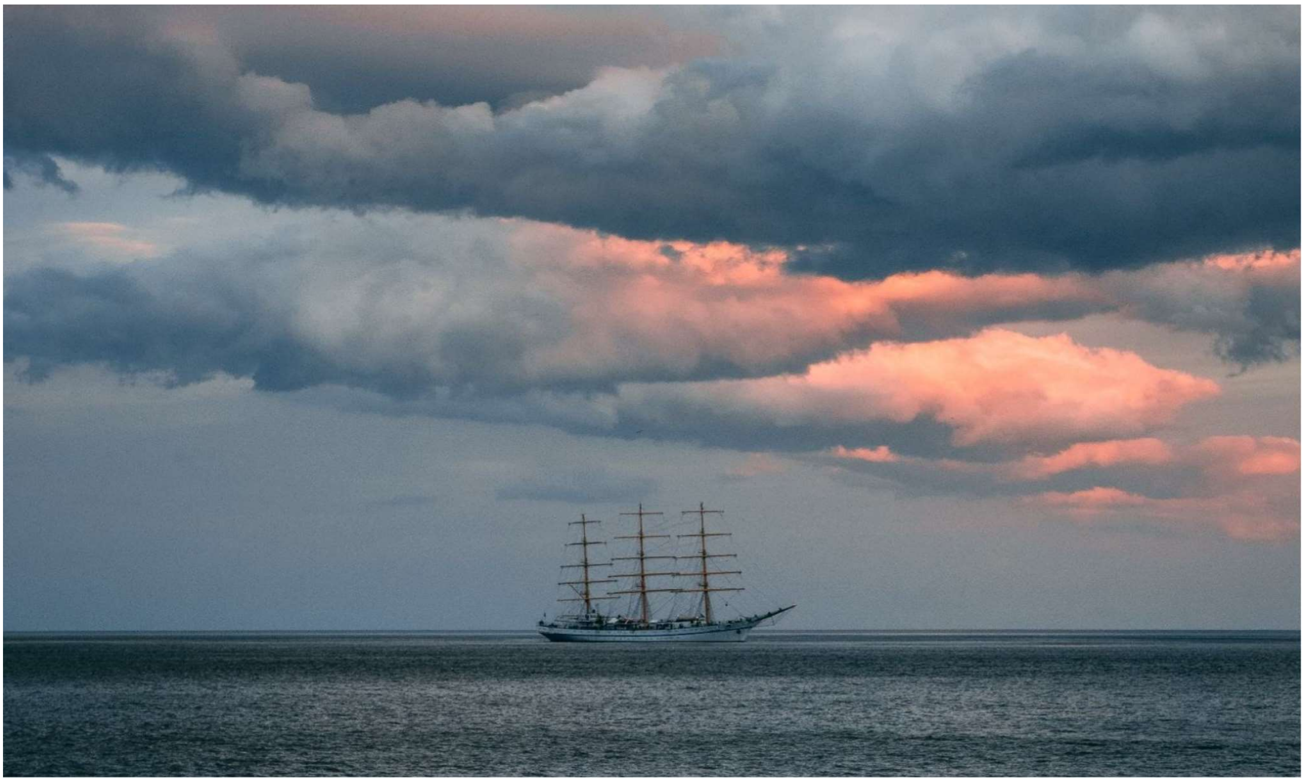
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS



CONVEXIS GLOBAL HOLDING LTD

FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

Convexis

Empowering investors to generate constant fixed returns

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GENERAL INFORMATION
FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

Directors
Ellen Chislett (appointed on 14 October 2021 and resigned on 10 July 2023)
Farida Azarioh (appointed on 14 October 2021)
Ryan David Mendez (appointed on 10 July 2023)

Registered Office
Unit 1306,
Level 13,
Tower II, Al Fattan Currency House,
Dubai International Financial Centre,
Dubai, United Arab Emirates.

Custodian
Credit Suisse Ltd.
Paradeplatz 8
8001 Zürich
Switzerland

Programme Advisor
Convexis Ltd
Industriering 14
9491 Ruggell
Liechtenstein

Independent Auditor
BDO Limited
First Floor, Windward House
La Route de la Libération
St Helier
Jersey
JE1 1BG
Channel Islands

Legal Advisers
Schellenberg Wittmer AG
Löwenstrasse 19
8021 Zurich
Switzerland

White & Case LLP
Level 6, Burj Daman, Al Mustaqbal Street, Dubai
International Financial Centre Dubai
PO Box 9705, Dubai
United Arab Emirates

DIRECTORS' REPORT
FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

The Directors present their annual report with the audited financial statements for Convexis Global Holding Ltd (the **Company**) for the period from 14 October 2021 to 31 March 2023.

