



Annual Report

2025

Frontier Clearing Corporation B.V., Amsterdam

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1. Annual Report

Frontclear at a glance

Key indicator	2025	2024
Gross portfolio size (USD million - m)	691	491
Net portfolio size (USDm)	648	458
Production (USDm)	830	435
Funding mobilized (USDm)	1,114	1,679
Production since inception (USDm)	2,744	1,915
Funding mobilized since inception (USDm)	7,513	6,399
Available capital (USDm)	212	213
% of capital utilized	59.2%	35.7%
Available liquidity (USDm)	97	105
Contingent liquidity (USDm)	50	50
Net Operating Income (USDm)	2.45	2.38



Report from the Managing Board

Financial Results

Frontclear realized net portfolio income of USD 7.6 million, up 55% from USD 4.9 million in 2024. The increase in portfolio revenue stems from strong portfolio growth, with the merging markets and developing countries (EMDC) portfolio outstanding at year-end at USD 691 million compared to USD 491 million at full year end 2024 (FYE24), a 41% increase. The portfolio return stood at 1.23%, slightly down from 1.39% at FYE24, resulting from increased exposure in better rated markets and shorter-dated transactions reflecting lower risk.

Investment and other income remained stable at USD 4.3 million. Financing costs rose slightly to USD 1.1 million now including debt service on the USD 50 million unsecured debt facility closed in the last quarter of 2025.

Operating expenses increased significantly from USD 6.0 million in 2024 to USD 8.3 million in 2025, largely offsetting the growth in portfolio revenue. The increase in operating expenses is the result of a controlled expansion of the team to prepare the company for the next growth cycle and partially as a consequence of a weakening USD against EUR.

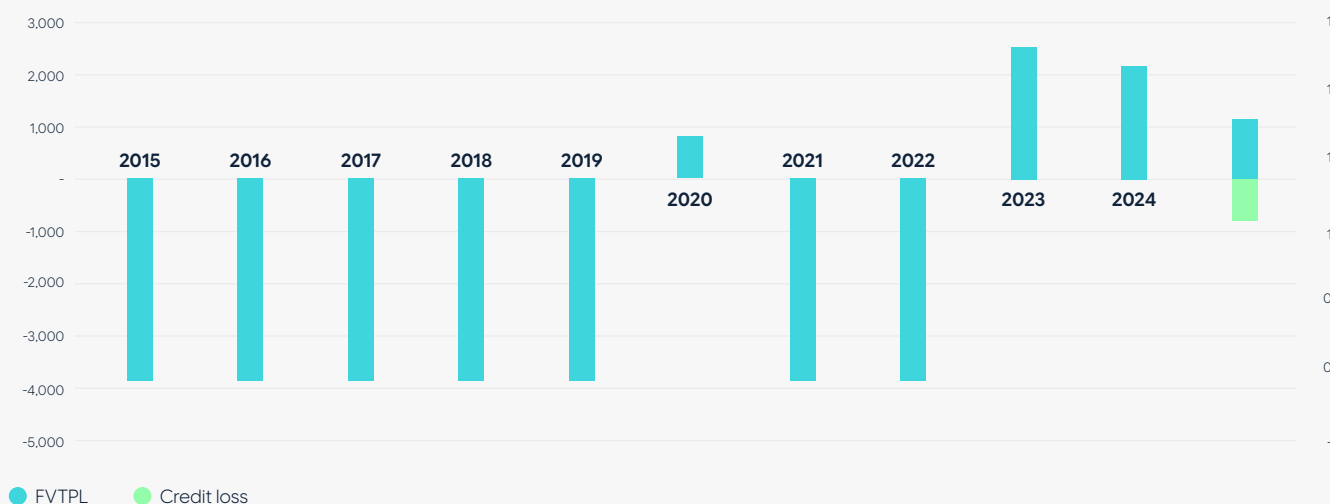
Frontclear incurred its first loss under a guarantee agreement of USD 795 thousand (7.95% of the total guaranteed amount). The guarantee involved the coverage of a structured finance exposure involving an alternative collateral arrangement that has not been repeated in the portfolio. The collateral was performing at the time of sale by the beneficiary, with the loss incurred more a reflection of the unique nature and hence lack of liquidity of the collateral.

