

IA CAPITAL STRUCTURES (IRELAND) PLC
DIRECTORS' REPORT & AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Registered Number 502865

IA CAPITAL STRUCTURES (IRELAND) PLC

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IA CAPITAL STRUCTURES (IRELAND) PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Neil Fleming
Kevin O'Donoghue (resigned 14 March 2022)
John Dunphy (appointed 14 March 2022)

COMPANY SECRETARY, REGISTERED OFFICE AND CORPORATE SERVICE PROVIDER

Verita Corporate Services Limited
116 Mount Prospect Avenue
Dublin 3
Ireland

ARRANGER*, CUSTODIAN (EXCEPT FOR SERIES 32, 35 & 39), SALE AGENT, PLACING AGENT AND CALCULATION AGENT

GWM Group, Inc
399 Park Avenue, 32nd Floor
New York, NY 10022
USA

*in respect of Series 5 to 50 in issue as at the 31 Dec. 2022
excluding Series 41 and 44

ARRANGER AND ADMINISTRATOR**

FlexFunds Limited
4th Floor, Harbour Place
103 South Church Street
PO Box 10240
Grand Cayman KY1-1002
Cayman Islands

** in respect of Series 51 to 211 in issue as at the 31 Dec. 2022
plus Series 41 and 44

CALCULATION AGENT

FlexFunds ETP LLC
1221 Brickell Ave, Ste 1500
Miami, Florida, USA

PRINCIPAL PAYING AGENT AND ISSUE AGENT (ALL SERIES)

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

TRUSTEE

Sanne Fiduciary Services Limited
13 Castle Street, St Helier, Jersey

INDEPENDENT AUDITORS

Roberts Nathan
Chartered Certified Accountants & Statutory Audit Firm
The Penthouse Floor
5 Lapps Quay
Cork, Ireland

LEGAL ADVISOR

Mason Hayes & Curran
South Bank House
Barrow Street, Dublin 4, Ireland

BANKERS AND CUSTODIANS

Citibank, N.A., New York Branch
111 Wall Street
New York,
NY 10043, USA

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

Pershing LLC (a BNY Mellon Company)
One Pershing Plaza
Jersey City, NJ 07399, USA

Interactive Brokers
209 South LaSalle Street, Suite 1000
Chicago, IL 60604, USA

IA CAPITAL STRUCTURES (IRELAND) PLC

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and the audited financial statements of IA Capital Structure (Ireland) Plc (the “Company”) for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is a public limited liability company incorporated in Ireland on 29 August 2011 with registration number 502865. The principal activity of the Company is the issue of a series of Notes (the “Notes”) under its EUR 5,000,000,000 Secured Note Programme under which the Company issues, on an ongoing basis, collateralised exchange traded notes of different series (each a “Series”) linked to underlying securities (including equities, bonds and mutual funds), cash, corporate loans and derivatives (the “Collateral”). Please refer to notes 6, 7 and 8 for further details of investments. The Notes are listed on the third market of the Vienna Stock Exchange. Each Series of Notes may comprise one or more tranches.

The majority of the Series are managed by a portfolio manager appointed for that specific Series and the details of the portfolio manager are set out in the related Series memorandum or, in the event of a change, as advised to the noteholders.

The Company is subject to Irish statute, principally comprising the Companies Act 2014 and the listing rules of the Vienna Stock Exchange which are applicable to companies listing instruments like the Notes.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which the Company faces relate to its financial instruments and in particular the valuation of certain types of Collateral Assets. The Directors have analysed these and other risks. These are discussed in note 15.

RESULTS FOR THE FINANCIAL PERIOD AND DIVIDEND

The results for the financial year to the 31 December 2022 are set out in the statement of comprehensive income. The result for the period shows a profit after tax of USD 1,240 (2021: USD 750) and this profit has been transferred to reserves. The Directors do not recommend the payment of a dividend (2021: nil). The Company's level of interest income continued to decrease during the year reflecting a lower level of loan and bond assets being held. The Company recognised impairment provisions on loan assets of USD 32,406,764 (2021: 12,174,968) for the financial year. The Company also was subject to significant movements from fair value adjustments on its assets and Notes in issue, principally driven by the valuation of the assets underlying Series 54.

Given that the Collateral Assets pertaining to each Series of Notes relate to different assets and investment strategies the performance of each Series is expected to be mixed. Some Series suffered significant negative fair value and impairment movements on their Collateral Assets and others suffered losses on their derivative strategies. The increase in balance sheet assets was primarily due to a FVTPL adjustment on one asset.

The impact of COVID-19 continued to impacted on the value of non-market quoted Collateral assets, such as real estate asset, and on the repayment capability of borrowers with a number of parties having requested extensions to the terms of their transactions. COVID-19 however does not pose a material risk to the Company.

The Company's financial statements for the financial year ended 31 December 2022 have been prepared on a going concern basis. Each Series of Notes constitutes limited recourse obligations of the Company, secured on and payable solely from the Collateral linked to each Series of Notes and any amounts payable on each Series of Notes can only be met from available proceeds received on the disposal of the relevant Collateral.

IA CAPITAL STRUCTURES (IRELAND) PLC

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 - Continued

FUTURE DEVELOPMENTS

The Company will continue to engage with its service providers in administering the existing assets and Notes in issue but has no plans to engage in any issuance of new Series.

DIRECTORS AND COMPANY SECRETARY

During the financial year 2022, Mr. Kevin O'Donoghue resigned as a director and was replaced by Mr. John Dunphy. There has been no other changes in the Directors or Company Secretary during the year or subsequently.

DIRECTORS' AND COMPANY SECRETARY'S INTERESTS

The Directors and Company Secretary who held office at 31 December 2022 or subsequently had no interest in the shares in, or Notes of, the Company at any time during the financial year.

POLITICAL DONATIONS

The Electoral Act, 1997 (as amended by the Electoral (Amendment) (Political Funding) Act, 2012) requires companies to disclose all political donations over EUR200 in aggregate made during a financial period. There have been no political donations during the financial year (2021: NIL).

ACCOUNTING RECORDS

The Directors are responsible for ensuring that accounting records, as outlined in Section 281 to 285 of the Companies Act 2014 are kept by the Company. To achieve this, the Directors have engaged service providers to ensure that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with. The books of account are maintained at the Company's registered office at 116 Mount Prospect Avenue, Clontarf, Dublin 3.

RESEARCH AND DEVELOPMENT

The Company did not incur or expense any costs in respect of research and development activity during the financial year (2021: Nil).

RELATED PARTY TRANSACTIONS

Related party transactions and transactions with directors are disclosed in note 19 of the financial statements.

SUBSEQUENT EVENTS

Refer to note 21 for further details on subsequent events.

INDEPENDENT AUDITOR

The auditors, Roberts Nathan (Chartered Certified Accountants and Statutory Audit Firm), have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

STATEMENT ON RELEVANT AUDIT INFORMATION

So far as the Directors are aware, there is no relevant audit information of which the statutory auditors are unaware. Directors have taken all steps they ought to have taken to ensure they are aware of any relevant audit information and to establish that the statutory auditors are aware of that information.

IA CAPITAL STRUCTURES (IRELAND) PLC

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 - Continued

DIRECTORS' COMPLIANCE STATEMENT

The Directors of the Company acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in the Companies Act 2014) and, as required by Section 225 of the 2014 Act, the Directors confirm that:

- (i) a compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act has been prepared;
- (ii) arrangements and structures have been put in place that they consider sufficient to secure material compliance with the Company's relevant obligations; and
- (iii) a review of arrangements and structures was conducted in respect of 2022.

On behalf of the board:

Neil Fleming

John Dunphy

Neil Fleming
Director

John Dunphy
Director

Date: 8 December 2023

IA CAPITAL STRUCTURES (IRELAND) PLC
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the applicable Irish laws and regulations.

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

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

On behalf of the board:

Neil Fleming

Neil Fleming
Director

John Dunphy

John Dunphy
Director

Date: 8 December 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IA CAPITAL STRUCTURES (IRELAND) PLC
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022.**

OPINION

We have audited the Financial Statements of IA Capital Structures (Ireland) PLC (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes of Equity, Statement of Cash Flows and notes to the financial statements, including the statement of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', issued by the Financial Reporting Council.

