

**IZABELO NOK B.V.**  
**(Amsterdam)**

**FINANCIAL STATEMENTS**

**March 31, 2022**

**IZABELO NOK B.V.**  
**(Amsterdam)**

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**IZABELO NOK B.V.**  
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**BALANCE SHEET**  
**March 31, 2022**  
(before appropriation of the result)

		<b>03/31/2022</b>		<b>03/31/2021</b>	
		NOK	NOK	NOK	NOK
<b>NON CURRENT ASSETS:</b>					
Financial fixed assets:					
Charged assets	(1)	<u>23,522,333</u>		<u>19,215,621</u>	
			23,522,333		19,215,621
<b>CURRENT ASSETS:</b>					
Other receivables		67,433		321,965	
VAT receivable		49,178		50,617	
Cash and cash equivalents	(2)	<u>175,010</u>		<u>140,370</u>	
			291,621		512,952
			<u>23,813,954</u>		<u>19,728,573</u>

**SHAREHOLDER'S EQUITY AND LIABILITIES**

		<b>03/31/2022</b>		<b>03/31/2021</b>	
		NOK	NOK	NOK	NOK
<b>SHAREHOLDER'S EQUITY:</b>					
Issued share capital	(3)	1		1	
Retained earnings		<u>17,812</u>		<u>17,812</u>	
			17,813		17,813
<b>NON CURRENT LIABILITIES:</b>					
Notes payable	(4)		23,522,333		19,215,621
<b>CURRENT LIABILITIES:</b>					
Corporate income tax		15,633		12,492	
Other payables and accrued expenses		<u>258,175</u>		<u>482,647</u>	
			273,808		495,139
			<u>23,813,954</u>		<u>19,728,573</u>

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**STATEMENT OF INCOME AND EXPENSES**  
**for the period ended March 31, 2022**

		<b>04/01/2021 -</b>		<b>04/01/2020 -</b>	
		<b>03/31/2022</b>		<b>03/31/2021</b>	
		<u>NOK</u>	<u>NOK</u>	<u>NOK</u>	<u>NOK</u>
<b>FINANCIAL INCOME AND EXPENSES:</b>					
Interest income	(5)	7,583,460		6,406,333	
Interest expense	(6)	(7,583,460)		(6,406,333)	
Other financial income and expenses	(7)	(2,353,680)		926,075	
Currency exchange result		<u>2,353,914</u>		<u>(926,075)</u>	
Financial income and expenses			234		-
<b>OPERATING INCOME AND EXPENSES:</b>					
Other operating income			418,910		419,583
Administrative expenses	(8)		<u>(415,648)</u>		<u>(415,751)</u>
Net operating result			3,496		3,832
Impairment release / (charge) in the portfolio of financial assets		(4,086,967)		1,123,226	
Attribution of impairment (release) / charge to Noteholders		<u>4,086,967</u>		<u>(1,123,226)</u>	
			<u>-</u>		<u>-</u>
Result before tax			3,496		3,832
Income tax expense	(9)		<u>(3,496)</u>		<u>(3,832)</u>
Result after tax			<u><u>-</u></u>		<u><u>-</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

**A. General**

***Incorporation***

The Company was incorporated on November 21, 2017 under the name of Izabelo NOK B.V. and is wholly owned by Stichting Izabelo (the "Foundation"). The Company has its registered office at Luna ArenA, Herikerbergweg 238, 1101CM Amsterdam, the Netherlands. The Company's Chamber of Commerce registration number is 70126127. The authorized share capital of the Company consists of 1 share with a par value of NOK 1. At March 31, 2022 all shares remained in issue and paid. The Company has no employees.

***Structure of operations***

The Company is an entity for securitization purposes according to Art. 1 ministerial decree prudence rules Financial Supervision Act (Article 1, Decree on Prudential Rules for Financial Undertakings) under the laws of the Netherlands.

The Company issued Notes to finance the purchase of the charged assets. The Notes are not listed and not rated.

