters to us as long-term capital allocators, a good year for Goldmoney Inc. Our tangible equity<sup>①</sup> per share rose from \$11.61 to \$16.68, an increase of 43.7%. Excluding our position in Menē, the rise was steeper, from \$10.63 to \$15.62, or 47.0%. Since March 2021, our tangible equity per share excluding Menē has compounded at an annual rate of just over 21%, which is to say it has increased by nearly 160% in five years.

Our group also produced \$64.1 million of net income, against \$14.6 million in fiscal 2025, with basic earnings per share rising from \$1.11 to \$5.09. We repurchased and cancelled a further 737,100 shares for \$7.6 million, ending the fiscal year with 12,539,862 shares outstanding.

We are pleased with these headline results, but we are even more pleased with the structural quality of the earnings underneath them. As I shall describe in the segment commentary which follows, both of our principal businesses produced record operating outcomes, and they did so within an investment philosophy we have articulated to shareholders consistently over many years.

## I. Precious Metals Business

In fiscal 2026, our precious metals business produced its strongest result on record. The business generated \$209.4 million in precious metal revenue, up 136% from \$88.8 million in fiscal 2025, and \$49.7 million in net operating income, up 145% from \$20.3 million. At the close of the year, our clients held over \$4.5 billion of precious metal and fiat assets in custody, an increase of approximately 50% versus the \$3.0 billion held a year earlier.

Two factors combined to deliver these results. The first is the continued, asymmetric leverage of our operating platform to a rising precious metals environment, a feature we have written about in each of our recent letters. As gold rose meaningfully over the period, we benefited not only from elevated client transaction volumes but also from the natural appreciation of our fees on metal-denominated balances. The second is the patient and steady investment we have made in the platform over many years, investment which now expresses itself at a rate of operating leverage we believe to be among the strongest in our sector.

Beyond the financial result, what gives us the greatest pride is the fact that our clients have, between them, preserved a very substantial amount of purchasing power through their holdings on Goldmoney. This is, after all, why we built this business. It is what the Goldmoney brand has stood for since its founding in 2001, and it is the central proposition that distinguishes us from the broader constellation of fintech operators who appear to deal in similar instruments but cannot, ultimately, deliver the same outcome. Goldmoney remains, in its 25th year of operations, the global standard for the secure custody and ownership of physical bullion. In total Goldmoney clients saw their account values rise by over \$1.5 billion in fiscal 2026.

## **II. Goldmoney Properties Limited**

In fiscal 2026, Goldmoney Properties produced \$14.9 million of rental income and contributed \$18.7 million of net operating income to the group, the latter figure including a \$12.6 million gain on the disposal of an investment property in February 2026. Three threads connect the year: the disposal itself, the consolidation of the property capital structure, and the steady advance of the Clarendon Estate redevelopment in Oxford. I shall take them in that order.

In February 2026 we sold the freehold known as St James Place I and II for net proceeds of £37.0 million (\$68.4 million). We had acquired the property in November 2023, during the initial phase of our entry into the UK long-income property market, for £26.5 million; over the period of our ownership it generated approximately £5 million of cash rent. Of greater interest is the financing structure of the original purchase. Rather than equity-fund the acquisition, we drew a debt facility against Carnival House (our other 2023 acquisition, which had been paid for entirely in cash) and used the proceeds to fund SJP. The effect was that essentially no incremental equity was deployed into the SJP transaction itself. The total gain to Goldmoney's net worth between November 2023 and February 2026 was approximately £15 million (\$28 million), after tax.

I expect we shall, in time, regret the disposal. SJP was a fine asset, the kind of long-income freehold that becomes harder to acquire each year as institutional capital continues to crowd the market. But when a US-based private-equity firm approached us with a willingness to acquire the property at a price we considered full, and given the projected capital requirements at Clarendon over the coming years, the prudent course was to crystallise the gain. Of the three long-income freeholds we acquired from insurance companies in 2023, SJP was the only one we would have considered parting with; we have no plans, and no desire, to dispose of any further property in the portfolio. Quite the opposite: we intend, over time, to grow the size and scale. Beyond the financial outcome, the transaction has validated the conviction with which we deployed balance sheet capital into property in 2023, and perhaps more importantly has given Goldmoney a track record of solid returns in what was, then, for us, a new business.