In our opinion, the accompanying financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and its profit for the year ended.
- Have been properly prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', issued by the Financial Reporting Standard; and
- Have been properly prepared in accordance with the requirements of the Companies Act 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below 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 ethical requirements that are relevant to our audit of Financial Statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

EMPHASIS OF MATTER – STATUS OF LITIGATION CASE IN RESPECT OF SERIES 32

The company was joined as a co-defendant with others in connection with litigation arising on Series 32. From a review of filings made with the Miami Dade County Court Services, on 17 July 2020, a motion for leave to amend the complaint was submitted by the plaintiffs and accepted by the Court. IA Capital Structures (Ireland) PLC is no longer listed as a defendant in the amended complaint. The Directors are unaware of any further action being taken in respect of the aforementioned

EMPHASIS OF MATTER – STATUS OF LITIGATION CASE IN RESPECT OF SERIES 36

We draw attention to note 22 of the Financial Statements which details the nature of a legal claim taken against the company during February 2022 by parties purporting to be the noteholders of Series 36. As part of our audit procedures, we wrote to the company's legal advisors seeking an opinion in respect of the outcome of this action. However, given the limited information included in the plaintiff's claims, the company's legal advisors confirmed that it was not yet possible for them to provide any comment as to the likely outcome of the proceedings. Our opinion is not qualified in this regard.

EMPHASIS OF MATTER – UNCERTAINTY RELATING TO THE FAIR VALUE OF FINANCIAL ASSETS

In forming our opinion on the Financial Statements, we have considered the appropriateness of the estimate of fair value of the financial assets classified as fair value through the Statement of Comprehensive Income. We draw your attention to note 16 of the financial statements relating to fair value of this class of assets. A significant portion of these assets required estimates based on the portfolio manager's judgement of fair value at the year end. However, due to the relationship between the financial assets classified at FVTPL and the related financial liabilities, these estimates are not deemed to have any effect on the net assets of the company as at 31 December 2022. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IA CAPITAL STRUCTURES (IRELAND) PLC
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022.**

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 of conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

We have audited the Financial Statements of IA Capital Structures (Ireland) PLC (the 'Company') for the year ended

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IA CAPITAL STRUCTURES (IRELAND) PLC
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022.**

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

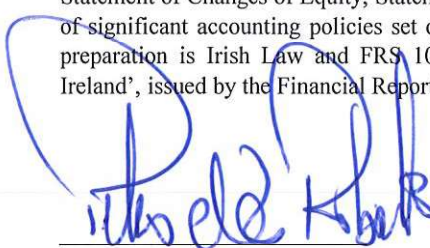
Our objectives are to obtain reasonable assurance about whether the Company's Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accountancy Supervisory Authority's website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

We have audited the Financial Statements of IA Capital Structures (Ireland) PLC (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes of Equity, Statement of Cash Flows and notes to the financial statements, including the statement of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', issued by the Financial Reporting Council.



Peter E. Roberts
For and on behalf of
Roberts Nathan,
Chartered Certified Accountants and Statutory Audit Firm,
The Penthouse Floor,
5 Lapps Quay,
Cork,
Ireland.

Date: 5th December 2023

IA CAPITAL STRUCTURES (IRELAND) PLC
STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	<u>Notes</u>	<u>Year ended</u> <u>31-Dec-22</u> <u>USD</u>	<u>Year ended</u> <u>31-Dec-21</u> <u>USD</u>
INCOME FROM CONTINUING OPERATIONS			
Interest receivable and similar income	3	6,792,692	9,964,738
Interest payable and similar expense	4	(3,594,184)	(2,023,374)
Net interest income		3,198,508	7,941,364
Net unrealised (loss)/gain on derivative financial instruments held for trading	8	-	302,991
Net realised (loss)/gain on derivative financial instruments held for trading	8	(225,026)	(394,745)
Net unrealised gain/(loss) from financial assets held at FVTPL	6	325,347,759	91,114,543
Net unrealised gain/(loss) on financial liabilities held at FVTPL	12	(325,407,599)	(94,421,509)
Net unrealised gain on financial liabilities held at amortised cost	12	28,441,389	7,296,982
Net realised and unrealised (loss)/gain from foreign exchange		32,910	80,825
Net realised gain/(loss) on financial assets held at FVTPL	6	299,334	1,692,899
Net realised gain/(loss) on redemption of Notes	12 & 13	1,830,872	(2,509,458)
Loan and interest impairment charge	7	(32,406,752)	(12,174,968)
Other income		1,216,550	3,429,404
Operating expenses		(2,326,945)	(2,357,327)
		(3,197,508)	(7,940,364)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,000	1,000
Tax on profit on ordinary activities	5	240	(250)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,240	750
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)		1,240	750

The Company had no recognised gains or losses in the financial year other than those dealt within the Statement of Comprehensive Income. All items relate to continuing operations.

(The notes on pages 14 to 33 form an integral part of these financial statements)

IA CAPITAL STRUCTURES (IRELAND) PLC
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	<u>Notes</u>	<u>31-Dec-22</u> USD	<u>31-Dec-21</u> USD
NON-CURRENT ASSETS			
Financial assets classified at FVTPL	6 & 15	895,916,673	569,142,629
Loans	7	33,554,769	41,179,657
		<u>929,471,442</u>	<u>610,322,286</u>
CURRENT ASSETS			
Cash and cash equivalents	9	5,191,157	3,838,526
Financial assets classified at FVTPL	6 & 15	48,697,139	57,872,088
Loans	7 & 15	27,314,133	57,420,725
Debtors	10	4,055,275	5,857,764
		<u>85,257,704</u>	<u>124,989,103</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE FINANCIAL YEAR			
Bank and broker overdrafts	11	(44,018)	(583,764)
Financial liabilities classified at FVTPL	12 & 15	(13,995,073)	(13,255,037)
Financial liabilities at amortised cost	13 & 15	(20,984,000)	(41,143,764)
Derivative financial instruments held for trading	8	-	(3,148)
Creditors	11	(6,415,840)	(4,832,784)
		<u>(41,438,931)</u>	<u>(59,818,497)</u>
NET CURRENT ASSETS		<u>43,818,773</u>	<u>65,170,606</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>973,290,215</u>	<u>675,492,892</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE FINANCIAL YEAR			
Financial liabilities classified at FVTPL	12 & 15	(940,679,250)	(626,692,928)
Financial liabilities at amortised cost	13	(32,554,768)	(48,745,007)
		<u>(973,234,018)</u>	<u>(675,437,935)</u>
NET LIABILITIES		<u>56,197</u>	<u>54,957</u>
CAPITAL AND RESERVES			
Share capital presented as equity	14	42,488	42,488
Retained earnings		13,709	12,469
SHAREHOLDERS' FUNDS - EQUITY		<u>56,197</u>	<u>54,957</u>

The financial statements were approved and authorised for issue by the Board on 8 December 2023.

Neil Fleming

Neil Fleming
Director

John Dunphy

John Dunphy
Director

(The notes on pages 14 to 33 form an integral part of these financial statements)

IA CAPITAL STRUCTURES (IRELAND) PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital USD	Retained earnings USD	Total USD
Balance at 31 December 2020	<u>42,488</u>	<u>11,719</u>	<u>54,207</u>
Total comprehensive gain / (loss) 2021	-	750	750
Balance at 31 December 2021	<u>42,488</u>	<u>12,469</u>	<u>54,957</u>
Total comprehensive gain/ (loss) 2022	-	1,240	1,240
Balance at 31 December 2022	<u>42,488</u>	<u>13,709</u>	<u>56,197</u>

(The notes on pages 14 to 33 form an integral part of these financial statements)