The 2025 net result prior to revaluation of the PPN' with 'Profit Participating Notes (PPN)' at USD 1.6 million compares favorably to 2024, the final year marked by clearing of remaining deferred performance and long-term incentive fees.

Other than the developments noted in this report there are no other special events that should be taken into account for the financial statements.

The average number of employees employed by FCC' with 'Frontier Clearing Corporation (FCC)' during 2025 was nil (2024: nil).

Net Operating Income

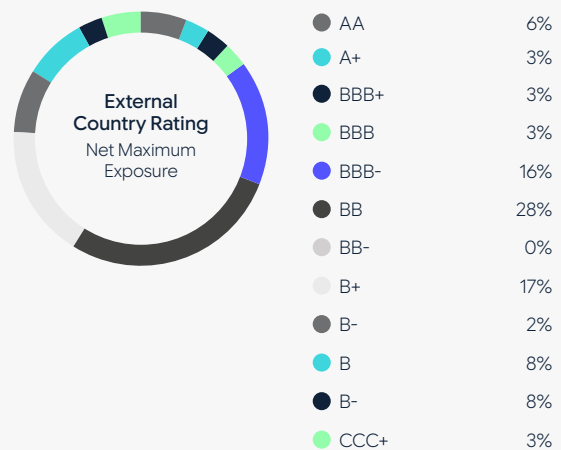
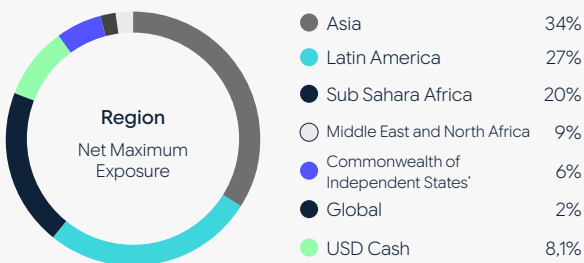
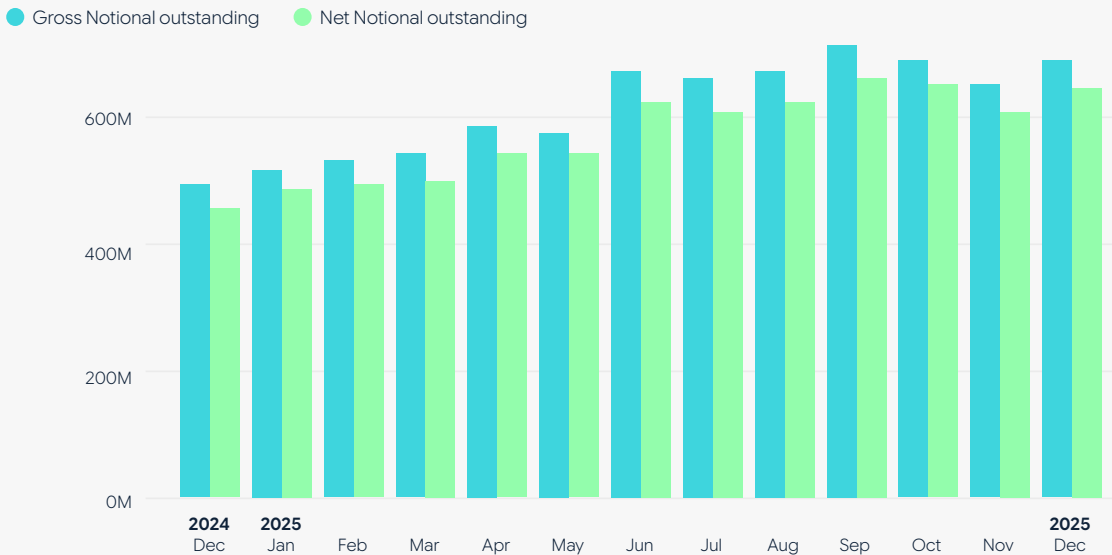


Portfolio developments

The significant portfolio growth from gross outstanding notional of USD 491 million at FYE24 to USD 691 million at FYE25 reflects growth in trade finance exposures, non-deliverable cross-currency swaps and new exposures in West-Africa – notably conducted under the

local master repurchase agreement following extensive work on understanding and promoting the use of such for regional transactions. The portfolio is increasingly well diversified with exposures in 40 countries (2024: 27 countries) and key risk metrics well balanced across the portfolio.