Beyond the SJP transaction itself, the year saw a meaningful tightening of the property segment's capital structure. We reduced consolidated mortgage debt from £47.1 million (\$87.5 million) at the start of the

year to £32.7 million (\$60.3 million) at year-end, with most of the reduction funded directly from the disposal proceeds. The loan-to-value ratio at the property segment now sits at approximately 30%, and the entirety of our mortgage debt remains non-recourse to Goldmoney Inc. We also acquired five further long-term properties, mostly contiguous with Clarendon, during the year for a total of £19.1 million (\$35.2 million), augmenting the portfolio in supply-constrained markets. As at 31 March 2026, Goldmoney Properties owns ten properties totalling 503,898 square feet of Gross Internal Area, generating £5.5 million (\$10.2 million) of annual contracted net rental income. The property business has come, in slightly under three years, to complement our precious metals business with surprising elegance: the two cycle differently, the property book lagging movements in long-term interest rates whilst the bullion book tends to lead them, and the steady contracted income from a stable base of capital provides a counter-weight to the more episodic seasonality of bullion trading. Each business does what the other cannot, and together they produce a smoother and more durable group earnings profile than either could on its own.

The Clarendon Estate is now the principal focus within Goldmoney Properties. The remainder of the portfolio is the steady foundation upon which the larger and more ambitious endeavour rests.

As shareholders will recall, in November 2024 we acquired the freehold of the Clarendon Centre, a major shopping centre in the heart of Oxford. Over the past year we have completed several critical adjoining acquisitions, expanding the contiguous footprint of the Estate from 2.5 acres to over 3 acres. Securing these deals required a considerable degree of patience and persistence; the sellers included a Taiwanese family office, a European investment fund, an insurance company, and the Oxford City Council, with whom it has been a particular pleasure to work. A contiguous freeholding of this scale in central Oxford is exceptionally rare, and may very well not be assembled again in our lifetimes.

Our conviction in Oxford as a long-term host for serious capital is reinforced by the broader emergence of the Oxford-Cambridge corridor, increasingly described in the British press as Europe's Silicon Valley, as one of the continent's most consequential centres of scientific and economic activity. The renewed flow of intellectual and philanthropic capital into Oxford itself, exemplified by the Ellison Institute of Technology and the Schwarzman Centre for the Humanities, confirms what we already believed when we entered: that Oxford's economic, cultural, and intellectual gravity is increasing rather than diminishing, and that the demand for high-quality built environment in the centre of the city will only intensify over the years and decades ahead.

Our redevelopment of the Estate reimagines the site as a classical public square anchored by a mixed-use programme of office, retail, and hospitality space. Upon completion, the Estate will comprise approximately 175,000 square feet of built environment, organised around a 20,000 square-foot central square and three new streets, with roughly 25 retail and hospitality units and 60,000 square feet of office accommodation, the latter a quantum unrivalled in the centre of Oxford. We continue to weigh the possibility of incorporating a hotel or residential component within a later phase. The surrounding buildings, designed by Quinlan Terry Architects, will be traditionally constructed in local stone, in keeping with the architectural language of historic Oxford. Demolition works are now nearing completion. Earlier this year we received an outpouring of support across our public consultation events, and we were thrilled to receive a formal endorsement of the scheme from Historic England, the statutory body charged with safeguarding the nation's architecture, which commended "the considerable effort that has been given to the layout, form, and quality of the materials of the new buildings, which allows the development to successfully integrate within the surrounding highly historic townscape [of Oxford]." We expect to receive a decision on our planning application in the coming months, after which our attention will turn in earnest to the dual

challenges of construction and tenant procurement. We remain on track for an opening in 2028 or 2029, subject to the customary uncertainties of a project of this scale.

The capital expenditure required to complete the project will be significant, and shareholders should expect Clarendon to weigh on group earnings and free cash flow over the coming years. Over the past twelve months, we have already transferred just over \$62 million of property assets into the development phase of our balance sheet, reflecting the seriousness of the commitment, and have invested an additional \$10 million of capital expenditure within the Estate. At the end of the road, however, we shall own something rather special, and we shall also possess the experience to undertake similar placemaking projects elsewhere. The entrepreneurs whose work I have studied in this field with the greatest attention (Rick Caruso in Los Angeles, Scott Malkin in Europe, the Swire family in Hong Kong) have all built businesses I deeply admire, and their example informs how I think about Clarendon. The framing I have come to adopt is that, rather than acquiring an existing property at some discount to fair value, we are constructing our ideal property, on our preferred site, at a price that will look fair to us a decade hence. And we are doing so over a multi-year horizon that very few private actors can afford to commit to.