IA CAPITAL STRUCTURES (IRELAND) PLC
STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR TO 31 DECEMBER 2022

	<u>Notes</u>	<u>31-Dec-22</u> USD	<u>31-Dec-21</u> USD
Cash flows from operating activities			
Profit for the financial year before tax		1,000	1,000
Adjusted for:-			
Changes in working capital:			
Decrease/(Increase) in debtors		1,802,729	(348,675)
Tax paid		-	(250)
Increase/(decrease) in creditors		1,583,055	(4,237,078)
Net unrealised (loss)/gain from foreign exchange		(516,710)	16,839
Fair value loss/(gain) on financial assets held at FVTPL	6	(325,347,756)	(91,114,543)
Realised (gain)/loss on disposal of financial assets at FVTPL	6	(299,336)	(1,692,898)
Fair value adjustment on Notes held at FVTPL	12	325,407,568	94,421,509
Realised gain/(loss) on redemption of Notes held at FVTPL	12	(1,830,873)	2,523,814
Realised gain/(loss) on redemption of Notes held at Amortised Cost	13	-	(14,357)
Realised gain on derivative financial instruments held for trading	8	228,174	394,745
Fair value adjustment on derivative financial instruments held for trading	8	(3,148)	(302,991)
Net unrealised gain on financial liabilities at amortised cost	13	(28,441,389)	(7,296,982)
Loan and interest impairment charge	7	29,816,965	9,627,739
Net cash flow from operating activities		<u>2,400,279</u>	<u>1,977,872</u>
Cash flows used in investing activities			
Purchase of financial assets	6	(41,318,434)	(28,184,633)
Sale of financial assets	6	49,076,787	36,121,706
Loans granted	7	-	-
Loans repaid	7	6,048,888	44,972,520
Purchase and cash settled derivative financial instruments held for trading	8	(418,394)	(567,571)
Maturity of derivative financial instruments held for trading	8	190,220	448,152
Net cash flow from investing activities		<u>13,579,067</u>	<u>52,790,174</u>
Cash flows from financing activities			
Proceeds from issue of Notes	12&13	3,480,000	6,788,000
Redemption of Notes	12&13	(17,566,969)	(66,883,312)
Net cash flow from financing activities		<u>(14,086,969)</u>	<u>(60,095,312)</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,892,377</u>	<u>(5,327,267)</u>
Cash and cash equivalents at beginning of the financial year		3,254,762	8,582,029
Cash and cash equivalents at end of the financial year		<u><u>5,147,139</u></u>	<u><u>3,254,762</u></u>
Reconciliation of Cash and cash equivalents per the Statement of cash flows:			
Cash and cash equivalents	9	5,191,157	3,838,526
Bank and broker overdrafts	11	(44,018)	(583,764)
		<u><u>5,147,139</u></u>	<u><u>3,254,762</u></u>

(The notes on pages 14 to 33 form an integral part of these financial statements)

IA CAPITAL STRUCTURES (IRELAND) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. ORGANISATION AND STRUCTURE

The Company is a public limited liability company incorporated in Ireland on 29 August 2011 with registration number 502865. The principal activity of the Company is the issue of series of Notes (the "Notes") under its EUR 5,000,000,000 Secured Note Programme under which the Company issues, on an ongoing basis, collateralised exchange traded notes of different series (each a "Series") linked to underlying securities (including equities, bonds and mutual funds), cash, corporate loans and derivatives (the "Collateral"). The Notes are listed on the third market of the Vienna Stock Exchange.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The format of the financial statements has been modified to present fairly the results and financial position of the business in accordance with paragraph 4(5) of Schedule 3 of the Companies Act 2014.

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 2014. Accounting standards generally accepted in Ireland in preparing financial statements giving true and fair view are those issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council.

The financial statements are prepared on the going concern basis and under the historical cost convention, modified by the revaluation of certain financial assets and liabilities.

Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of Financial Instruments: Recognition and Measurement to its financial instruments that fall within the scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by the latter standard. The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with the basis for this classification being set out below.

The financial statements have been prepared from the accounts records of the Company on the historical cost basis except for the following:

- Financial assets classified at Fair value through profit or loss ("FVTPL");
- Derivative financial instruments are measured at fair value;
- Financial liabilities classified at FVTPL.

All other assets and liabilities are measured at amortised cost.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, the significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relate to the valuation of the assets underlying the Collateral Assets and therefore impact the value of the Notes. Valuations of certain non-market quoted assets, in particular real estate, art and private equity related assets, are dependent on the receipt of timely and accurate financial information from various parties (including the Portfolio Managers). Such valuations also require the use of market comparatives which may not be readily available or directly comparable. See Note 16 for further information.

IA CAPITAL STRUCTURES (IRELAND) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Collateral Assets related to Prodigy Network, LLC remain fair valued at Nil or fully impaired, as appropriate, arising from the collapse of The Prodigy Network LLC and a lack of data to support any recovery of value from the assets (Series 9, 11, 17, 30, 37, 49, 50, 79, 85, 87, 88, 113, 114, 125, 127, 139, 165, 206, 211). In respect of the following Series 79, 85, 87, 113, 114, 125, 127, 139, 165 and 206 that are also linked to The Prodigy Network LLC, the entity into which the Notes proceeds were invested or lent still legally exists but the ultimate property assets into which the related Notes proceeds were invested have, either during or after the year end, been foreclosed and/or sold with no residual value been distributed up the investment chain to the Company. In respect of Series 9, 11, 17, 30, 37, 49, 50, 88 and 211 the assets were also foreclosed and/or sold and the entity into which the Notes proceeds were invested was struck-off in 2021. The property assets underlying Series 125 are secured by mortgages to senior lenders with no valuations to support ascribing any value to the Company's ultimate interest in the property.

The fair value of Series 32, 36, 58, 62 & 66 (which relate to the Biscayne Capital/South Bay Group) was valued at Nil in prior years. The Company has not been provided with any evidence of there being any value to be realised from the relevant Collateral Assets and has maintained the value at Nil.

The Company has fair valued a number of assets at Nil due to lack transactional activity and engagement by the counterparties. Series 71, 76 and Series 107 were reduced to Nil value in prior years. Series 29, 93, and 172 and their underlying collateral assets have been valued at Nil during the 2022 financial year with, in the case of S172, the Company learning of the liquidation of the borrower. S55 was also fully impaired for the reasons set out in Note 7.

Financial assets classified at FVTPL

Investments have been categorised as at FVTPL on the basis that the financial assets and corresponding financial liabilities in each Series are managed and their performance evaluated on a fair value basis. They are initially recorded at fair value. Financial assets at FVTPL are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the financial assets are included in the statement of comprehensive income in the financial year in which they arise. The Company establishes fair value by reference to various sources as set out in Note 16.

Purchases and sales of investments are recognised on trade date, the date on which the Company commits to purchase or sell the asset. The investments are de-recognised when the rights to receive cash flows from the assets have expired or the Company has transferred substantially all the risks and rewards of ownership.

Derivative financial instruments

Derivatives are classified as held for trading and are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. The Company may hold derivative financial instruments to minimise its exposure to interest rate and foreign exchange risk and for active trading purposes, as determined by the investment criteria adopted by the Portfolio Manager for each Series.

Fair values for the derivatives are determined using valuation techniques. The derivatives fair value is the present value of its future cash flows. The Company uses market prices for the valuation of traded derivatives and quoted foreign exchange rates for the valuation of forward currency contracts. All derivatives are carried as assets when fair value is positive, and as liabilities when fair value is negative.

Derivatives are initially measured at fair value and subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have not been designated on initial recognition as assets at fair value through profit or loss. Management has classified the loan facilities granted as loans and receivables. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses. The loans and receivables are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all the risks and rewards of ownership.

The Company assesses at each financial period end whether there is any objective evidence that a financial asset carried at amortised cost, including group of loans and receivables, is impaired. An impairment loss is incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

IA CAPITAL STRUCTURES (IRELAND) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

If there is objective evidence that an impairment loss has been incurred on a financial asset carried at amortised cost, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are recognised in profit or loss and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted in measuring impairment.

Notes issued

The Company has designated certain Notes issued upon initial recognition as at fair value through profit or loss ("fair value option"). A liability may be designated at fair value through profit or loss ("FVTPL") when it eliminates or significantly reduces a measurement or recognition inconsistency "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. For any Series where an accounting mismatch does not arise, the notes issued are carried at amortised cost.

(a) Financial liabilities at FVTPL

Notes classified as financial liabilities at FVTPL are initially recognised at fair value, being their issue proceeds (fair value of consideration received). They are subsequently measured at FVTPL on the basis that the financial liabilities and corresponding financial assets in each Series are managed and their performance evaluated on a fair value basis. Unrealised gains or losses are recognised in statement of comprehensive income.

(b) Financial liabilities at amortised cost

Notes classified as amortised cost are initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. They are subsequently measured at amortised cost.