***Investment objective and strategy***

***Investment objective***

The Company is incorporated to pass on the economic benefit and risk of the charged assets to the Noteholders.

Investments in the portfolio will apply to the eligibility criteria and the portfolio guidelines as described in the Terms and Conditions.

***Investment strategy***

The investment manager's objective in investing in the portfolio on behalf of the Company is to minimise the possibility of principal loss while enhancing return through active portfolio management. The investment manager's selection of assets in the portfolio is based primarily on fundamental, company specific credit analysis and secondarily on technical factors which may influence trading levels and pricing, such as new issue calendar volumes, research coverage and track record of the lead underwriter or agent.

***Reporting currency***

The Company uses its functional currency being the Norwegian Krone, as its reporting currency.

**B. Significant accounting policies**

***Financial Reporting period***

These financial statements have been prepared for a reporting period of one year.

***Basis of preparation***

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code and in accordance with Dutch Accounting Standards.

The assets, liabilities and the determination of the results have been prepared on the historical cost basis, unless otherwise stated.

Management has prepared the financial statements on April 4, 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

***Foreign currencies***

The financial statements are denominated in Norwegian Krone (NOK), which is the functional and presentation currency of the Company.

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities, denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates are recognised in the statement of income and expenses.

The year-end closing exchange rates used for the translation purposes are as follows:

	<u>03/31/2022</u>	<u>03/31/2021</u>
EUR	0.1030	0.1000
ZAR	1.6654	1.7356
SEK	1.0645	1.0243

***Estimates***

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question. Please refer to paragraph D for further explanation.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

**Significant accounting policies in respect of the valuation of assets and liabilities**

***Financial fixed assets***

***Loans***

The loans are initially measured at fair value and subsequently carried at amortized cost less impairments. If the loan is acquired at a discount or premium, the discount or premium is recognized through the statement of income and expenses over the maturities of the asset using the effective interest rate method. Impairment losses are deducted from amortized cost and expensed in the statement of income and expenses.

***Impairment financial assets***

The amount of an impairment loss incurred on financial assets stated at (amortized) cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment reversed. The amount of the reversal shall be recognised in statement of income and expenses.

The fair value of the financial instruments is disclosed in the notes to the financial statements. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for entity specific inputs.

***Receivables***

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. All receivables included under current assets are due in less than one year. The fair value of the current assets approximates the book value due to its short term character. If a trade receivable is uncollectible, it is written off against the statement of income and expenses.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, current balances with banks and deposits held at call with maturities of less than 3 months. Cash and cash equivalents are stated at face value.

***Long-term liabilities***

***Notes***

Notes payable are initially recognised at fair value, normally being the amount received taking into account premium or discount less transaction costs.

The Notes are subsequently stated at amortised cost, being the amount received taking into account of any premium or discount less the estimated value diminution of the Notes adjustment.

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Any difference between the proceeds and the redemption value is recognized in the statement of income and expenses over the reinvestment period of the borrowings using the straight line method.

Contractual obligations of the Company towards the Notes issued are laid-out in the finance documents. The limited recourse nature of the transaction may result in the non-payment of both principal and interest to the Noteholders.

*Estimated value diminution of the Notes*

In order to present the actual payment obligation to the Noteholders, a payment obligation adjustment has been included in the amount payable of the Notes.

The amounts of the Company's estimated diminution in value of the Notes in respect of both principal and interest are dependent upon the performance of the underlying loans and equities. During the transaction period the performance of this loans and equities may have an effect on the actual payment obligation to the Noteholders. The payments to the Noteholders is pro rata and pari passu.

Changes in the estimated diminution in value of the Notes are directly charged or credited to the statement of income and expenses.

***Current liabilities***

Current liabilities are recognised initially at fair value and subsequently measured at amortised cost. All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to its short term character.