Taken as a whole, Goldmoney Properties has, in slightly under three years, become a substantial, diversified, and durable contributor to our group's earnings power, whilst also providing the optionality to participate in extraordinary placemaking opportunities such as Clarendon. The sum is greater than the parts, and I expect this to remain the case. The next two years will be critical, and they will also be challenging, as we seek to complete construction and launch the Clarendon Estate.

### **III. Menē**

Goldmoney Inc. continues to hold a 35.97% interest in Menē Inc. (TSX-V: MENE). Menē reported IFRS revenue of \$28.6 million for the calendar year, an 11% year-over-year increase, and Non-IFRS Adjusted Revenue<sup>①</sup> of \$33.5 million. Annual gross profit was \$8.7 million at a 31% gross margin. Calendar 2025 Adjusted EBITDA<sup>①</sup> was approximately \$2.1 million, against approximately \$0.8 million in 2024 and a loss of approximately \$0.3 million in 2023. Menē closed 2025 debt-free, with over \$10 million of cash on its balance sheet, a 40% increase year-over-year.

In last year's letter I described Menē as "an extraordinary business with considerable potential." Calendar 2025 was the year in which the foundations laid quietly over the preceding five years finally produced a profitable enterprise, on schedule, and at scale. CEO Vincent Gladu deserves the credit for delivering these excellent results. Under his stewardship, cost savings exceeded \$600,000, fulfilment times were reduced by 18%, and operational variances declined materially.

The parallel value accumulated in customers' hands is, in some respects, the more striking measure of what has been built. The cumulative jewellery held by Menē clients globally passed \$100 million, then \$250 million eighteen months later, and surpassed \$350 million in early 2026. Tens of thousands of customers across more than sixty countries now own Menē jewellery whose underlying gold and platinum content is, by its very nature, a real store of value. As I have written in past letters, no other luxury house we know of, save Rolex, can claim that the value of the goods in customers' hands meaningfully exceeds the cumulative revenue ever produced by the business. With Menē, this is true after only nine years.

I would now like to address what I consider the most significant evolution at Menē this past year, one that is harder to capture in a financial table. Menē began with a value proposition that was, in essence, financial: come, and acquire your gold transparently by the gram, in an object that will preserve its value. That spine

remains. But Menē has been quietly transitioning into something altogether older, slower, and more enduring. Under the artistic direction of Diana Widmaier-Picasso, herself a serious art historian, and Sunjoo Moon, our library of designs draws on the Etruscan, Hellenistic, and Byzantine traditions, as living interpretations in the same pure twenty-four-karat gold the original goldsmiths used. The objects themselves (pendants, rings, charms, chains) increasingly perform the function gold has performed in every civilisation for at least five thousand years: as sacred object, as gift, as a marker of moments the bearer wishes to consecrate. We at Menē are merely the modern stewards of that very ancient tradition.

The signs that this transition is being recognised by the world are present if one looks for them: more frequent editorial features; an emerging clientele of thought leaders, tastemakers, and quiet collectors of beautiful things; over 47,000 independent reviews averaging 4.9 out of 5; and, most telling, a customer base in which 73% of fourth-quarter sales were to returning customers. This is the slow accretion of brand: the kind upon which the great French and Italian houses of the twentieth century were built. We are in the very early days of becoming such a house, but the direction is now, in our judgement, unmistakable.

It is on the basis of this confidence, at once operational, financial, and cultural, that we are now preparing for what we consider the true Phase II of Menē's evolution. We intend to reinvest all the free cash flow Menē generates, supplemented by additional capital expenditure, into growing the business through more traditional means. A strategic plan is presently being designed, and we expect the next two years to be both exciting and challenging.

We could have chosen to keep Menē at its current scale, at a comfortable margin of profitability, and quietly compound the cash. We have rejected that option for two reasons. First, there is now over \$350 million of pure gold and platinum jewellery held by tens of thousands of customers around the world; to stop here would be to hold back something that genuinely improves the financial well-being of ordinary households. Second, Menē has shown what is possible: that a more honest model of jewellery can also be a serious house of design, craftsmanship, and cultural meaning. We have not yet reached our potential scale at Menē. We are not even close. The next two years will, in our estimation, be the most consequential in the company's history since its founding.