Notes are recognised on the trade date and are derecognised, either partly or fully, when the Company has transferred substantially part or all of its financial obligations relating thereto. Realised gains or losses on derecognition of the notes are recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits repayable without notice and without penalty. Also included are balances held in Series broker accounts.

Debtors

Debtors are non-derivative financial assets with fixed or determinable payments that are due to the Company. Receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method. However, given the nature of receivables and the short time length involved between their origination and settlement, the amortised cost is the same as their fair value at the date of origination.

Creditors

Creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. However, given the nature of payables and the short time length involved between their origination and settlement, the amortised cost is the same as their fair value at the date of origination.

IA CAPITAL STRUCTURES (IRELAND) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Foreign currency translation

a) Functional and presentation currency

The currency of the country of domicile is Euro. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are therefore presented in U.S. Dollars ("USD") which has been determined as the Company's functional and presentational currency.

b) Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The notes in issue are denominated in USD and EUR. The investments currently held are principally denominated in USD and EUR.

Share

Ordinary shares are not redeemable and are classified as equity. Ordinary shares entitle the holders to receive notice of, and vote at, any general meeting of the Company; to ordinary dividends as may be declared by the Directors from time to time and to participate in the winding up of the Company. No dividend shall exceed the amount recommended by the Directors. The shares forming the capital may be increased or reduced and be divided into such classes and issued with any special rights, privileges and conditions as set out in the Constitution of the Company.

Interest income and expense

Interest income and expenses are recognised on an accruals basis.

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Taxation

Tax expense for the financial year comprises current and deferred tax recognised in the financial year. Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

IA CAPITAL STRUCTURES (IRELAND) PLC
NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

No deferred tax assets have been recognised on the tax losses available to the Company owing to uncertainty surrounding the emergence and timing of future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	31-Dec-22	31-Dec-21
	USD	USD
Dividend income	726,245	959,562
Interest income on bonds and deposits	2,688,249	1,917,820
Loan interest income	3,378,198	7,087,356
	<u>6,792,692</u>	<u>9,964,738</u>

4. INTEREST PAYABLE AND SIMILAR EXPENSE

	31-Dec-22	31-Dec-21
	USD	USD
Note interest expense	3,563,056	2,010,951
Other interest and similar expense	31,127	12,423
	<u>3,594,184</u>	<u>2,023,374</u>

Note interest expense is net of USD 689,757 (2021: 4,877,986) of accrued Note interest written back due to the impairment of the loan underlying Series 172 and partial impairment of the Series 201 loan (2021: Series 76).

5. TAXATION

(a) Analysis of charge for the financial period/year

	31-Dec-22	31-Dec-21
	USD	USD
Irish corporation tax:		
Tax charge/(credit) on income for the financial year	<u>(240)</u>	<u>250</u>

A reconciliation between the tax charge and the tax charge that would result from applying the standard rate of Irish corporation tax to the profit on ordinary activities is provided below:

(b) Factors affecting the tax charge for the financial period

	31-Dec-22	31-Dec-21
	USD	USD
Profit/(Loss) on ordinary activities before taxation	<u>1,000</u>	<u>1,000</u>
Profit/(Loss) on ordinary activities multiplied by the standard rate of Irish corporation tax of 12.5%	125	125
Higher rate tax applicable under Section 110 TCA,	125	125
Over provision in prior years	(490)	0
Tax losses carried forward	-	-
Total tax charge for the financial period/year	<u>(240)</u>	<u>250</u>

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

A deferred tax asset was not recognised on tax losses in prior years owing to uncertainty surrounding the emergence and timing of future taxable profits.

IA CAPITAL STRUCTURES (IRELAND) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. FINANCIAL ASSETS CLASSIFIED AT FVTPL

All of the Company's investments fall under the definition of Collateral Assets and as such are secured for the payment of obligations to the specific Notes payable under that Series. Each Series' investments are legally segregated such that no other Notes or Company obligations (other than specified fees) can be met from the proceeds of the investments of that respective Series.

	31-Dec-22	31-Dec-21
	USD	USD
Opening balance	627,014,717	542,752,426
Purchases	41,318,434	28,184,634
Sales and redemptions	(49,076,787)	(36,121,706)
Foreign exchange adjustment	(289,644)	(608,078)
Net unrealised gain/(loss) from financial assets held at FVTPL	325,347,756	91,114,543
Realised gain/(loss) on disposal	299,336	1,692,898
Closing balance	<u>944,613,812</u>	<u>627,014,717</u>

During the financial period, the Company invested further in debt instruments, equity and equity based instruments that were predominantly denominated in USD. The majority of FVTPL assets are equity positions in private companies.

Included within the net unrealised gain/(loss) from financial assets held at FVTPL is an increase in the value of Series 54 assets in the amount of USD 340,022,528 (2021: USD 92,314,936 gain). The collateral asset is a shareholding in a global insurance company and the valuation is impacted by changes in the value of comparable quoted companies in the insurance industry. The assets underlying S29 and S93 were valued at NIL by the Company due to a lack of information enabling the Calculator Agent or the Company to value the assets.

7. LOANS

	31-Dec-22	31-Dec-21
	USD	USD
Opening balance	98,600,382	155,450,460
Loans advanced	-	-
Loans repaid	(6,048,888)	(44,972,520)
Foreign exchange adjustment	(1,865,627)	(2,249,819)
Impairment of loan	(29,816,965)	(9,627,739)
Closing balance	<u>60,868,902</u>	<u>98,600,382</u>

Loans have been advanced to companies engaged in multiple sectors, including: aviation, food servicing, property management, agriculture, renewable energy, media, retail and real estate industries.

The loans bear interest at a fixed rate except Series 55, Series 73 and Series 169 which are floating rate instruments. No new loan facilities were created during the year.

The loans and related interest receivable (Note 10) are shown net of impairment provisions of USD 67,643,950 on loans and USD 1,514,920 on loan interest receivable related to loans linked to the Prodigy Network, LLC which went into liquidation previously. The senior lenders to the Prodigy property assets, that were underlying the related Collateral Assets, have been enforcing their security rights with no apparent realisable value available to the Company. Impairments on the Prodigy Network, LLC related assets were recognised in 2019. In 2022, an impairment charge of USD 1,093,265 and USD 44,337 in respect of loan principal and interest receivable respectively relating to the Series 172 loan asset was provided for. The Company has been notified of the liquidation of the Series 172 loan counterparty. In 2022, the Company also recognised an impairment charge of USD 145,000 and USD 645,180 in respect of loan principal and interest receivable respectively on the Series 201 loan asset arising from a settlement proposal from the loan counterparty that was subsequently consented to by the noteholders. A full impairment charge of USD 27,197,233 (2021: Nil) was taken on the Series 55 loan asset due to an inherent uncertainty over the value of the underlying property assets and the third party debt also used to partly finance same with underlying asset transactions restricted by the Spanish courts.

The foreign exchange adjustment relates to loans denominated in Euro. See Note 10 for the carrying value of loan interest receivable.

IA CAPITAL STRUCTURES (IRELAND) PLC
NOTES TO THE FINANCIAL STATEMENTS

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8. DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR TRADING

	31-Dec-22	31-Dec-21
	USD	USD
Opening balance	(3,148)	(30,813)
Purchases and cash settled futures positions	418,394	567,571
Sales	(190,220)	(448,152)
Net realised gains/(losses)	(228,174)	(394,745)
Net unrealised gains/(losses)	3,148	302,991
	<u>-</u>	<u>(3,148)</u>

Derivative financial instruments relate to options trading activity that forms part of the investment management strategy of certain Portfolio Managers. They may have a positive (asset) or negative (liability) value and form part of the Collateral Assets for the relevant Series of Notes. The derivatives have been classified as FVTPL and recognised as current liabilities.