Incorporation

Convexis Global Holding Ltd is a company limited by shares incorporated under the laws of the Dubai International Financial Centre (**DIFC**) and was registered with the DIFC under No. CL5151 on 14 October 2021.

Principal activities

The Company is part of the Convexis Group and upholds the mission of empowering investors to generate constant fixed returns. The principal activity of the Company is to issue debt securities (**Notes**).

The Company may invest the proceeds from the issuance of Notes into assets to be held on accounts of the Company (the **Assets**). All Assets held by the Company are referred to as the asset pool (**Asset Pool**). Where the Company holds an Asset Pool, it intends to hold such Assets according to the terms of a risk framework for purchasing and holding the Assets defined by the Company (**Risk Framework Administration Agreement**). The Risk Framework Administration Agreement restricts the Asset Pool to the following instruments:

- Money Market Instruments
- Bonds (public) and private placements
- Hedging Instruments. The Company can invest into exchange traded and over the counter derivatives for either hedging credit, interest risk or foreign exchange risk.

Principal risks and uncertainties

The Company is a special purpose financing entity with no business operations other than the issue of Notes and the subsequent investment of the proceeds. In general, prior to maturity, the market value of, and expected return on, the Notes will be influenced by many unpredictable factors. Changes in market parameters, including, but not exclusive to, changes in interest, foreign exchange rates and increases in volatility can increase credit and market risks and may also affect revenue and value of the Asset Pool.

The business activities of the Company is affected by the prevailing market situation. Various risk factors can impair the Company's ability to implement business strategies and may have a direct negative impact on earnings. Accordingly, the Company's revenues and earnings are subject to fluctuations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. Risks are formally reviewed by the Board of Directors (**Board**) and appropriate processes have been put in place to monitor and mitigate the risks. For a detailed description of risk management objective and policies refer to note 12.

Results and dividends

The results for the financial period are set out on page 9. The Directors have not recommended the payment of a dividend for the period ended 31 March 2023.

Going concern

The Directors have performed an assessment of the Company's ability to continue as a going concern. As part of the assessment, the Directors have considered the impact of the changing interest rate environment and the Russian invasion of Ukraine on these financial statements. Whilst the impact on the Company cannot be determined with substantial accuracy, as at the date of the approval of these financial statements, the Directors have not witnessed any material adverse impact on the Company's operations.

The Company maintains substantial liquidity buffers at all times in order to always be able to meet clustered note redemptions and to have sufficient liquidity for the day-to-day operations to meet its budget plans. In the event that the Asset Pool would not generate sufficient income, Call Note rates and new Term Note rates would be reduced. The Company continues to pursue this strategy.

The Directors have considered the available cash balances on the Company's bank accounts and the Company's forecast expenditure and are satisfied that the Company has sufficient liquid resources to cover at least 12 months from the date of approval of these financial statements, the Directors are of the opinion that the conditions for the going concern principle to apply to the Company are currently being met and accordingly the financial statements have been prepared on a going concern basis.

Directors

The Directors who held office during the period and subsequently to the date of signing of these financial statements were:

Ryan David Mendez (appointed on 10 July 2023)
Farida Azarioh (appointed on 14 October 2021)
Ellen Chislett (appointed on 14 October 2021 and resigned on 10 July 2023)

The Directors had no financial interest in the ordinary shares or Notes of the Company throughout the financial period and up to the date of approving these financial statements. The Company has made a third party indemnity provision for the benefit of the Directors. This indemnity provision remains in force at the time of this report.

Independent auditor

BDO Limited have indicated their willingness to continue in office.

Approved by the Board of Directors and signed on behalf of the Board

Director | **Dated:** 19/09/2023

DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (**IFRS**s), applicable provisions of the Articles of Association of the Company and the Dubai International Financial Centre (**DIFC**) Law No.5 of 2018, and for such internal controls as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors and signed on behalf of the Board

Director

Dated: 19/09/2023

Tel: +44 (0)1534 510100
www.bdo.je

Windward House
La Route de la Liberation
St Helier
Jersey
Channel Islands
JE1 1BG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVEXIS GLOBAL HOLDING LTD

Opinion

In our opinion, the financial statements have been properly prepared in all material respects, in accordance with the accounting policies as stated in note 1.