#### **IV. On Compounding, Capital, and the Clever Silly Economy**

Goldmoney Inc.'s 47% advance in tangible equity per share, in a single year, is an unusual outcome. It is also a result we have no intention of projecting forward. To compound at the rate we have over the past five years requires, as I have written before, the patient accumulation of small advantages, and it requires those advantages in many forms. Intelligent capital allocation, prudent exposure to precious metals and currencies, share repurchases, the timing of property disposals, the geographical and sectoral mix of our sources of revenue, and of course a strong precious metals environment. Each of these matters, individually in modest ways, but collectively in surprising ones. Ultimately, the consolidated results are a function of a high level of execution in both operations and capital allocation. The disposition to do this right, every day, requires a great deal of personal sacrifice as well.

Did we compound so well in fiscal 2026 by fluke? Perhaps. But perhaps not. The case I would make against the fluke hypothesis is one I have been formulating for some years, and I would like to share it with shareholders now, even at the risk of immodesty.

By happy coincidence, as I was preparing this letter, a paper was published which allows a hypothesis I have long entertained to be examined with some rigour. Hendrik Bessembinder, of the W. P. Carey School

of Business at Arizona State University, has spent the better part of a decade compiling and curating return data on the entire universe of common stocks ever to have traded on the U.S. public markets, tracking each name change, acquisition, spin-off, reorganisation, and delisting. In his latest study he reports investment outcomes for 29,754 individual stocks issued by 29,081 firms over the full century from 1926 to 2025.<sup>1</sup> The underlying dataset, made publicly available by the author, reports, for each firm, the cumulative and annualised compound return alongside the precise number of years for which the firm remained continuously listed.<sup>2</sup> What had previously been a matter of intuition could now be tested against the most comprehensive longitudinal record of public market outcomes ever assembled.

The dataset confronts the long-term investor with two related but quietly devastating facts. The first concerns longevity itself. The mean stock in the database remained publicly listed for just 11.7 years; the median for only 6.8. The remainder were absorbed, dissolved, delisted, or simply faded out of public existence. Of the nearly thirty thousand firms in the database, only 61 (roughly two of every thousand) have been continuously listed for ninety years or more. The figures by tenure are arresting:

<b>Continuously Listed for at Least</b>	<b>Number of Firms</b>	<b>Median Annualised Return</b>
90 years	61	10.12%
80 years	97	10.04%
70 years	175	10.04%
60 years	344	9.89%
50 years	789	9.81%
40 years	1,299	9.33%
30 years	2,533	8.71%
20 years	5,142	7.54%
10 years	10,942	5.35%

There is, on first inspection, a peculiarity worth pausing on. Among firms that have lasted ninety years, the median compound rate is in fact higher than among firms that have lasted only ten or twenty. The reason, of course, is the obverse of what one might initially suspect. Lasting and compounding are not, in this dataset, two separate achievements; they are the same achievement viewed from two angles. Firms that fail to compound at a respectable rate are absorbed, restructured, or dissolved well before their fortieth or fiftieth year, leaving the longer-lived cohort to consist largely of those that compounded reasonably well by the standards of their era. The reverse is also true and, in some respects, more striking: among firms that have managed to last ninety years, the very best long-run compound rate ever achieved by any of them is 16.29 per cent. Whatever speculation in the present moment may suggest, no listed enterprise has yet sustained a return materially above that ceiling across a full century of public existence.

The second uncomfortable fact concerns the difficulty of compounding above gold. Since the closing of the gold window in August 1971, gold has compounded in U.S. dollars at approximately 8 per cent per

<sup>1</sup> Bessembinder, H., 2026. "One Hundred Years in the U.S. Stock Markets." W.P. Carey School of Business, Arizona State University. Available at SSRN: <https://ssrn.com/abstract=6438198>.