9. CASH AND CASH EQUIVALENTS

	31-Dec-22	31-Dec-21
	USD	USD
Cash at bank and in hand	987,162	1,684,365
Cash held by brokers	4,203,995	2,154,161
	<u>5,191,157</u>	<u>3,838,526</u>

10. DEBTORS

	31-Dec-22	31-Dec-21
	USD	USD
Loan interest receivable	3,035,585	4,804,034
Bond and broker interest receivable	452,847	186,669
Dividends receivable	4,436	-
Other receivables	562,407	867,061
	<u>4,055,275</u>	<u>5,857,764</u>

Loan interest receivable is net of the following impairment provisions: (i) USD 1,514,920 in respect of loans linked to The Prodigy Network, LLC recognised in 2019, (ii) USD 2,547,229 in respect of the loan linked to Series 76 recognised in 2021, (iii) USD 645,180 in respect of the loan linked to Series 201 recognised in 2022, and (iv) EUR 1,944,619 in respect of the loan linked to Series 190 recognised in 2022.

11. CREDITORS

	31-Dec-22	31-Dec-21
	USD	USD
Bank and broker overdrafts		
Bank overdraft	-	-
Broker margin accounts	44,018	583,764
	<u>44,018</u>	<u>583,764</u>

Broker margin accounts represent overdraft facilities made available to the Company whereby relevant Series can borrow funding from the broker to invest in listed securities, with the assets in such margin accounts forming collateral for the borrowings. The value of Charged Assets available as collateral for such borrowings and held at the brokers was USD 1,341,901 (2021: USD3,887,579) at the year end.

	31-Dec-22	31-Dec-21
	USD	USD
Other creditors		
Interest payable to noteholders	3,520,871	3,828,914
Broker interest payable	-	617
Trade and other creditors and accruals	1,016,498	1,003,253
Unsettled trades - notes	1,878,471	-
Corporation tax payable	-	-
	<u>6,415,840</u>	<u>4,832,784</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL LIABILITIES CLASSIFIED AT FVTPL	31-Dec-22	31-Dec-21
	USD	USD
Opening balance	639,947,965	557,901,678
Issuances	3,480,000	6,788,000
Redemptions	(11,518,081)	(21,068,811)
Foreign exchange adjustment	(812,255)	(618,224)
Realised loss/(gain) on redemption	(1,830,873)	2,523,814
Net unrealised loss/(gain) on financial liabilities held at FVTPL	325,407,568	94,421,509
Closing balance	<u>954,674,323</u>	<u>639,947,965</u>

The Company's financial liabilities classified at FVTPL consist of Notes issued to invest in Collateral Assets where the underlying assets are also measured at FVTPL or are hybrid assets with both a debt and equity type component. Gain or Loss are expressed from the Company perspective, i.e. a FVTPL gain from the noteholder perspective is a loss to the Company.

The maturity dates for the Notes range up to the 29 January 2038. The Notes are scheduled to be redeemed as per the conditions of the Constituting Instrument and related agreements for each Series and some Notes may exceed their maturity date prior to assets being available to fund their redemption.

The fair value adjustment for the year primarily relates to: (i) Series 54 which recorded a fair value loss to the Company of USD 340,022,528 (2020: USD 92,314,936) due to positive market value changes in the asset that are based on the value of comparable quoted companies in the insurance industry, (ii) Series 55 for USD 27,197,233 (2021: Nil) where the underlying loan has been impaired, and, (iii) Series 29 and 33 for USD 5,351,983 and USD 2,740,004 respectively, where the assets have been written down to Nil (as note in Note 6).

Security

The Company's obligations under the Notes are secured under the Principal and Supplemental Trust Deed relating to the Notes in favour of the Trustee for the benefit of the Noteholders and the other secured creditors. The Notes are secured on the underlying Collateral Assets for the relevant Series.

Limited recourse

The Notes are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of realisation of the Collateral Assets of the specific Series to which the Notes relate. The payment of principal, interest and other amounts in respect of the Notes will be made solely from amounts received in respect of the Collateral Assets of the relevant Series of Notes of the Company in accordance with the priority of payments and not from the assets relating to any other Series or from the general assets of the Company. Following maturity or redemption of the Collateral Assets, there will be no other assets of a particular other Series available to meet any outstanding claims against the Series to which the Collateral Assets relate.

Subordination of the Notes

Payments of principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Company, as set out in the Series Memorandum of the relevant Series. There can be no assurance that the Noteholders will receive the full redemption amount payable by the Company under the Notes or that they will receive any return on their investment in the Notes. In certain circumstances, returns to the Noteholders could be reduced to zero.

Further information in respect of, inter alia, the Notes, the underlying investments and the security provisions pertaining to the Notes are contained in the Series Memorandum issued by the Company in respect of each Series of Notes issued.

Final Redemption of the Notes

Unless previously redeemed in full, the Company shall redeem the notes in full on the scheduled final maturity payment date - such payment date may be later than the maturity date of the Notes. The Notes are listed on the third market of the Vienna Stock Exchange. During the financial year Series 33 redeemed in full resulting in net realised losses of USD 1,727,245 (2021: USD 1,806,862). The balance of realised gains and losses relates to issues and redemptions on Series that have not closed. Series 44 and Series 55 matured during the prior year and were not extended but the final maturity payment date has not occurred while the Company awaits the proceeds of the underlying assets

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Interest

All of the Notes issued are floating except for Series 35 which is non interest bearing. The Notes shall receive a total return based on the performance of the portfolio during the interest period.

Notes on custody

The Company holds various Notes on behalf of the Series prior to the Notes being sold to subscribing investors. The Company has not invested into these Notes and no income is generated from these Notes while held on custody. If the Note position remains unsold, the relevant Notes are redeemed and the amount of the Notes issued under the Series will be reduced. These Notes will be included in the Company's financial liabilities once they are sold/partly sold to subscribing investors.

13. FINANCIAL LIABILITIES AT AMORTISED COST	31-Dec-22	31-Dec-21
	USD	USD
Opening balance	89,888,771	145,237,444
Issuances	-	-
Redemptions/amortisations	(6,048,888)	(45,814,501)
Foreign exchange adjustment	(1,859,725)	(2,222,833)
Net realised loss/(gain) on financial liabilities at amortised cost	-	(14,357)
Net unrealised loss/(gain) on financial liabilities at amortised cost	(28,441,389)	(7,296,982)
Closing balance	<u>53,538,768</u>	<u>89,888,771</u>

The terms and conditions of the Notes are the same as details provided for Notes in note 12.

Interest is payable to the Noteholders on the interest payment date determined by the Calculation Agent as per the conditions of the Notes set out in the respective Series Memorandum.

The unrealised loss on financial liabilities at amortised cost arises from the 100% impairment of the Series 172 collateral assets and partial impairment of the S201 collateral assets.

14. SHARE CAPITAL PRESENTED AS EQUITY	31-Dec-22	31-Dec-21
	USD	USD
Authorised		
100,000,000 ordinary shares of €1.00 each	<u>111,517,060</u>	<u>111,517,060</u>
Allotted, called-up and issued		
38,100 ordinary shares of €1.00 each	<u>42,488</u>	<u>42,488</u>

The authorised share capital of the Issuer is €100,000,000 divided into 100,000,000 shares of €1.00 each, of which 38,100 are issued and fully paid and are directly held by Boru Corporate Trustees Limited in trust for charity under the terms of a declaration of trust. The Company has no subsidiaries.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

The role of financial assets and financial liabilities is central to the activities of the Company. The financial liabilities, represented by Notes issued, provide the funding to purchase the Company's financial assets.

The strategies used by the Company in achieving its objectives regarding the use of its financial assets and liabilities were set when the Company commenced trading. The Company aims to match the properties of the financial liabilities to the financial assets held to avoid significant elements of risk generated by mismatches of investment performance against its obligations. However ultimately any risk exposures will be passed to the Noteholders of each Series as the Notes are limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company from the Collateral Assets.

Critical accounting judgements and key sources of estimation uncertainty

As described in note 2, the preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts disclosed in the financial statements. Moreover, where these are significant, further disclosure is required.

The main risk arising from the Company's investments are credit risk, liquidity risk and market risk, including interest risk, currency risk and price risk. Further details of the risks associated with an investment in the notes issued by the Company are set out in the Programme Memorandum as may be supplemented, in respect of each Series, by the relevant Series Memorandum.

Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The Noteholders are exposed to the market risk of the Collateral Assets.

(a) Interest rate risk

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

The Noteholders are exposed to the market risk of the Collateral assets, comprising financial instruments, in which each Series invests. In terms of market rate sensitivity, any movement on the market value of the financial instruments is passed on to the Noteholders under the terms (including limited recourse) of the Notes issued.