EMDC Portfolio last 12 Months (in USD)



In 2025, the company closed 38 transactions on Tradeclear, with 9 active counterparties, for a total value of USD 154 million. This development demonstrates the platform can facilitate both domestic and international transactions in shorter-dated, more standardized transactions that could give rise to significant south-to-south investment flows.

Risk assessment

Management performs periodic risk assessments covering both financial and non-financial risks, including fraud risk, as part of the internal capital adequacy assessment process and internal risk assessment process (ICARAP) process and the annual review of the FCC Risk Charter and Investment Guidelines. This assessment identifies and evaluates inherent risks, assesses the effectiveness of key controls, and determines residual risk exposure across the main risk categories, including credit, market, operational, compliance, and fraud risk.

The Management Board recognizes the importance of preventing and detecting fraud and maintains a zero-tolerance approach towards fraudulent activity. Fraud risk is specifically assessed on a periodic basis to identify emerging risks, and where necessary, additional controls are implemented to further mitigate identified exposures.

Identified risks are monitored through the Governance, Risk and Compliance system and Incident Register, which support the tracking of operational events, control

effectiveness, and mitigation actions. No material fraud incidents or allegations of fraud were identified during the financial year.

The outcome of the overall risk assessment, including key risk developments and mitigation activities, is reviewed annually and forms part of the Board reporting to the Supervisory Board.

Frontclear 2.0

Management has engaged in discussions with current and new investors to convert the investment fund structure of Frontclear into a typical limited liability structure with equity investments, with FCC as the parent company of the structure. This conversion will establish both permanence of capital for FCC and facilitate the raising of new capital as the company scales.

The subsidiaries of FCC, FCC Securities B.V. and Tradeclear B.V. – the latter established early 2026 – intend to apply for a MIFID license to deal for own account in financial instruments and to operate a market, respectively. This will introduce some prudential regulation to Frontclear under the Investment Firm Regulation and Investment Firm Directive (IFR/IFD). The 2025 ICARAP shows that the current economic capital framework is more conservative than the prudential requirements the company will have to adhere to.

The conversion of the structure will involve a discontinuation of the Frontier Clearing Funds as the funds providing FCC with its risk capital.



Outlook

The continued geopolitical rebalancing and the recent war in the Middle East introduces new uncertainties for EMDC, regarding trade balances, commodity and food prices and resulting in potential inflation and currency fluctuations. These uncertainties might affect portfolio developments in 2026.

In the context of a changing world order, the mandate of Frontclear remains highly relevant. Building inclusive

and liquid money markets that are better able to finance economic growth, mobilize domestic savings and absorb external shocks to allow international investors to access local currency for financing domestic activities and growth.

We would like to thank the team and our partners for their commitment to Frontclear without which the excellent 2025 results would not have been achieved.

The Managing Board of Frontclear Management B.V.,



Mr. Philip Buyskes
Chief Executive Officer



Mr. Erik van Dijk,
Chief Risk & Finance Officer

Report from the Supervisory Board

Execution of Mandate

The year 2025 is marked by a substantially changing world order and declining international solidarity. Development finance has been placed under significant pressure, with official development aid declining rapidly and increasingly targeted to promote direct geopolitical interests. In the meantime, emerging and frontier market economies face an estimated annual financing gap of USD 4.1 trillion to meet the Sustainable Development Goals in 2030. This gap is projected to rise to USD 6 trillion in 2035.

In this context, the mobilization of local private capital has become both more urgent and more strategic. The outstanding EMDC portfolio of Frontclear stood at USD 691 million at year-end 2025, up from USD 491 million in 2024. Production almost doubled from USD 436 million in 2024 to USD 830 million in 2025. Since its inception, Frontclear has mobilized USD 7.5 billion towards EMDC money markets.