<sup>2</sup> The underlying dataset (CRSP Compound Returns: Common Stocks) is published by Professor Bessembinder at <https://wpcarey.asu.edu/departments-finance/faculty-research/do-stocks-outperform-treasury-bills>. Compound annualised returns are computed using CRSP common-stock daily data and reflect each firm's full listed history, including delisting returns where applicable. The version we have analysed runs through December 2023; the latest published paper extends through December 2025. Firms are identified by CRSP PERMNO and named by their most recent CRSP-assigned name; mergers, name changes, and reorganisations are tracked within a single PERMNO history.

annum<sup>3</sup>; call it the floor any listed enterprise must clear simply to be worth the candle of capital it consumes. Of the 61 firms that have endured ninety years or more, only 46 have compounded above gold's post-1971 rate over their entire lifetime. Their names, in descending order of compound return, are: Altria (16.29%), Kansas City Southern (14.27%), Vulcan Materials (14.05%), General Dynamics (13.39%), S&P Global (13.20%), Deere & Co (13.12%), IBM (13.11%), Eaton (12.94%), Coca-Cola (12.71%), Universal Corp (12.31%), PepsiCo (12.30%), Hershey (12.30%), Bristol-Myers Squibb (12.28%), FMC (12.02%), CVS Health (11.95%), Caterpillar (11.83%), Archer Daniels Midland (11.71%), Exxon Mobil (11.43%), Trane Technologies (11.40%), Kroger (11.28%), Tootsie Roll (11.25%), General Mills (11.07%), Kimberly-Clark (10.89%), Colgate-Palmolive (10.83%), DuPont (10.74%), Chevron (10.71%), ConocoPhillips (10.66%), Procter & Gamble (10.50%), RTX (10.40%), Texas Instruments (10.14%), and Brunswick (10.12%), together with another fifteen firms compounding between 8 and 10 per cent.

That is the entire list. Forty-six firms, drawn from a starting universe of nearly thirty thousand, that have managed both to last ninety years and to compound above gold over their lifetime. The figure is so small in proportion to the parent universe that it would round to zero at any reasonable level of statistical precision: 0.16 per cent of all firms ever publicly listed in the United States, or roughly one in every six hundred. The figure for those that have compounded above 10 per cent over the same horizon, which is to say at a rate that meaningfully exceeds gold rather than merely matching it, is just thirty-one. Thirty-one firms, in a hundred years, in the deepest and most liquid capital market the world has ever known.

The reader may, with some justice, raise a protest: surely the celebrated compounders of the recent decades, the great names that have come to dominate the index and the public imagination, must figure prominently in any honest census of long-run wealth creation. They do, and they deserve their hearing. The seven companies most commonly identified as the present-day exemplars of compounding have indeed produced returns that exceed gold's post-1971 rate, in several cases very substantially:

Company	Years Listed	Annualised Return
Apple	43.0	19.22%
Microsoft	37.8	26.00%
Amazon	26.6	31.78%
Nvidia	24.9	33.38%
Alphabet	19.4	23.06%
Tesla	13.5	45.35%
Meta Platforms	11.6	21.12%

These are unquestionably remarkable outcomes. They are also, in nearly every case, of a tenure that does not yet permit fair comparison with the longer-lived cohort the dataset has just shown us. Tesla and Meta are scarcely into their second decade as listed enterprises; Alphabet is still in its third. Even Apple and Microsoft, the most senior of the seven, have been listed for only 43 and 38 years respectively: old enough to have cleared the gold threshold over their lifetimes, but not yet old enough to have cleared the half-century mark. The very high annualised rates that distinguish these firms have, by and large, been earned over fifteen or twenty-five years rather than over fifty or a hundred. There is no historical precedent in the

<sup>3</sup> The London PM gold fix rose from \$35.00 per ounce on 15 August 1971, the date dollar convertibility into gold was suspended, to approximately \$2,063 per ounce at the end of December 2023, equating to a compound annual rate of 8.0% over 52.9 years. Through the end of 2025, with the price near \$4,000 per ounce, the equivalent rate rises to approximately 9%.

dataset for such rates being sustained as the time horizon lengthens. The highest compound rate ever recorded across a full century of public listing remains Altria's 16.29%.

It is in this context that the achievement of one firm in particular deserves to be singled out: Berkshire Hathaway. Across the 47 years its current share class has been continuously listed, Berkshire has compounded at 20.94 per cent per annum, converting one dollar invested at listing into approximately 7,921 dollars at the close of the period. Berkshire's distinction is not the height of its annualised rate; many shorter-lived firms, including several of those listed in the table above, have done better in raw percentage terms. Its distinction is that it has sustained a very high rate for so long. Berkshire has, in essence, married the compound rate of a contemporary technology company to the time horizon of a Coca-Cola. That this combination has been achieved precisely once, in the deepest and most selected sample of public companies in human history, is itself a measure of how vanishingly rare the feat actually is.