*Offsetting*

Financial assets and liabilities are off set and presented at their net amount in the balance sheet when the Company has a legal right to offset the amounts. The Company should have the intentions to either settle on a net basis or to realise the asset and settle the liability simultaneously.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

**Significant accounting policies in respect of result determination**

***Result***

Profits and losses on transactions are recognised in the year they relate to. Expenses are recognised when obligations are incurred.

***Financial income and expenses***

Interest paid and received are time apportioned. The straight line method is used in the absence of any material difference from the effective interest method.

Income arising on the charged assets, together with bank interest is recognized on an accrual basis. All income and expenditures from the assets, Notes issued and other borrowing and/or lending that have the character of interest payments are recognized as interest income or interest expense, respectively.

***Other operating income***

Other operating income represents the amounts invoiced or to be invoiced to third parties in respect of services rendered in the financial year net of discounts and turnover taxes.

***Administrative expenses***

Expenses are based on the historical cost convention and attributed to the financial year to which they pertain.

***Income tax expense***

Taxation is calculated on the reported pre-tax result, at the prevailing tax rates, taking account of any losses carried forward from previous financial years and tax-exempt items and non-deductible expenses and using tax facilities.

***Corporate income tax***

A tax opinion has been received from Dutch legal council. The pre-tax result for this year is calculated in line with this opinion.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

**C. Financial instruments, risk management and hedging**

***General***

The Company's principal financial instruments during the year comprised the charged assets and Notes issued. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from its issued Notes and to minimise the impact of fluctuations in exchange rates on future cash flows.

The Company is exposed to a variety of financial risks: credit and counterparty risk, market risk (including currency risk), and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The company's overall risk is mitigated by complying to the investment restrictions as identified in paragraph A.

All financial risks are passed onto the Noteholders as the Notes are limited recourse obligations of the Company and are payable solely out of amounts received by or on behalf of the Company in respect of the charged assets. Payments on the Notes, both prior to and following the enforcement of the security over the collateral are subordinated to the prior payment of certain fees and expenses of the Company. The net proceeds of the realisation of the security over the collateral following an event of default may be insufficient to pay all amounts due to the Noteholders. In this event, the Company will not be obliged to make any further payments and all claims against the Company will be extinguished. Therefore, the overall financial risks that are not fully hedged are passed on from the Company to the Noteholders.

The key financial instrument risks are classified as credit and counterparty risk, market risk and liquidity risk.

***Credit and counterparty risk***

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises predominantly with respect to the charged assets. Credit losses may arise from deterioration in credit worthiness of an obligor, including ultimately its failure to meet payment obligations (repayment of principal and interest).

The loans expose the Company to the counterparty risk.

Adverse changes in the financial condition of Real People Investment Holdings Limited or in general economic conditions, or both, may impair the ability of the obligor, as the case maybe, to make payments of principal or interest.

***Market risk***

The Company is exposed to the risk of reductions in earnings and/or value, arising from unexpected changes in exchange rates.

a) Currency risk

The Company's accounts are denominated in NOK and foreign currencies. The charged asset is denominated in South African Rand (ZAR), while the Notes are denominated in NOK. The Company is therefore exposed to currency risk, as there may be a mismatch between the amounts payable to the Company in respect of the loan portfolio and the amounts payable by the Company in respect of the Notes, in a certain currency. Any foreign exchange risks will be borne by the Noteholders.

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The table below analyses the Company's portfolio by currency exposure:

<b>03/31/2022</b>		
Denomination (par in ZAR)		
	ZAR	Total
Charged asset	109,513,940	109,513,940

<b>03/31/2021</b>		
Denomination (par in ZAR)		
	ZAR	Total
Charged asset	96,884,444	96,884,444

b) Interest rate risk

The charged asset and the Notes both bear fixed interest rates. Under the programme documentation, the interest collected from the loans is equal to the interest payable to the Noteholders, payable no later than fifteen (15) business days after the receipt of interest from loans. Any interest rate differences and cost of conversion is to be borne by the Noteholders. Therefore, the Company does not have interest rate risk exposure.

***Liquidity risk***

Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders as they become due.