We have audited the financial statements of Convexis Global Holding Ltd ("the Company") for the period from 14 October 2021 to 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes 1 to 13 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We made enquiries of the Directors to obtain further understanding of risks of non-compliance.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of Board meetings throughout the year;
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

BDO Limited
Chartered Accountants
Jersey, Channel Islands
19 September 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

	Notes	From 14 October 2021 to 31 March 2023 US$
Income		
Interest income		1,085,745
Net foreign exchange gain from trading and hedging the Asset Pool		120,214
Total income		1,205,959
Expenses		
Administration fee		56,540
Commission fee		74,886
Legal and professional expenses		30,528
Audit fees	7	10,000
Other expenses		9,561
Finance expenses	9	1,049,159
Total expenses		1,230,674
Loss for the period		(24,715)
Total comprehensive loss for the period		(24,715)

All the items dealt with in arriving at the profit for the period relate to continuing activities.

The notes on pages 13 to 23 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31 March 2023 US$
Assets		
Non-current assets		
Bonds	4	995,557
Current assets		
Cash and cash equivalents	5	401,092
Money market instruments	4	63,446,403
Prepayments and other receivables	6	137,817
		63,985,312
Total assets		64,980,869
Liabilities		
Non-current liabilities		
Notes payable	9	5,625,000
Current liabilities		
Notes payable	9	59,298,114
Accrued expense and other payables	7	10,470
		59,308,584
Total liabilities		64,933,584
Equity		
Capital and reserves		
Share capital	10	72,000
Accumulated losses		(24,715)
Total equity		47,285
Total equity and liabilities		64,980,869

The financial statements on pages 9 to 23 were approved and authorised for issue by the Board of Directors on 19 September 2023 and were signed on its behalf by:

Director
Date: 19/09/2023

The notes on pages 13 to 23 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

	Notes	Share capital	Accumulated losses	Total
		US$	US$	US$
Issuance of shares	10	72,000	-	72,000
Total comprehensive loss for the period		-	(24,715)	(24,715)
Balance at 31 March 2023		72,000	(24,715)	47,285

The notes on pages 13 to 23 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 14 OCTOBER 2021 TO 31 MARCH 2023

	From 14 October 2021 to 31 March 2023 US$
Operating activities	
Total comprehensive loss for the period	(24,715)
Adjustments for:	
Interest income	(1,085,745)
Interest expense	1,049,159
Foreign exchange difference	(52,345)
Working capital movements:	
Purchase of bonds	(995,557)
Purchase of money market instruments	(303,141,319)
Redemptions of money market instruments	241,850,278
Increase in accrued expenses	10,000
Interest received	959,460
Movement in prepayments	(11,532)
Net cash used in operating activities	(61,442,316)
Cash flows from financing activities	
Proceeds from issuance of share capital	72,000
Proceeds from issuance of Call Notes	95,510,435
Payments on redemption of Call Notes	(40,787,010)
Proceeds from issuance of Term Notes	16,300,000
Payments on redemption of Term Notes	(8,300,000)
Interest paid	(952,487)
Cash received from related party	470
Net cash generated from financing activities	61,843,408
Increase in cash and cash equivalents	401,092
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at end of the period	401,092

1 General information

Convexis Global Holding Ltd (the **Company** or **Issuer**) is a company limited by shares incorporated under the laws of the Dubai International Financial Centre (**DIFC**) and was registered with the DIFC under No. CL5151 on 14 October 2021. The registered office of the Issuer is located at Unit 1306, Level 13, Tower II, Al Fattan Currency House, Dubai International Financial Centre, Dubai, United Arab Emirates.

The Company is part of the Convexis Group and upholds the mission of empowering investors to generate constant fixed returns. The principal activity of the Company is to issue series debt securities (**Notes**).