Two qualifications are worth making explicit before we close. The first is that the figures in the dataset are gross of tax. Each dividend is assumed reinvested at the ex-dividend price, with nothing deducted for the ordinary or qualified income tax the holder would actually have owed in the year of receipt. Over a fifty- or hundred-year horizon, the gap between gross and after-tax compounding becomes very substantial; for a long-lived dividend payer such as Coca-Cola or Procter & Gamble, a meaningful share of the headline rate has, in real life, become the tax authority's rather than the shareholder's. Gold, by its very nature, generates no annual taxable event, and in several jurisdictions the gain itself is exempt: a gold sovereign issued by the Royal Mint is legal tender of the United Kingdom and therefore wholly free of capital gains tax. The eight per cent figure for gold therefore translates much more cleanly into the after-tax outcome of an actual long-term holder than the figures in either of our tables do.

The second qualification concerns the form in which the wealth is held. A share in a corporation is a legal claim recorded in a brokerage account, denominated in fiat currency, accessible only through the financial and legal infrastructure of a particular jurisdiction, dependent on the continued existence of the issuer, the brokerage firm or bank, and governed by the laws of the financial institution's place of residence. Gold is something one possesses. A Menē ring purchased in Florence today may be passed from an Italian grandmother to a French granddaughter to a great-grandchild now living in New York a century from now, traversing three currencies, three legal systems, three tax regimes, and three orders of political stability without ever requiring the cooperation of an exchange, a custodian, a depository, or a court. This kind of return appears in none of the tables we have just considered, and yet across the breadth of human civilisation it has been the most democratic and the most durable form of return there is. Gold has been freely accessible to ordinary people, in essentially the same way, for thousands of years. There has never been an equivalent for the share of a public corporation, and there is unlikely ever to be one.

These numbers, which I had long suspected but had never seen tabulated quite so cleanly, confirm the case I have been making in my own writings for nearly two decades. The strange and quite abrupt entropy of the listed company is not a feature of any one period or any one industry; it is the underlying condition of the form. Public companies, considered in aggregate, do not last. Their compounding capacity is, even among the most enduring, modest. And the gap between perception and reality, regarding the durability and the productivity of the typical listed enterprise, is on the whole enormous.

The empirical analysis just concluded provides, I think, an explanatory key to the more anthropological observation I now want to make. With the data before us, the behaviours we have come to associate with the celebrated CEOs of the present moment begin to look less like ordinary greed, or even ordinary

cynicism, than like a rational adaptation to an uncomfortable truth: genuine long-term compounding, at any rate worth speaking of, is on the historical evidence very nearly impossible to achieve. Most of the supposed great business leaders of our time know this, perhaps not quantitatively, but in their bones. They sense that they lack the disposition, the patience, and the steady hand to build something that genuinely outlives them, and so they game the only system over which they have any meaningful control. They construct compensation arrangements designed to capture, in the present, the wealth that they do not believe will materialise in the future. The shareholders, more often than not, intuit precisely the same thing. They ratify the arrangement anyway, in the half-conscious hope of being on the inside of a wager that, as the data have just shown, almost no one ever wins. When I look across the public markets today, particularly in North America, I see a peculiar pattern. The dominant strategic decisions taken by listed companies, and indeed celebrated as visionary, tend to be of a kind that can be dismantled by the deductive reasoning of a five-year-old. What is the business? What does it do? Who are its customers? Would it continue to exist if the stock market shut down for five years? These are the questions a child would ask, and they are the questions a great many supposedly sophisticated boards of directors no longer feel obliged to answer. I will refer to this as the “Clever Silly” phenomenon<sup>4</sup>, an arrangement under which patently unintelligent strategic decisions are dressed up as visionary genius despite being, on first principles, neither intelligent nor strategic. One needs only glance at a roster of recently celebrated tickers to take the point. The Western economic order is increasingly organising itself around these kinds of enterprises: businesses which purport to be at the frontier of a new economy, and which would, if separated from a willing capital market for any meaningful period, simply cease to exist.