FCC Securities has made significant progress in the roll-out of Tradeclear as the global trading platform that supports both domestic and cross-border exchange of liquidity and risk between domestic and international market participants. Tradeclear saw active transactions

in Uganda, Uzbekistan, Azerbaijan and the Dominican Republic in 2025, whilst the platform is being deployed in Zambia, Botswana, Ghana, Nigeria, Panama and Paraguay with other countries being added. In 2025,

a total of USD 154 million in transactions have been concluded on the platform in 38 transactions, marking the year that the platform is unfolding its capabilities in deepening domestic markets and connecting them to cross-border counterparties.

With the Connect & Develop strategy deployed in 2025 and with Tradeclear as a platform that could unlock significant flows of south-to-south funding, domestically and cross-border, Frontclear's mandate is more relevant than ever.

Governance

The composition of the Supervisory Board remained unchanged in 2025. The Board met 5 times in 2025.

The strategic discussions of the Board in 2025 focused on the preparation of the structural changes proposed under Frontclear 2.0 – the conversion of the structure of Frontclear from investment fund driven with finite



funding arrangements to a permanent structure in the form of the limited liability company of FCC with equity contributions from the current and new investors. In this structure, Frontclear intends to apply for MIFID licenses to operate a market and deal for own account in financial instruments, to allow the roll-out of Tradeclear to European counterparties in due time.

Recurrent items on the agenda of the board include the monitoring of the compliance program, interaction with the company's auditors, annual fraud risks assessment performed by the management, the performance assessment of the manager, the business planning cycle and the review of the IMAAP and ICAAP, the latter resulting in minor amendments to Frontclear's Investment Guidelines and Risk Charter.

The Supervisory Board wishes to thank the Management Board, staff, and the Company's operational partners for the excellent results in 2024 and for the decade of managing transformative impact.

The Supervisory Board of Frontier Clearing Corporation B.V.,

Mr. Axel van Nederveen (Chairman)

Dr. Frank Czichowski

Mr. Rutger Schellens

Mrs. Charlotte Gounot

Overview of the company and services

Mandate

Frontclear focuses on catalyzing more stable and inclusive money markets in EMDC. Money markets are crucial to the pricing and distribution of short-term liquidity and risk between professional market parties, the effective transmission of monetary policy, the development of benchmark rates that can stimulate the development of derivative products and the deepening of the government securities markets, leading to a benchmark curve for other financial products and reducing the cost of funds for governments, households and corporates. Whereas global policy attention for the development of money markets has increased in recent years, Frontclear remains a unique party combining the provision of technical assistance with deployment of risk capital and financial infrastructure to facilitate actual transactions for EMDC based market participants.

Instruments

Frontclear facilitates access to money markets for local financial institutions in EMDC through 1) the provision of financial infrastructure primarily via Tradeclear B.V., 2) the provision of risk mitigation to counterparty credit risk in domestic and cross-border interbank transactions via Frontier Clearing Corporation B.V. and FCC Securities B.V. and 3) financial support to local financial market infrastructure and capacity building programs in a technical assistance program, through the Frontclear Foundation. The combination of connecting markets through the transactional approach and developing markets using technical assistance can create a lasting impact on the development of domestic interbank and money markets otherwise not achievable. The activities of Frontier Clearing Corporation and its subsidiaries,

together with the Frontclear Foundation, are therefore considered closely related and in terms of mandate interlinked.

Transactions structures

The key transaction structure is to offer a financial guarantee to enhance transactions in EMDC markets. The guarantee may cover one or both counterparties to the trade. FCC requires the exchange of collateral between guaranteed parties as a condition for its credit support, accommodating the use of local currency cash and domestic government securities to serve as collateral. The guarantee is called upon default if the collateral is insufficient to cover the beneficiary bank's claim or cannot be liquidated and proceeds repatriated timeously. As such, the guarantee covers counterparty credit risk as well as general country risk (legal, market and liquidity).

FCC offers guarantees on both cross-border and domestic money market transactions. Guarantees can cover bilateral transactions between two counterparties or cover a portfolio of transactions among multiple counterparties. FCC can provide guarantees to various financial infrastructure players such as central clearing counterparties, central banks and central security depositaries.