The Company may invest the proceeds from the issuance of Notes into assets to be held on accounts of the Company (the **Assets**). All Assets held by the Company are referred to as the asset pool (**Asset Pool**). Where the Company holds an Asset Pool, it intends to hold such Assets according to the terms of a risk framework for purchasing and holding the Assets defined by the Company (**Risk Framework Administration Agreement**). The Risk Framework Administration Agreement restricts the Asset Pool to the following instruments:

- Money Market Instruments
- Bonds (public) and private placements
- Hedging Instruments. The Company can invest into exchange traded and over the counter derivatives for either hedging credit, interest risk or foreign exchange risk.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2.1 Basis of preparation

The Company's financial statements have been prepared in accordance with IFRS and Dubai International Financial Centre (**DIFC**) Companies Law No. 5 of 2018. The financial statements have been prepared under the historic cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The estimate and assumption used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual amounts and results could differ from such estimates and assumptions. The estimates and assumptions are reviewed on an on-going basis. Any revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, fair value calculation and disclosures require significant judgement. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates were significant to the financial statements are disclosed in notes 3, 9 and 12.

Adoption of new and revised standards

(a) Standards, amendments and interpretations issued and effective
This is the first financial period of the Company therefore all applicable standards, amendments and interpretations that are issued and effective from 14 October 2021 are adopted.

(b) New standards, amendments and interpretations issued but not yet effective
At the date of authorisation of these financial statements, the Company has not applied new standards, amendments to standards and interpretations that have been issued but are not yet effective. The Company intends to adopt these new amended standards and interpretations, if applicable, when they become available.

Effective from 1 January 2024:
Non-current Liabilities with Covenants (Amendments to IAS 1)
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The Directors do not expect that the adoption of new standards will have a material impact on the financial statements of the Company in future periods.

2 Summary of significant accounting policies (continued)

2.2 Going concern

The Directors have performed an assessment of the Company's ability to continue as a going concern. As part of the assessment, the Directors have considered the impact of the changing interest rate environment and the Russian invasion of Ukraine on these financial statements. Whilst the impact on the Company cannot be determined with substantial accuracy, as at the date of the approval of these financial statements, the Directors have not witnessed any material adverse impact on the Company's operations.

The Company maintains substantial liquidity buffers at all times in order to always be able to meet clustered note redemptions and to have sufficient liquidity for the day-to-day operations to meet its budget plans. In the event that the Asset Pool would not generate sufficient income, Call Note rates and new Term Note rates would be reduced. The Company continues to pursue this strategy.

The Directors have considered the available cash balances on the Company's bank accounts and the Company's forecast expenditure and are satisfied that the Company has sufficient liquid resources to cover at least 12 months from the date of approval of these financial statements, the Directors are of the opinion that the conditions for the going concern principle to apply to the Company are currently being met and accordingly the financial statements have been prepared on a going concern basis.

2.3 Foreign currency translation

(i) Functional and presentation currency

The Board considers the US Dollars (**US$**) as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in US Dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated into US Dollars at the rate ruling on the date of the transaction. Monetary assets and monetary liabilities at the statement of financial position date denominated in foreign currencies are translated into US Dollars at the rate ruling on the statement of financial position date. Any gains or losses arising on translation are recognised in the statement of comprehensive income. Below are the exchange rates used as at 31 March 2023.

	31 March 2023 US $
Sterling pound (GBP) to US Dollars	1.2337
Swiss franc (CHF) to US Dollars	1.0925
Euro (EUR) to US Dollars	1.0839
Canadian Dollars to US Dollars	1.3684

2.4 Financial instruments

The Company's financial instruments comprise cash and cash equivalents, money market instruments, Notes issued, and other receivables and payables that arise directly from its operations. These financial instruments are classified in accordance with the principles of IFRS 9 as described below.

(i) Financial assets

Initial recognition and measurement

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss, fair value through other comprehensive income (**OCI**) or amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

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

2 Summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

(i) Financial assets (continued)
Initial recognition and measurement (continued)
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
• Financial assets at fair value through profit or loss

Other receivables and other payables are initially measured at fair value, net of transaction cost. Other receivables are subsequently measured at amortised cost less impairment. Other payables are subsequently measured at amortised cost.

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

Bonds is classified as financial assets at amortised cost even though they can be redeemed at anytime. Bonds is held within business model to collect cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

The Company's financial assets at amortised cost includes other receivables, bonds, private placements and related party receivables.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative financial instruments.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired; or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2 Summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

(i) Financial assets (continued)
Impairment
The Company recognises an allowance for expected credit losses (**ECLs**) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The impairment loss is recognised through the statement of comprehensive income and if there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised.

The Company has made an assessment of the ECL as at the reporting date and concluded that it is negligible. As such, no expected credit losses have been recognised in relation to financial instruments.

(ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables and notes payables.

Subsequent measurement
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.5 Derivative financial instruments
Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.6 Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 Summary of significant accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of bank charges. The Company's cash and cash equivalents at the end of the financial period is shown in note 5.

2.8 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. They are classified as current liabilities if payment is due and payable within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are not interest bearing, short term in nature, and are accordingly stated at their amortised cost.

2.9 Interest income

Interest income is recognised in the statement of comprehensive income on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

2.10 Expenses

Expenses are accounted for on an accrual basis.

2.11 Taxation

For the period ended 31 March 2023, the Company is not subject to any corporate tax in the United Arab Emirates.

2.12 Share capital

Ordinary shares held by the Company are classified as equity. Any incremental costs directly attributable to the issue of shares have been shown in equity as a deduction, net of tax, from the proceeds.

2.13 Dividend

Dividends on ordinary shares are recognised in the period in which they are declared.

3 Critical accounting estimates and judgements

(a) Accounting estimates and assumptions

The accounting estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the reporting date. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. Actual amounts and results could differ from such estimates and assumptions.

The Directors believe there is no significant critical estimates made in process of applying the Company's policies and that have the most significant effect on the amounts recognised in the financial statements.

(b) Critical judgments

Functional currency

The Directors consider the US Dollars the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. US Dollars is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its noteholders.

4 Other financial assets

	31 March 2023 US$
Money market instruments	63,446,403
Bonds	995,557
	64,441,960

Money market instruments consist of various assets with typically a tenor up to 12 months. This includes placements, call as well as time deposits, Eurodollar deposits, commercial papers, private placements with governments and asset backed placements.

The Company is eligible to purchase bonds from various countries in various currencies. The interest rate of bonds and private placements can be either fixed or floating. Bonds can be unsecured; or covered by assets and subordinated.

The Company has made an assessment of the ECL as at the reporting date and concluded that it is negligible. As such, no expected credit losses have been recognised in relation to money market instruments, bonds and private placements. Refer to note 8.

5 Cash and cash equivalents

	31 March 2023 US$
Cash and cash equivalents	401,092

For the purposes of the cash flow statement, cash and cash equivalents comprise of balances with original maturity of less than 90 days.

The Company has made an assessment of the ECL as at the reporting date and concluded that it is negligible. As such, no expected credit losses have been recognised in relation to the cash and cash equivalents. Refer to note 8.

6 Prepayments and other receivables

	31 March 2023 US$
Interest receivable on other financial assets	126,285
Prepayments	11,532
	137,817

7 Accrued expense and other payables

	31 March 2023 US$
Accrued expense	10,000
Related party payable	470
	10,470

8 Expected credit losses

The Company records the allowance for credit loss for all debt financial instruments not held at FVTPL, together with cash and cash equivalents, in this section all referred to as financial instruments.

The ECL allowance is based on the credit losses expected to arise over the life of the financial instrument (the lifetime expected credit loss or **LTECL**), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the life of the financial instrument.

8 Expected credit losses (continued)

Based on the above process, the Company groups its financial instruments in to Stage 1, Stage 2, and Stage 3, as described below:

Stage 1 - When financial instruments are first recognised, the Company recognises an allowance based on 12-months' ECLs. Stage 1 also include financial instruments where the credit risk has improved and the financial instrument has been reclassified from Stage 2.

Stage 2 - When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 also includes financial instruments, where the credit risk has improved and the financial instrument has been reclassified from Stage 3.

Stage 3 - Financial instruments considered credit-impaired. The Company records an allowance for the LTECLs.

Cash and cash equivalents and money market instruments have been grouped for ECL purposes, as both items together represent the Asset Pool of the Company. ECL is presented on a cumulative basis to better reflect ECL provisions for and the credit risk of the business model of the Company.

The Company has made an assessment of the ECL as at the reporting date and concluded that it is negligible. As such, no expected credit losses have been recognised in relation to financial instruments.

The Company held an Asset Pool of USD 64,969,337 at 31 March 2023. The Asset Pool is held with Swiss and international banks with an investment grade rating, based on S&P Global ratings. Impairment on the Asset Pool has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its Asset Pool has a low credit risk profile.