The charged assets are in the form of loans and shares and will be subject to additional liquidity risk. Loans are not generally traded in organised exchange markets. The liquidity risk is minimized by matching the cash flows and the maturity dates of the assets with the related Notes.

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**D. Critical accounting estimates and judgments**

Application of the accounting policies in the preparation of the financial statements requires the management of the Company to exercise judgment involving assumptions and estimates concerning future results or other developments, including the likelihood, timing or amount of future transactions or events. There can be no assurance that actual results will not differ materially from those estimates. Accounting policies that are critical to the financial statement presentation and that require complex estimates or significant judgment are described below.

***Notes***

The fair value of the Notes is based on valuation derived from the most important characteristics of the assets.

***Loans***

The fair value of the financial instruments is disclosed in the notes to the financial statements. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for entity specific inputs.

***Impairment estimate of financial assets***

The Company applies the method allowed under RJ290.537a. Under this method the Company recognises an impairment loss which equals the difference between the amortised costs and the lower market value. For the estimates and judgement with respect to the fair values reference is made to the above paragraph 'fair value estimation of financial instruments'. If, in a subsequent period, the fair value increases, the previously recognised impairment loss is reversed. The reversal shall not result in a carrying amount of the financial assets that exceeds what the amortised cost would have been had the impairment not been recognised.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

**(1) Financial fixed assets**

*Description of portfolio*

The portfolio of assets is comprised of payment in kind (PIK) interest Notes and equities.

	Charged assets NOK
Balance as at April 1, 2020	11,905,068
Payment in kind interest	6,406,333
Foreign exchange revaluation	(926,075)
Impairment movement	<u>1,830,295</u>
Balance as at March 31, 2021	.....19,215,621
Payment in kind interest	7,583,460
Foreign exchange revaluation	2,353,680
Impairment movement	<u>(5,630,428)</u>
Balance as at March 31, 2022	<u><u>23,522,333</u></u>

The Notes held by the Company is 13% Fixed Rate Subordinated Guaranteed E PIK Notes. PIK interest is being added to the principal balance of the investment every 31st of March. The Notes are perpetual instruments in respect of which there is no fixed redemption date.

**(2) Cash and cash equivalents**

Cash and cash equivalents are comprised as follows:

	<b>03/31/22</b>	03/31/21
	NOK	NOK
Ebury	<u>175,010</u>	<u>140,370</u>

Cash and cash equivalents are at free disposal of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**(3) Shareholder's equity**

The movements in the shareholder's equity are comprised as follows:

	Issued share capital NOK	Retained earnings NOK	Result for the period NOK	Total NOK
Balance as at April 1, 2020	1	17,812	-	17,813
Allocation of result	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at March 31, 2021	<u>1</u>	<u>17,812</u>	<u>-</u>	<u>17,813</u>
Result for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at March 31, 2022	<u><u>1</u></u>	<u><u>17,812</u></u>	<u><u>-</u></u>	<u><u>17,813</u></u>

The authorised share capital of the Company consist of 1 ordinary share with a par value of NOK 1. At March 31, 2022 all shares remained issued and paid.

No interim dividend was paid to the shareholder.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2022**

**(4) Notes payable**

Notes payable are comprised as follows:

	<u>03/31/22</u>	<u>03/31/21</u>
	NOK	NOK
Secured Participating Notes (E PIK)	39,693,852	39,693,852
Secured Participating Notes (Ords)	98	98
Capitalised interest	<u>26,604,827</u>	<u>19,021,367</u>
	66,298,777	58,715,317
Attribution of impairment to Noteholders	(42,236,005)	(36,605,577)
Estimated value diminution of the Notes	<u>(540,439)</u>	<u>(2,894,119)</u>
	<u><u>23,522,333</u></u>	<u><u>19,215,621</u></u>

Movement of the estimated value diminution of the Notes:

Balance of the value diminution of the Notes as at March 31, 2021	2,894,119
Addition of estimated value diminution	<u>(2,353,680)</u>
Balance of the value diminution of the Notes as at March 31, 2022	<u><u>540,439</u></u>

*Nature of the Notes*

On January 5, 2018 the Company issued Secured Participating Notes (E PIK) and Secured Participating Notes (Ords) (collectively referred as "Notes"), due on 2048. The total amount issued for E PIK is NOK 39,693,852 and for Ords is NOK 98. The Notes are not listed and not rated and bear interest linked on the charged asset.