In cases where local financial institutions have difficulty finding a counterparty that is willing to face them in such transactions (e.g. due to operational constraints), FCC Securities B.V. ("FCC Securities") can act as a principal counterparty to the local institution and hedge its exposure with a beneficiary bank, which receives an

FCC guarantee in support of the hedge transaction. FCC Securities has no other purpose than to facilitate such transaction-specific structuring.

Tradeclear B.V. was established in 2025 and provides financial market infrastructure via the Tradeclear RFQ platform. Tradeclear allows local EMDC counterparties to trade both locally and domestically in unsecured, repo and swap transactions. FCC Securities B.V. provides liquidity on the platform and can intermediate transactions that otherwise would not occur, thus helping parties not only achieve best execution but also widely access new liquidity pools, including via south-south funding lines.

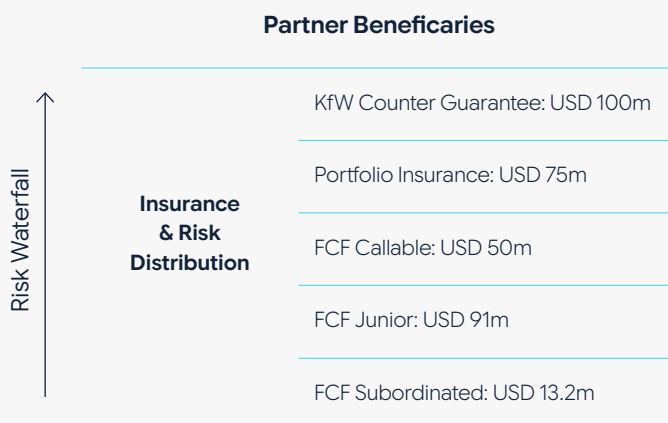
Technical assistance

Next to offering guarantees to facilitate transactions, Frontclear provides technical assistance through the Frontclear Foundation. Under the program, Frontclear offers diagnostic tools, training, supports legal & regulatory reforms to facilitate legal enforceability of market standard documentation for repo and derivative transactions and supports the development of local market infrastructure. Finally, the Frontclear Foundation commissions research related to money market development topics.

The combination of facilitating transactions through the provision of risk capital and assisting local regulators and market participants with technical assistance projects, provides for a very powerful combination of activities to promote the development of local money markets. For further reading on the impact strategy and developments results of Frontclear, please refer to the 2025 Frontclear Impact Report.

Capital structure

Frontclear has a unique blended capital structure that underpins its credit strength, combining funding from governments, development finance institutions and the private sector. The diagram below illustrates the capital structure and risk protection afforded to Frontclear’s partner beneficiaries:



Overcollateralization on Diversified Transactions

A core focus of Frontclear is to develop repo and swap markets, which are underpinned by the exchange of collateral. Collateral exchanged in the transactions typically involves cash or government securities which are liquidated upon default of the EMDC-based counterparty to minimize losses. Frontclear’s core capital is funded through the issuance of profit participating notes to FCF Subordinated, FCF Junior and FCF Callable. In addition, Frontclear maintains an excess of loss portfolio insurance policy of USD 75 million and a USD 100m counter-guarantee facility from KfW. Finally, Frontclear utilizes non-payment insurance on a case-by-case basis to further manage its risk and capital positions, as well as liquidity lines and short term borrowings to manage liquidity.