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NOTES TO THE FINANCIAL STATEMENTS

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15. FINANCIAL RISK MANAGEMENT- (CONTINUED)

(a) Interest rate risk -

The interest rate profile of the Company's financial assets and liabilities is as follows:

2022	<u>Fixed Rate</u>	<u>Floating Rate</u>	<u>Non-interest bearing</u>	<u>Total</u>
	USD	USD	USD	USD
Financial assets classified at				
FVTPL	31,544,059	-	913,069,753	944,613,812
Loans and receivables	52,858,047	8,010,854	-	60,868,902
Cash and cash equivalent	-	4,203,995	987,162	5,191,157
Debtors	-	-	4,055,275	4,055,275
Bank and broker overdrafts	-	(44,018)	-	(44,018)
Other creditors	-	-	(6,415,840)	(6,415,840)
Financial liabilities classified at				
FVTPL	-	(954,080,285)	(594,038)	(954,674,323)
Financial liabilities at amortised cost	-	(53,538,768)	-	(53,538,768)
Derivative financial instruments held for trading	-	-	-	-
Net exposure	<u>84,402,106</u>	<u>(995,448,222)</u>	<u>911,102,313</u>	<u>56,197</u>
2021	<u>Fixed Rate</u>	<u>Floating Rate</u>	<u>Non-interest bearing</u>	<u>Total</u>
	USD	USD	USD	USD
Financial assets classified at				
FVTPL	39,844,655	1,848,656	585,321,406	627,014,717
Loans and receivables	59,549,962	39,050,420	-	98,600,382
Cash and cash equivalent	-	2,154,162	1,684,364	3,838,526
Debtors	-	-	5,857,764	5,857,764
Bank and broker overdrafts	-	(583,764)	-	(583,764)
Other creditors	-	-	(4,832,784)	(4,832,784)
Financial liabilities classified at				
FVTPL	-	(638,370,227)	(1,577,738)	(639,947,965)
Financial liabilities at amortised cost	-	(89,888,771)	-	(89,888,771)
Derivative financial instruments held for trading	-	-	(3,148)	(3,148)
Net exposure	<u>99,394,617</u>	<u>(685,789,524)</u>	<u>586,449,864</u>	<u>54,956</u>

The Company has no direct interest rate risk as all movements in interest rates will be reflected in the payments to and value of the Notes. Therefore no active management of this risk is required by the Company.

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15. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(b) Currency risk

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

The Company holds assets that are denominated in USD, EUR and GBP with all Notes issued being denominated in USD and EUR. The majority of the Collateral Assets are denominated in the same currency as the underlying Notes in issue for the relevant Series. A currency risk exists for some Notes whereby the value of the Collateral Assets may change with movements in the relevant exchange rates. Also currency risk will arise with some Series when the fees due to the Company and Arranger under the Series Memorandum differs from the currency of the assets underlying that Series and the currency of payments owed by the Company to service providers. The effect of any movement in exchange rates will be borne by derivative counterparties or the noteholders. As any change in value of the Collateral Assets due to foreign exchange rate movements will not have a material effect on the equity or the comprehensive income of the Company, no active management of this risk is required.

The table below summarises the Company's exposure to foreign currency risk:

As at 31 December 2022

	EUR	USD	AUD	Total
		USD equivalent		
Assets				
Financial assets classified at FVTPL	659,338	943,539,278	415,196	944,613,812
Loans	1,093,265	59,775,637	-	60,868,902
Cash and cash equivalent	-	5,191,157	-	5,191,157
Debtors	9,392	4,045,884	-	4,055,275
Total	1,761,994	1,012,551,956	415,196	1,014,729,146

	EUR	USD	AUD	Total
		USD equivalent		
Liabilities				
Financial liabilities classified at FVTPL	2,964,699	951,709,624	-	954,674,323
Financial liabilities at amortised cost	1,093,265	52,445,503	-	53,538,768
Derivative financial instruments held for trading	-	-	-	-
Creditors	364,705	6,051,135	-	6,415,840
Bank and broker overdrafts	-	-	44,018	44,018
Total	4,422,669	1,010,206,262	44,018	1,014,672,949

As at 31 December 2021

	EUR	USD	GBP	Total
		USD equivalent		
Assets				
Financial assets classified at FVTPL	1,405,882	624,671,363	937,472	627,014,717
Loans and receivables	30,156,124	68,444,258	-	98,600,382
Cash and cash equivalent	-	3,838,526	-	3,838,526
Debtors	56,552	5,801,212	-	5,857,764
Total	31,618,558	702,755,358	937,472	735,311,389

	EUR	USD	GBP	Total
		USD equivalent		
Liabilities				
Financial liabilities classified at FVTPL	5,174,657	634,773,308	-	639,947,965
Financial liabilities at amortised cost	30,156,124	59,732,647	-	89,888,771
Derivative financial instruments held for trading	-	3,148	-	3,148
Creditors	283,256	4,549,528	-	4,832,784
Bank and broker overdrafts	-	-	583,764	583,764
Total	35,614,038	699,058,631	583,764	735,256,433

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(c) Price risk

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

The Company holds Collateral Assets (other than cash and cash equivalents) which are either equity (listed and unlisted), listed bonds or derivatives on listed equity and bonds, with the exception of Series backed by loans which are Series 73, 96, 103, 109, 148, 149, 169, 179, and Series 201 (excluding fully impaired loans). As such the Company is exposed to price risk, whereby the value of the investments could fall due to a negative shift in market prices and, similarly, a change in values of private equity positions.

Sensitivity analysis

The Directors considered whether a disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date is required, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. Whilst the financial instruments held by the Company are separately exposed to interest rate risk, currency risk and market price risk, the Company itself is not materially exposed to market risk overall. Therefore, in the Directors' opinion, no sensitivity analysis is required to be disclosed.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company is not exposed to any significant net liquidity risk. Each Noteholder assumes all liquidity risk for the relevant Series in which they have invested arising from the Company's holdings of financial instruments. Therefore no active liquidity management is required for the Company itself.

The Notes issued are limited in recourse to the assets in each particular Series. The repayment of the limited recourse notes will only be made from the disposal of the Collateral Assets or from physical delivery of the Collateral Assets. Early termination and redemption provisions mean that each of the Noteholders is only entitled to payments that are derived from the underlying Collateral Assets of the relevant Series. There will be no other assets of the Company available to meet the outstanding claims of the noteholders for each Series, who will bear any shortfall pro-rata to their holdings of Notes. The Company therefore has no net liquidity risk.

The company is required to disclose the contractual gross undiscounted cash flows payable on the Company's financial liabilities. However since the amount payable on maturity is dependent upon the performance of the relevant asset portfolio of the Company, it is not possible to accurately estimate such cash flows. Instead, in the opinion of the Directors, the liquidity risk of the Company is best represented by disclosing the fair values of the Company's financial assets and financial liabilities. Investments in marketable securities (listed equities and bonds) are disclosed as current assets due in less than one year and investments in unlisted equities, partnership interests and similar assets, are classified as due after five years.