There is a related phenomenon which I view as the more pernicious of the two: the executive compensation plans that have come to dominate the listed company landscape over the past decade. What used to be considered egregious in the world of hedge funds is now routine in the world of so-called frontier industries. The compensation structures awarded to certain celebrated CEOs and now hundreds of imitators across the boards of North American listed companies have a strange and, to my mind, deeply asymmetric quality. They are described as being aligned to upside dream-scenario outcomes; in fact, on every reasonable analysis, they incentivise an arrangement under which the downside increases disproportionately. The moment a CEO is granted the licence to wager what already exists for his own benefit, any intrinsic value in the present, ironically, is now at risk. We seem to have come to behave, in our capital markets today, as though there were no way to lose money in business, as though balance sheet equity were meaningless and could be regained at will.

The shareholders, in this arrangement, hand over the baseline wealth (the very wealth these CEOs claimed they were originally working for, on the basis of some larger mission or purpose) for the promise of a future wealth which, in any reasonable outcome, simply transfers the baseline to the CEO himself. No hedge fund manager has ever had such a deal. These plans, were they fashioned with even a thread of integrity, would include clawbacks: if you do not achieve what you say, you give back some of the existing shares; because if it all fails, the CEO somehow wins and all of us lose. Compensation plans whose targets are denominated in market capitalisation and do not even index to inflation are, to my mind, amongst the most asinine and outright corrupt arrangements I have ever seen presented as serious corporate governance.

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<sup>4</sup>The term “Clever Silly” is drawn from the academic literature on the cognitive failure mode by which highly intelligent individuals adopt and propagate ideas that ordinary common sense would readily reject; see Edward Dutton’s extensions of the framework, building upon Bruce G. Charlton, “Clever Sillies: Why High IQ People Tend To Be Deficient in Common Sense,” *Medical Hypotheses* 73, no. 6 (2009): 867–870.

The pattern beneath the pattern, as I have come to see it, is this. A great many of these CEOs, having failed to lead meaningful lives in the domains that actually matter, only care about money. Like a child who has not grasped wisdom, they believe that ever more nominal wealth will fix the rosebud at the centre of their otherwise hollow lives. We should not be surprised, then, when their stewardship of capital reflects this disposition, nor when boards of directors composed of similar men and women ratify it. When I started out as an entrepreneur in my twenties, my generation's motivation, or so I believed, was precisely the opposite. We had been formed by the words and ideas of an earlier set of founders for whom the building of a business was not a means of compounding nominal wealth but a means of fixing something, of improving the status quo, of using markets to achieve something worthwhile. Fifteen years later, I survey the same landscape with a mixture of scepticism and disappointment.

There is a third feature of the present landscape worth noting, which is that real economic activity, the kind that produces actual material growth, has now been firmly redirected toward the military and the preparations for it. We do not even call it defence anymore. Our most able engineers are no longer designing bridges or refining the basic industrial processes that underpin our shared material life. Increasingly, they are tasked either with attention-seeking algorithms that consume the energy of the grid (and your grandchildren's), or with the very weapons that will, in time, ensure those grandchildren are further indebted. Who, in this environment, wants to build a bridge? Or a classical building using the doric order?

And so, the question naturally arises: what, exactly, are we doing at Goldmoney? Why is it that, when the economic order around us is so manifestly oriented toward the things I have just described, we choose to do something else? The answer to this question is, I believe, the same as the answer to the question with which I began: did we compound so well in fiscal 2026 by fluke? I do not think so.

I think it has rather to do with this. Whilst the surrounding economy has spent two decades elevating Clever Silly over genuine economic activity, we have spent that same time building businesses which respect the customer, the place, and the underlying commodity. Our activities are, in their own quiet way, longer in cycle, lower in entropy, and oriented toward the real. They are, by nature, tortoise-paced rather than hare-paced. And yet, in every five-to-ten-year period, when the tide goes out and a generation of Clever Silly enterprises disappears, our quietly compounding activities seem to do comparatively well. This is, in retrospect, one of the unsung benefits of being the kind of company we have chosen to be.

I think it also has to do with an obsession that several of my colleagues will recognise: I respect the capital we have today perhaps more than I respect the capital we might have tomorrow. Or, put more precisely, I try to imagine the lowest-entropy use of our existing capital today, in a world that does not change as much as economic commentators, politicians, and the media would have us believe.

Goldmoney Properties Limited expresses this philosophy in a particularly noble form. Placemaking, the patient stewardship of irreplaceable parts of the built environment, binds together many of the principles I have sought to pursue in business. It is hard. It is slower than nearly every other thing one can do with capital. It does not always reward the participant in the way the spreadsheet wishes to be rewarded. By now, after many years of writing these letters, it should be obvious to shareholders that there are easier ways to make money than to do what we do. We have considered those easier ways and we have rejected them, because they do not serve our shareholders for the long run, and because they are not the kind of activity we wish to spend our lives on.