The Notes are limited recourse obligations of the Company and are payable solely out of amounts received by or on behalf of the Company in respect of the equities and E PIK Notes, including any payments received in connection with these equities and E PIK Notes.

**(5) Interest income**

Interest income is comprised as follows:

	<u>04/01/21 -</u>	<u>04/01/20 -</u>
	<u>03/31/22</u>	<u>03/31/21</u>
	NOK	NOK
Interest income portfolio assets	<u><u>7,583,460</u></u>	<u><u>6,406,333</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**(6) Interest expense**

Interest expense is comprised as follows:

	<u>04/01/21 -</u> <u>03/31/22</u> NOK	<u>04/01/20 -</u> <u>03/31/21</u> NOK
Interest expense Notes	<u>(7,583,460)</u>	<u>(6,406,333)</u>

**(7) Other financial income and expenses**

Other financial income and expenses are comprised as follows:

	<u>04/01/21 -</u> <u>03/31/22</u> NOK	<u>04/01/20 -</u> <u>03/31/21</u> NOK
(Reduction) / addition to estimated value diminution of the Notes	<u>(2,353,680)</u>	<u>926,075</u>

**(8) Administrative expenses**

Administrative expenses are comprised as follows:

	<u>04/01/21 -</u> <u>03/31/22</u> NOK	<u>04/01/20 -</u> <u>03/31/21</u> NOK
Other administrative expenses	<u>(415,648)</u>	<u>(415,751)</u>

Other administrative expenses comprise of director's remuneration, trustee fees, and registrar fees.

**(9) Income tax expense**

	<u>04/01/21 -</u> <u>03/31/22</u> NOK	<u>04/01/20 -</u> <u>03/31/21</u> NOK
Corporate income tax	<u>(3,496)</u>	<u>(3,832)</u>

The effective tax rate of the corporate income tax of 15% is equal to the prevailing tax rates for 2022 and 2021 in the Netherlands (over profits up to and including EUR 395,000 and EUR 245,000, respectively).



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Other disclosures**

**Average number of employees**

During the year under review the Company did not employ any personnel (2021: Nil) and, consequently, no payments for wages, salaries or social securities were made.

***Audit Committee***

The Company is an entity for securitization purposes according to Article 1 ministerial decree prudence rules Financial Supervision Act (Article 1, Decree on Prudential Rules for Financial Undertakings). As such the Company makes use of the exemption for securitization vehicles, concerning the obligation to establish an audit committee as defined in article 3d of the implementing regulation enforcing Article 41 of the European Directive no. 2006/43/EG. The implementing regulation came into effect in the Netherlands on August 8, 2008. The duties of the audit committee rests with the managing director.

**Remuneration of managing directors**

The Company has a managing board consisting of one managing director. The managing director serves for a remuneration of NOK 212,013 (2021: NOK 221,082) p.a. excluding VAT. This remuneration has been recorded under administrative expenses.

Amsterdam, April 4, 2023

TMF Management B.V.

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**OTHER INFORMATION**  
**March 31, 2022**

***Statutory provision regarding appropriation of Result***

In accordance with Article 20 of the articles of association, profit shall be at the disposal of the annual general meeting of shareholders. Profit distribution can only be made to the extent that shareholder's equity exceeds the issued and paid up share capital and legal reserves. Any decision to distribute profits, requires the approval of the Board of Directors. Such approval can only be refused, if the Board of Directors knows or can be reasonably expected to know that the Company will no longer be in a position to meet its financial obligations after such distribution.