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15. FINANCIAL RISK MANAGEMENT - (CONTINUED)

Liquidity risk - (Continued)

2022	Less than 1 year	Between 1 & 5 years	Over 5 years	Total
Assets	USD	USD	USD	USD
Financial assets classified at FVTPL	48,697,139	-	895,916,673	944,613,812
Loans and receivables	27,314,133	15,800,000	17,754,769	60,868,902
Cash and cash equivalent	5,191,157	-	-	5,191,157
Debtors	4,055,275	-	-	4,055,275
Total	85,257,704	15,800,000	913,671,442	1,014,729,146
2022	Less than 1 year	Between 1 & 5 years	Over 5 years	Total
Liabilities	USD	USD	USD	USD
Financial liabilities classified at FVTPL	13,995,073	72,679,543	867,999,707	954,674,323
Financial liabilities at amortised cost	20,984,000	26,754,768	5,800,000	53,538,768
Creditors	6,415,840	-	-	6,415,840
Derivative financial instruments held for trading	-	-	-	-
Bank and broker overdrafts	44,018	-	-	44,018
Total	41,438,931	99,434,311	873,799,707	1,014,672,949
2021	Less than 1 year	Between 1 & 5 years	Over 5 years	Total
Assets	USD	USD	USD	USD
Financial assets classified at FVTPL	57,872,088	-	569,142,629	627,014,717
Loans and receivables	57,420,725	17,376,000	23,803,657	98,600,382
Cash and cash equivalent	3,838,526	-	-	3,838,526
Debtors	5,857,764	-	-	5,857,764
Total	124,989,103	17,376,000	592,946,286	735,311,389
2021	Less than 1 year	Between 1 & 5 years	Over 5 years	Total
Liabilities	USD	USD	USD	USD
Financial liabilities classified at FVTPL	13,255,037	102,662,212	524,030,717	639,947,965
Financial liabilities at amortised cost	41,143,764	14,401,007	34,344,000	89,888,771
Derivative financial instruments held for trading	4,832,784	-	-	4,832,784
Creditors	3,148	-	-	3,148
Bank and broker overdrafts	583,764	-	-	583,764
Total	59,818,497	117,063,219	558,374,716	735,256,432

IA CAPITAL STRUCTURES (IRELAND) PLC
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. FINANCIAL RISK MANAGEMENT - (CONTINUED)

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Noteholders or the Company. The Company relies upon the performance of the Collateral Assets (including derivative counterparties) to enable the Company to meet its obligations under the Notes. Upon a default of one of the underlying loans or investments or upon a failure of a banking, broker or derivative counterparty, the recourse on any class of Notes is limited to amounts receivable from the Collateral Assets. Each Series of Notes constitutes secured, limited recourse obligations of the Issuer, recourse in respect of which will, in effect, be limited to the proceeds of the Collateral Assets relating to such Series. No other assets of the Issuer will be available to satisfy claims of the holders of such Series. Therefore: (i) to the extent that the value of the Collateral Assets falls, (ii) payments due under the Collateral Assets are not made, (iii) the Collateral Assets cannot be sold, or (iv) the relevant security arrangements are not enforceable, the holders of such Series of Notes will suffer losses.

The Company holds equity or equity-based instruments which are not exposed to credit risk. There are also debt instruments held directly and through broker accounts. The Company holds loans and receivables (including cash) which are subject to credit risk at 31 December 2022 amounting to USD 70,115,334 (2021: USD 108,228,121).

The Company has arrangements in place for the monitoring, by the Calculation Agent, of the credit performance of loans and receivables on an ongoing basis. The Calculation Agent, where possible, receives and reviews quarterly financial information and prepares impairment memo's. The loans and receivables are invested in the following sectors: aviation, food servicing, property management, agriculture, energy, retail and real estate. The loan counterparties are located in North America, South America and Europe.

The table below summarises the details and carrying value of loans and receivables as at the year end.

2022					
Series	Loan counterparty	CCY	Amount	Maturity	Secured/ Unsecured
55	Columbus One Properties Management, S.L.	USD	-	25-Feb-21	Secured
73	Ecuenergia S.A.	USD	2,210,854	19-Jun-26	Unsecured
76	Iasacorp International S.A.	EUR	-	01-Aug-19	Unsecured
96	& Prime Real Estate of Cabo S.a. De CV	USD	9,311,600	29-Dec-26	Unsecured
103	Valencia Partners, LP	USD	2,153,000	01-Sep-23	Secured
109	ARS Canada Rolling Stock Inc	USD	10,000,000	26-Jul-27	Secured
148	CreateTrade RS, LLC	USD	5,543,914	17-Dec-27	Secured
149	Gunay Finance LLC	USD	6,501,000	11-Apr-23	Secured
169	Loinco S.A. de C.V.	USD	5,800,000	15-Dec-27	Unsecured
172	Atena Finacial Advisory Sagl	EUR	-	11-Dec-23	Unsecured
179	Asincro Panama Corporation	USD	5,000,000	30-Jun-24	Secured
190	Indy Dist Inc.	USD	7,018,533	02-Mar-23	Secured
201	Mizecor S.A.	USD	2,330,000	14-Apr-23	Secured
			<u>55,868,901</u>		
2021					
Series	Loan counterparty	CCY	Amount	Maturity	Secured/ Unsecured
55	Columbus One Properties Management, S.L.	USD	28,990,764	25-Feb-21	Secured
73	Ecuenergia S.A.	USD	4,259,656	19-Jun-26	Unsecured
76	Iasacorp International S.A.	EUR	-	01-Aug-19	Unsecured
96	Rancho Real Estate S.A. De C.V & Prime Real	USD	9,311,600	29-Dec-22	Unsecured
103	Valencia Partners, LP	USD	2,153,000	13-Sep-21	Secured
109	ARS Canada Rolling Stock Inc	USD	10,000,000	26-Jul-27	Secured
148	CreateTrade RS, LLC	USD	9,544,000	17-Dec-27	Secured
149	Gunay Finance LLC	USD	6,501,000	11-Apr-23	Secured
169	Loinco S.A. de C.V.	USD	5,800,000	21-Dec-21	Unsecured
172	Atena Finacial Advisory Sagl	EUR	1,165,361	11-Dec-23	Unsecured
	Subtotal		<u>77,725,381</u>		

IA CAPITAL STRUCTURES (IRELAND) PLC
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. FINANCIAL RISK MANAGEMENT - (CONTINUED)

Credit Risk - (Continued)

		Subtotal brought forward	77,725,381		
179	Asincro Panama Corporation	USD	5,000,000	11-Mar-20	Secured
190	Indy Dist Inc.	USD	8,400,000	02-Mar-23	Secured
201	Mizecor S.A.	USD	2,475,000	14-Apr-23	Secured
			<u>93,600,381</u>		

The loans and receivables counterparties are unrated. In terms of credit risk monitoring on the loan portfolio, the Company relies on the counterparties compliance with the terms of the loan (including events of default linked to the credit sensitivity of the Borrower) to make the required payments and provide the necessary information, as set out in the underlying agreements. If the Borrower breaches those terms, the loan will be in default, with security becoming enforceable. The Portfolio Manager (or if none appointed, the Calculation Agent) performs a periodic impairment assessment on the loans advanced by the Company. The Calculation Agent informs the Company if it believes an impairment provision is required. As at the year end, the loans advanced are neither past due or impaired.

As at the year end the remaining portfolio of financial assets classified at FVTPL (principally traded bonds) which are considered subject to credit risk and have a credit rating available, are as set out below. The majority of the ratings are from Standard & Poors. Where they have not rated the asset and an alternative is available from Moodys or Fitch, the Standard & Poor equivalent of such alternative has been used. US Treasuries are considered AAA.

<i>Rating</i>	<u>2022</u> USD	<u>2021</u> USD
AAA	3,787,311	3,344,370
AA+	658,681	679,890
AA	498,375	509,310
AA-	223,976	211,684
A+	921,230	1,059,290
A	393,156	436,024
A-	300,688	400,932
BBB+	2,642,255	2,595,582
BBB	3,446,520	5,146,206
BBB-	1,180,874	1,197,374
BB+	1,368,700	1,875,686
BB	2,596,820	2,357,073
BB-	6,093,676	7,804,769
B+	3,201,958	3,838,980
B	1,569,027	3,242,858
B-	672,488	1,732,477
CCC+	607,421	1,228,155
CCC	809,304	857,774
CCC-	-	-
D	473,400	-
	<u>31,445,858</u>	<u>38,518,434</u>

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15. FINANCIAL RISK MANAGEMENT - (CONTINUED)

Credit Risk - (Continued)

Equity related positions are not included in the above table as these positions are not considered as directly exposed to credit risk.

Certain Series are invested in accounts with the custodians where the trading activity may be subject to margin requirements. These margin requirements may result in the custodian issuing a margin call for the more cash to be set aside to cover such positions or the custodian will liquidate the relevant positions. The Portfolio Managers are responsible for monitoring the margin requirements using such methodologies they may decide based on their professional judgement and any specific regulatory or contractual requirements they are subject to.

The Notes are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of realisation of the Collateral Assets. The payment of principal, interest and other amounts in respect of the Notes will be made solely from amounts received in respect of the Collateral Assets of the relevant Series of Notes.

The Company is also exposed to credit risk on its cash at bank or with brokers. The credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with satisfactory credit ratings as assigned by international credit-rating agencies.