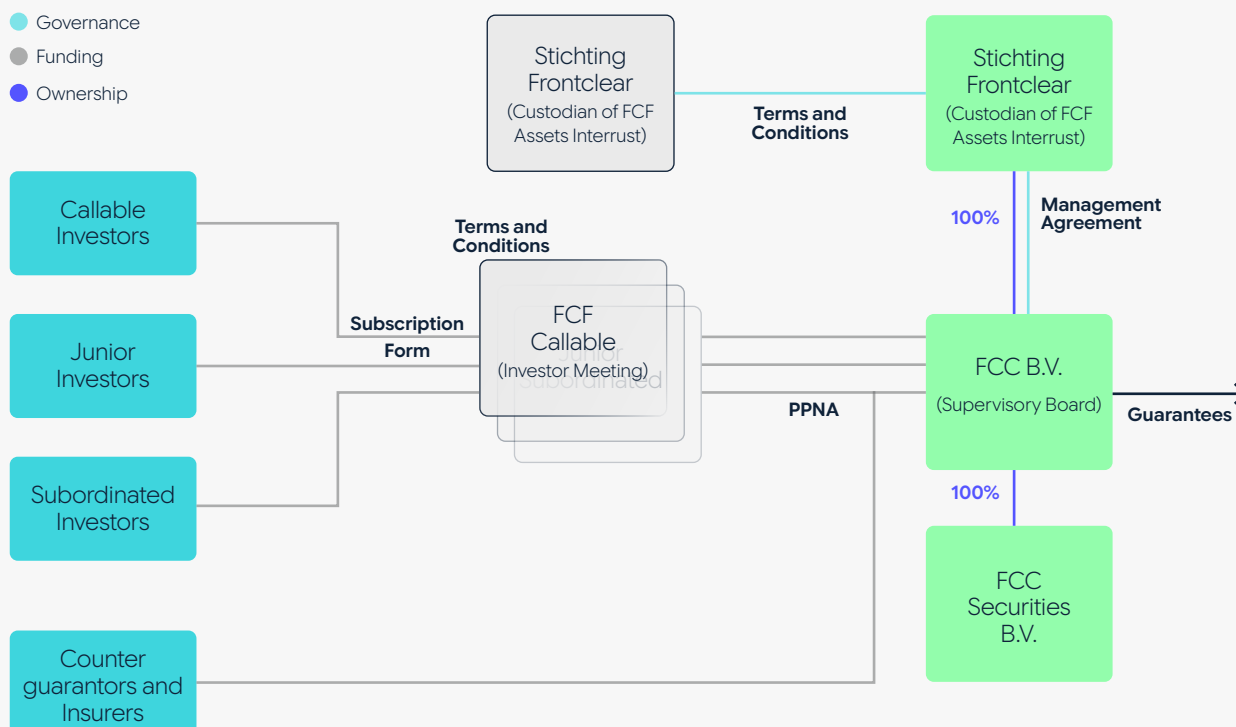
Legal structure

Frontclear is the collective term for a structure of companies and vehicles illustrated in the diagram below:

- Frontier Clearing Corporation B.V. (“FCC”) – FCC is the rated operating company of Frontclear and hence the entity issuing guarantees and making investments to achieve the mission of Frontclear.
- FCC Securities B.V. (“FCC Securities”) - In 2017, FCC established a 100%-owned subsidiary FCC Securities B.V. to support specific transaction structures. All obligations of FCC Securities are covered by a parent guarantee from FCC.
- Tradeclear B.V. – In 2025, FCC established a 100%-owned subsidiary Tradeclear B.V. as the future operator of the Tradeclear platform. Tradeclear B.V. has entered into a long-term white label agreement with Instimatch A.G., a Swiss fintech company that designed and developed the Tradeclear system for Frontclear. All obligations of Tradeclear B.V. are covered by a parent guarantee from FCC.
- Frontier Clearing Funds (“FCF”) – the FCF are funds for joint account through which Frontclear raises funds from investors. At 31 December 2025 there are three separate funds - FCF Subordinated, FCF Junior and FCF Callable - each investing in a separate class of notes - Subordinated Notes, Junior Notes and Callable Notes, respectively - issued by FCC. Through the FCF, Frontclear is funded by European governments and development finance institutions.
- Stichting Frontclear – Stichting Frontclear is the custodian for the FCF and therefore the legal owner of the assets of the FCF.
- The Frontclear Foundation (Stichting Frontclear Technical Assistance Program) – The Frontclear Foundation is the program custodian for the Frontclear Technical Assistance Program (“FTAP”), administering all donor contributions and program allocations and expenses.