The Company calculates ECLs based on a three probability-weighted scenario to measure the expected cash shortfalls on the respective notional invested. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract without interest and the cash flows that the entity expects to receive. The Company applies forward looking scenarios to the respective PDs and LGDs. Depending on the economic outlook, the respective PDs and LGDs are scaled upwards (more uncertainty/risk) or downwards (less uncertainty/risk). Management uses three scenarios using probability weight for each scenario based on the management best estimate for their likelihood. Below are the weights for each scenario:

Scenario	*Assigned Weighting*
Baseline	55.00%
Upside	10.00%
Downside	35.00%

The mechanism of the ECL calculations are outlined below and the key elements are, as follows:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period. The Company uses PDs of the publicly available “Mapping of S&P Global Market Intelligence Default Rates for Low Default Portfolios” (the **Report**) by S&P Global Market Intelligence for its ECL calculations. The Report utilises historic default data from over 30 years and is therefore insensitive to outliers and represents smoothed long-term observations for each rating category probability of default.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The ECL is calculated with the following formula:
ECL = EAD x PD x LGD

9 Notes Payable

	From 14 October 2021 to 31 March 2023 US$
Accrued interest payable on notes	96,672
<u>Call notes</u>	
Opening balance	-
Issuance during the period	95,510,435
Redemptions during the period	(40,787,010)
Foreign exchange difference	2,103,017
Closing balance	56,826,442
<u>Term notes</u>	
Opening balance	-
Issuance during the period	16,300,000
Redemptions during the period	(8,300,000)
Closing balance	8,000,000
Total financial liabilities at amortised cost	64,923,114

Financial liabilities at amortised cost represents Term Notes and Call Notes issued by the Company.

Term Notes holders receive an interest payment on the interest payment date(s) in the amount, as specified in each Final Terms, of the specified denomination multiplied with the interest rate and the day count fraction.

Call Notes are characterised by a repayment of 100% of the specified denomination in the specified currency at the maturity date and interests payments, as specified in each Final Terms. Call Notes holders can exercise the notes on any business day. After exercise, a repayment of 100% of principal as well as payment of the accrued interest (pro rata interest payment) will be made.

During the period, the Company recognised interest expense of US$ 1,049,159 of which US$ 96,672 was outstanding as at 31 March 2023.

Maturity
Term Notes will terminate at its maturity date, as specified in the Final Terms.

Call Notes will terminate at its maturity date, as specified in the Final Terms, or in the event of an exercise, two business days after the optional redemption date.

10 Share capital

	31 March 2023 US$
Equity	
10,000,000 ordinary shares of $1 each	10,000,000
Issued and fully paid:	
Equity	
72,000 ordinary shares of $1 each	72,000

The issued share capital of the Company are held by Convexis Group Limited (100 percent). Each issued and fully paid share is entitled to dividends when declared and carries one voting right. The Company has no restrictions or specific capital requirements on the issue and re-purchase of ordinary shares.

11 Ultimate controlling party

The Directors consider Convexis Group Limited (the beneficial owner of the issued share capital of the Company) to be the ultimate controlling party of the Company.

12 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, interest rate risk, foreign exchange risk, and credit risk.

The Company's assets and liabilities comprised of financial instruments that include financial assets, cash and cash equivalents and creditors that arise directly from its Assets Pool and the debt securities issued by the Company.

Concerns about geopolitical developments, commodity prices, interest rates and natural disasters, among other things, can affect the global financial markets and investor confidence. Moreover, corporate or other incidents may have a significant effect on the valuation and the revenues of the assets.

(a) Market risk

Market risk is the risk that changes in market prices, foreign exchange rates and interest rates 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.

The Company's exposure to market risk is comprised of the following risks:

Foreign exchange risk
The Company holds both monetary and non-monetary assets denominated in currencies other than US Dollars, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The Company monitors the issuance of Notes denominated in foreign currencies to invest the proceeds in the same currency to manage the foreign currency exposure.

Below are the balances that are denominated in foreign currencies for the period ended 31 March 2023.

	CHF	GBP	EUR
Cash and cash equivalents	22,846	255	34,729
Money market instruments	14,975,251	-	5,070,000
Notes payable	(15,000,000)	-	(5,070,000)

For the period ended 31 March 2023, the asset balances that are denominated in CHF and EUR are matched by the liability balances denominated in CHF and EUR. Therefore, the Company’s net exposure to foreign currency changes is deemed to be not material.