Interactive Brokers', Pershing and Citibank, N.A. have the following long term credit ratings as rated by Standard & Poor's as at the year end:

	2022	2021
Pershing (a BNY Mellon Company)	A+	A+
Interactive Brokers LLC	A-	BBB+
Citibank, N.A.	A+	A+

16. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES

FRS 102 outlines a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the amended FRS 102 paragraph 11.34 are as follows:

Level 1: quoted market price (unadjusted) in an active market for an identical instrument;

Level 2: inputs other than quoted prices included in level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly;

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The determination of what constitutes "observable" requires significant judgment by the Company. The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and which is provided by multiple, independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instrument and does not necessarily correspond to the Company's perceived risk inherent in such financial instrument.

The Company's financial instruments have been classified within levels 1 and 3.

Level 1 financial assets are unadjusted quoted prices. Level 1 prices have been sourced from broker statements and the underlying investments are quoted on a stock exchange.

IA CAPITAL STRUCTURES (IRELAND) PLC
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16. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES (CONTINUED)

Level 3 financial assets are assets for which prices are available but for which the majority of inputs are unobservable. The remainder of the Company's investments are classified within level 3 of the fair value hierarchy where there is limited valuation data or quotations received require management judgment. These investments are typically equity positions that trade privately without sufficient data to satisfy the definition of 'observable market quote' being available. Level 3 valuation methodologies include net asset value calculations and utilisation of recent market prices as best estimation of fair valuation. The equity positions are primarily invested in private fund structures and the real estate sector. The valuation approach for the fund structures includes a NAV and an agreed multiple times book value. The multiple is compared to similar companies to benchmark a suitable multiple. While prices have been sourced from composite price providers, these assets are considered to be the most appropriately included in level 3. The valuation approach for investments in real estate entities includes appraisals by the Portfolio Managers and fund administrators of the income potential and ultimate reversion value of the real estate, to which a market discount may be applied.

The valuation processes used by the Portfolio Managers or fund administrators may include: internal or external appraisals, valuation models, reviews of business plans and reviews of valuation model assumptions and inputs. The valuations are collated by the Calculation Agent and provided to the Company. In the event that valuation information is not received in respect of any one Series, the Calculation Agent will review the information available (including third party information) to determine if they can calculate a value. If the Calculation Agent is not, within the required timeframe, able to obtain or calculate a reasonable valuation then they may designate the Series as having zero value or maintain the value at its historic level, depending on the circumstances. In certain Series, the calculation Agent shall consider the valuation of the Collateral Assets to be retained at cost in the absence of the necessary valuation data being provided.

The following table shows the analysis of financial assets and liabilities designated at FVTPL according these to the three fair value levels as at the year end:

As at 31 December 2022	Level 1	Level 2	Level 3	Total
Fair value hierarchy - Assets	USD	USD	USD	USD
Financial assets classified at FVTPL	45,990,750	2,706,388	895,916,674	944,613,812
	<u>45,990,750</u>	<u>2,706,388</u>	<u>895,916,674</u>	<u>944,613,812</u>
Fair value hierarchy - Liabilities	USD	USD	USD	USD
Financial liabilities classified at FVTPL	-	51,371,279	903,303,044	954,674,323
Derivative financial instruments held for trading	-	-	-	-
	<u>-</u>	<u>51,371,279</u>	<u>903,303,044</u>	<u>954,674,323</u>
As at 31 December 2021	Level 1	Level 2	Level 3	Total
Fair value hierarchy - Assets	USD	USD	USD	USD
Financial assets classified at FVTPL	56,564,235	1,311,000	569,139,482	627,014,717
	<u>56,564,235</u>	<u>1,311,000</u>	<u>569,139,482</u>	<u>627,014,717</u>
Fair value hierarchy - Liabilities	USD	USD	USD	USD
Financial liabilities classified at FVTPL	-	59,553,425	580,394,540	639,947,965
Derivative financial instruments held for trading	3,148	-	-	3,148
	<u>3,148</u>	<u>59,553,425</u>	<u>580,394,540</u>	<u>639,951,113</u>

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16. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES - (CONTINUED)

The reconciliation of the movement in level 3 items is as follows:
As at 31 December 2022

	Financial assets	Financial liabilities
	USD	USD
Opening balance	569,139,482	580,394,540
Purchases/issuances	-	-
Sales/redemptions	(5,648,980)	(5,635,798)
Realised gain/loss on redemptions	(970,021)	(1,633,202)
Foreign exchange movement	-	-
Fair value adjustment on assets/Notes	333,396,193	330,177,504
	<u>895,916,674</u>	<u>903,303,044</u>

As at 31 December 2021

	Financial assets	Financial liabilities
	USD	USD
Opening balance	486,356,006	496,213,243
Purchases/issuances	50,357	1,102,530
Sales/redemptions	(10,403,446)	(11,432,966)
Realised gain/loss on redemptions	2,140,598	2,116,949
Foreign exchange movement	(134,639)	(134,459)
Fair value adjustment on assets/Notes	91,130,606	92,529,243
	<u>569,139,482</u>	<u>580,394,540</u>

The impact on the fair value of level 3 financial instruments of using reasonably possible alternative assumptions for the inputs is difficult to assess and cannot be reliably estimated given the private illiquid nature of the underlying investments and reliance on recent transactions as evidence of fair value over independent valuations in the majority of cases.

17. STATUTORY AND OTHER INFORMATION

	31-Dec-22	31-Dec-21
	USD	USD
Directors remuneration	19,269	26,333
The following fees were payable to the statutory auditor for the financial period (including expenses and excluding VAT):		
Statutory audit fee	75,000	73,500
Tax advisory services	-	-
	<u>75,000</u>	<u>73,500</u>

The Company had no employees during the current or prior financial year.

18. CHARGES

There are no charges over the book debts of the Company outside of those considered within the note issuing documentation.

19. RELATED PARTY AND TRANSACTIONS WITH DIRECTORS

The corporate services provider for the financial year was Verita Corporate Services Limited ("Verita") and fees of USD 41,604 were charged in respect of the financial year (2021: USD 43,187) of which USD 9,897 was payable at the year end (2021: USD 5,730). During the year, Verita provided arms length services as set out in a corporate services agreement. Neil Fleming is a director of Verita and Boru Corporate Trustees Limited, who act as share trustee.

20. CONTROLLING PARTY

There is no ultimate controlling party. The share capital is held by Boru Corporate Trustees Limited as Trustee for charitable purposes. The Company's financial statements are not consolidated into the results of any other entity.

IA CAPITAL STRUCTURES (IRELAND) PLC

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. SUBSEQUENT EVENTS

The below table details the Series Notes where the specified Series with Notes in issue was redeemed in full after the financial year end:

Series	Scheduled Maturity Date	Curr.	Nominal in issue (final)	Redemption amount	Description
149	11-Apr-23	USD	6,500,000	6,500,000	Boston Quincy FlexETP
103	01-Sep-23	USD	2,153,000	2,153,000	Valencia Partners LP / MG Capital
201	14-Apr-23	USD	2,475,000	2,330,000	Belmont Place
35	14-Sep-35	USD	22,000	18,729	Argentina Flex ETP
6	02-Feb-28	USD	2,200,000	3,257,716	GWM Notes

The Notes of Series 206 and Series 211 (which both relate to the Prodigy Network, LLC) matured after the year end but: no payments have been received in order to make a redemption payment; the Collateral Assets are in default; or, no extension of the notes has been agreed.

In February 2023, the loan to Indy Dist Inc. and the S190 Notes were extended to 28 February 2025 and 2 March 2025 respectively, with the consent of the S190 Noteholders.

22. CONTINGENCIES AND COMMITMENTS

In February 2022, the Company and other defendants received service of a legal claim against the Company by various parties purporting to be noteholders in Series 36. Series 36 relates to the Biscayne Capital/South Bay group of companies where the proceeds of the Company's investments are alleged to have been misappropriated by others after they were invested by the Company in the intended entities. The Company believes the claim against it is vague and without merit and is defending it.

Except for the above disclosed contingent liability, the Company is not aware of any other commitments or contingencies as at the financial year end that require disclosure in the financial statements.

23. APPROVAL OF FINANCIAL STATEMENTS

The board of Directors approved these financial statements on 8 December 2023.