Frontclear Management B.V. (“FCM”) – FCM is the Fund Manager for the FCF in accordance with the amended Terms & Conditions of the FCF adopted on 2 December 2019. FCM is registered as an exempted fund manager of Alternative Investment Funds (“AIF”). In addition, FCM is the single shareholder and statutory director of FCC and the statutory director of FCC Securities. FCM manages FCC and FCC Securities pursuant to the terms of the FCC Management Agreement and FTAP in accordance with the Amended & Restated FTAP Agreement. FCM is 100% owned by Cardano Development B.V. which in turn is 100% owned by Stichting Cardano Development, an institution for the benefit of general interest (“ANBI”, tax exemption status under Dutch law).

- At 31 December 2025, Frontclear Management had 22 employees, 9 of which in commercial positions reporting to the CEO and 6 in risk management and compliance functions, 2 in operations, 1 in finance and 2 in technical assistance functions reporting to the CFRO. Staffing increased with 4 employees during 2025 and is expected to continue to grow with the size and complexity of the company’s activities.



Legal agreements

- The following key agreements define the structure of Frontclear captured above (amended and restated agreements dated at the second financial close of 2 December 2019):
 - Subscription Agreements – Investors have committed to the Terms & Conditions of the FCF adopted by the Fund Manager and the Custodian by means of Subscription Agreements.
 - Amended & Restated PPN Agreement – the PPN Agreement is entered into by FCC and the FCF and determines the issuance of three classes of Profit Participating Notes from FCC to the FCF: Subordinated Notes to FCF Subordinated, Junior Notes to FCF Junior and Callable Notes to FCF Callable. The PPN Agreement captures the FCC Investment Guidelines and the FCC Risk Charter, defining the risk appetite and risk management approach for FCC. The PPN
- Terms & Conditions of FCF – the Terms & Conditions define the rights and obligations of the investors, the Fund Manager (FCM) and the Custodian (Stichting Frontclear). The Terms & Conditions also specify the appointment of and the rights and obligations of the FCC Supervisory Board and the Investment Committee.

-
- Agreement specifies approvals required from the FCC Supervisory Board for the execution of certain rights under the PPN Agreement.
- Portfolio Insurance – the Excess of Loss Portfolio Insurance Policy has been entered into by FCC on 2 December 2019 for an initial period of 5 years and subsequently extended up to 9 December 2027. The policy pays out in case claims under guarantee obligations exceed the funds available to FCC, with a waiting period of 180 days. The policy is compliant with the conditions for unfunded capital protection stated in the Capital Requirement Regulation of the European Union.
 - Amended & Restated KfW Counter-Guarantee – the KfW Counter-Guarantee agreement entered into by FCC and KfW is a contract for the benefit of third parties under German law, counter-guaranteeing the obligations of FCC towards eligible third parties under guarantees issued. The agreement defines under which conditions third parties are eligible to benefit from the counter-guarantee and certain consent rights of KfW on amendments to the documentation of Frontclear.
 - Amended & Restated FCC Management Agreement – entered into by FCM and FCC, the FCC Management Agreement prescribes the terms pursuant to which FCM manages FCC, additional rights and obligations of the FCC Supervisory Board and the Investment Committee and the remuneration of FCM for managing FCC. The management of FCC Securities is deemed covered by the FCC Management Agreement.
 - Amended & Restated FTAP Agreement – some of the investors of FCF Subordinated have committed to donate the distributions of FCF Subordinated to the FTAP. The FTAP Agreement specifies the conditions under which FTAP is operated by FCM and the Frontclear Foundation (Stichting FTAP) and specifies amongst others the appointment of and rights and obligations of the Donor Committee.
 - Grant Agreements – FTAP has received additional commitments from FSDA, ABSA and Cardano Development (together the “Donors”), which are documented with separate Grant Agreements. The Grant Agreements gives rise to additional obligations for the management of FTAP vis-à-vis the Donors.

Corporate governance

In its corporate governance, Frontclear aims to balance sufficient countervailing power by committees appointed directly and indirectly by stakeholders (investors or donors) and arms-length management of FCC and FTAP operations. Investors in the FCF retain key rights that may be exercised in the Joint Investor Meeting, whilst FCC's Supervisory Board's supervises the Manager's management of FCC and FCC's general course of affairs and provides advice to the Fund Manager. Where required, the rights and obligations of governing bodies have been supplemented by internal regulations and charters providing transparency to how these bodies operate. Where applicable, these have been specified below.