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

Interest rates are determined by various factors of supply and demand in international money markets, which are influenced by economic factors, speculation and interventions by central banks and government authorities or other political factors. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate of Notes. Call Notes have variable interest adjustable on the Company's discretion and not dependent on a market interest rate index. The Company maintains substantial liquidity buffers at all times in order to always be able to meet clustered note redemptions and to have sufficient liquidity for the day-to-day operations to meet its budget plans.

Interest income from the Company’s Asset Pool may fluctuate in amount and may be affected by changes in interest rates. The Company seeks to optimise the overall performance from the assets it holds. In case the Asset Pool would not generate enough revenue, the Call Note rates and new Term Note rates would be reduced as mentioned in the Final terms. Any material interest rate risk maybe hedged with interest rate hedging transactions. During the period, the Company's exposure to interest rate changes is deemed to be not material.

12 Financial risk management (continued)

(b) Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Company is exposed arises from the Company's investments held by the Custodian. The Company is also exposed to counterparty credit risk on other financial assets, cash and cash equivalents and other receivable balances.

Assets in the form of cash or any transferable securities will be held in an account of, and in the name of the Company with the Custodian or another intermediary. Where the Assets consist of other things than cash or transferable securities (i.e. private placements), it may be held in the name of or under the control of the Custodian or another intermediary for the account of the Company.

The ability of the Company to meet its obligations with respect to the Notes will be dependent upon receipt by the Company of payments from the Custodian.

The credit risk on cash transactions is in part mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with credit-rating assigned by international credit-rating agencies.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets

	31 March 2023 US$
Money market instruments	63,446,403
Bonds	995,557
Cash and cash equivalents	401,092
Other receivables	126,285
	64,969,337

The Company has made an assessment of the ECL as at the reporting date and concluded that it is negligible. As such, no expected credit losses have been recognised in relation to the cash and cash equivalents. Refer to note 8.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company is exposed to early redemptions of the Call Notes. In case of early redemption, the amount payable per Note to Noteholders in such circumstances should be, unless otherwise specified or in case of an event where the Company is unable to fulfil his contractual obligation under the Base Prospectus, the Final Terms as well as any other relevant document, an amount equal to the outstanding nominal amount of such Note and the accrued interest on such Note since issuance or last interest rate payment date. The Company will fund such payments on the realisation of the Assets.

The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of Notes, without incurring unacceptable losses or risking damage to the Company’s reputation.

In accordance with the Company's policy, the Programme Advisor monitor's the Company's liquidity position on a daily basis. Potential liquidity risks are minimised by holding a significant portion of its assets in highly liquid instruments/investments.

12 Financial risk management (continued)

(c) Liquidity risk (continued)

31 March 2023	Due within 1 year US$	1 to 2 years US$	More than 5 years US$	Total US$
.				
Cash and cash equivalents	401,092	-	-	401,092
Bonds and money market instruments	63,446,403	995,557	-	64,441,960
Interest receivable on other financial assets	116,735	9,550	-	126,285
Notes payable	(59,298,114)	(5,625,000)	-	(64,923,114)
Net Liquidity	4,666,116	(4,619,893)	-	46,223

(d) Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date. The fair value of a liability reflects its non-performance risk. The Directors have considered the fair values of the Company's financial assets and financial liabilities under the below level of fair value hierarchy.

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2023, the fair value of the asset category Bonds was US$ 979,860.

Transfer between the hierarchy levels
There were no transfers between hierarchy levels during the financial period.

13 Related party transactions

Ryan David Mendez is a director (appointed on 10 July 2023) and Ellen Chislett (appointed on 14 October 2021 and resigned on 10 July 2023) was a director of certain subsidiaries of Intertrust Fiduciary Services (Jersey) Limited, including Intertrust SPV Services Limited which provide accounting and directorship services to the Company. Farida Azarioh (appointed on 14 October 2021) is a director of Intertrust (Dubai) Limited, which provides directorship, administrative, company secretarial services and registered office.

During the period, fees amounting to US$ 64,660 were incurred from the services provided by Intertrust Dubai of which US$ nil was outstanding as at the period end. The Directors do not receive remuneration from the Company. The fees paid to Intertrust Dubai include provision of directors among other administrative services.

As at 31 March 2023, other payables amounting to US$ 470 is payable to Convexis Group Limited.

The Directors of the Company are considered the key management personnel.

14 Events after reporting period

There were no events after the reporting period that require adjustment or disclosure in the financial statements.