I cherish the opportunity to do this work, and it is not always easy to recognise that the reward is not simply more money. The reward is the work itself, the place itself, and the company itself. Fiscal 2026, in this

sense, was a year in which the longer-run benefits of doing what we have always done finally became visible in the financial statements. We do not expect every year to look like this one. We do, however, expect the philosophy that produced this year to remain intact for a very long time.

## **V. Macroeconomic and Geopolitical Note**

I will close, as I did last year, with a brief note on the wider macroeconomic picture, and resist the temptation to expand on it at length. Most of our long-standing views remain in place.

Gold has performed largely in the manner we have long expected. Sterling, our principal currency exposure outside Canada, has continued to outperform the major fiat alternatives, as we have argued since 2023. The price level in advanced economies has refused to settle at the rates that complacent observers had forecast a year ago, and broader monetary aggregates, from corporate balance sheets to sovereign obligations, reveal an unmistakable and continued expansion of fiat currency in circulation. Sovereign balance sheets continue to deteriorate. Persistent armed conflicts in Ukraine, the Middle East, and increasingly elsewhere render the geopolitical environment more fragile rather than less. None of this is, to us, surprising; nor does any of it materially alter the direction of our capital allocation. We remain, as always, attentive and prepared.

The most encouraging development on the intellectual front is the continued retreat of the policy-making consensus from the unhinged monetary experiment of the past three decades. It is not yet a return to sound money, but it is at least the beginnings of an honest acknowledgement that the old approach was not sustainable. A great deal of damage has been done in the meantime, and the bill is still being added up. Goldmoney is well-positioned to weather this period, regardless of the precise manner in which it concludes.

## **VI. Conclusion**

In closing, I wish to extend my sincere gratitude to the shareholders and clients of Goldmoney Inc. for their steadfast trust and support. I am equally grateful to our executive team and colleagues for their exemplary performance over the past year, in particular: Paul Mennega, Alessandro Premoli, Sean Ty, Rachel Stonier, Vincent Gladu, Diana Picasso, Sunjoo Moon, and Anoushka Rowland Payne. Lastly, I express my appreciation to our board of directors, chaired by James Turk and comprising Mahendra Naik, Andres Finkielzstain, and Stefan Wieler, for their thoughtful and prudent stewardship of the company.

Sincerely,

Roy Sebag

Founder and Chief Executive Officer

Goldmoney Inc.

### ***Forward-Looking Statements***

This shareholder letter contains or refers to certain forward-looking information. Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “may”, “potential” and “will” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All information other than information regarding historical fact, which addresses activities, events or developments that Goldmoney Inc. believes, expects or anticipates will or may occur in the future, is forward-looking information. Forward-looking information does not constitute historical fact but reflects the current expectations of the Company regarding future results or events based on information that is currently available. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not occur. Such forward-looking information in this shareholder letter speak only as of the date hereof. Forward-looking information in this shareholder letter includes, but is not limited to, statements with respect to: financial performance and growth of the Company’s business; interest rates and monetary policy; inflation rates and impacts on rental payments under the Company’s property investment portfolio; development and expenditures related to the Company’s property portfolio; expected results of operations; the expected depreciation of certain assets of the Company; the market for the Company’s products and services and competitive conditions; Menē Inc.’s future performance, business strategy and valuation; macro-economic predictions; and the performance of the Company’s property investment portfolio. This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The Company undertakes no obligation to update or revise any forward-looking information, except as required by law. Trading in the securities of the Company should be considered highly speculative. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

### ***(i) Non-IFRS Measures***

This shareholder letter contains non-IFRS financial measures; the Company believes that these measures provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating the Company’s performance, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. “Tangible equity” is a non-IFRS measure. This figure excludes from total shareholder equity (i) intangibles, and (ii) goodwill, and is useful to demonstrate the tangible capital employed by the business. “IRR” is a non-IFRS measure. “Non-IFRS Adjusted Revenue” is a non-IFRS measure. “Adjusted EBITDA” is a non-IFRS measure. For a full reconciliation of non-IFRS financial measures used herein to their nearest IFRS equivalents, please see the section entitled “Reconciliation of Non-IFRS Financial Measures” in the Company’s MD&A for the year ended March 31, 2026.