The following bodies exercise control in the governance of Frontclear:

- Joint Investor Meeting – the Joint Investor Meeting is the meeting of the investors in all FCFs combined. The Joint Investor Meeting has rights specified in the Terms & Conditions of the FCF and can decide with Investor Ordinary Consent and with Investor Special Consent in matters relating to the FCF. The Joint Investor Meeting cannot instruct FCM but FCM has contractually committed to adhere to certain decisions of the JIM with regard to the management of FCC, specifically with regard to the appointment of FCC Supervisory Board members.
- FCC Supervisory Board – the members of the FCC Supervisory Board are appointed by cooptation, subject to approval by the Joint Investor Meeting by Investor Ordinary Consent.

- At 31 December 2025, the Supervisory Board consists of the following members:

- Axel van Nederveen, Chairman;
- Frank Czichowski;
- Rutger Schellens; and
- Charlotte Gounot.

The rights and obligations of the FCC Supervisory Boards, beyond the legally induced, are derived from the Terms & Conditions of the FCF, the FCC Management Agreement and the PPN Agreement.

- Investment Committee – the Investment Committee is a body of FCM and is responsible for setting country and counterparty limits as well as approving changes to risk policies (other than the FCC Investment Guidelines and FCC Risk Charter). Investment Committee members are appointed by and operate under the instructions of the Investment Committee Charter approved by the FCC Supervisory Board.
- At 31 December 2025, the Investment Committee consists of the following members:
 - Martin Kimmig, Chairman
 - Joost van den Akker;
 - Louis Sabatino;
 - Ricardo Velazquez (resigned as per 31 December 2025);
 - Maria Lanzeni (appointed as per 11 March 2025);
 - Philip Buyskes (non-voting) and;
 - Erik van Dijk (non-voting).

- Donor Committee – the Donor Committee governs the allocation of technical assistance funding and the progress and impact reporting of approved interventions. The appointment of members to the Donor Committee is captured in the FTAP Agreement. At 31 December 2025, the Donor Committee consists of the following members:
 - Evans Osano, Chairman;
 - Alice Chapple (resigned as per 19 September 2025);
 - Fleur Henderson; and
 - Lisa Sherk (appointed as per 19 September 2025).

- FCM Management Board – the Management Board of FCM consists of:
 - Philip Buyskes, CEO and Chairman; and
 - Erik van Dijk, CFRO.

Both can independently represent FCM (and with FCM being the statutory director of FCC and FCC Securities therefore also FCC and FCC Securities, respectively). Restrictions to this right, decision making and avoiding and resolving potential conflict of interest have been addressed by the MB Regulation, approved and adopted by the FCM Supervisory Board. The Management Board has further adopted a resolution regarding the approval and authorization of key documents, including but not limited to external reporting.

- FCM Supervisory Board – the Supervisory Board of FCM consists of:

- Joost Zuidberg

The authority, rights and obligations of the FCM Supervisory Board are limited to the management of FCM only and do not extend towards FCC or the FCF.

- Mextrust B.V. – Mextrust B.V., a Dutch operating company of CSC Global, is appointed as the Managing Director of Stichting Frontclear.

Besides these governing bodies, the risk appetite and risk management approach of FCC are strictly governed by the FCC Investment Guidelines (risk appetite statement) and the FCC Risk Charter (risk management approach). All risk documentation and risk approvals must adhere to the FCC Investment Guidelines and the FCC Risk Charter. Amendments to the FCC Investment Guidelines and the FCC Risk Charter are subject to the approval of the FCC Supervisory Board.

Compliance standards

FCM is registered as an exempted manager with the Dutch Authority Financial Markets (“AFM”) and submits AIFMD reports once a year to the regulator. As an exempted manager of alternative investment funds, the regulatory requirements applicable to FCM are limited. FCM voluntarily adheres to the best practice induced by the Alternative Investment Fund Management Directive (“AIFMD”) where such can be achieved against reasonable cost and effort.

FCM has adopted a Code of Conduct, applicable to all employees, Supervisory Board members and committee members of FCM or FCC and where relevant extended by contract to material service providers to Frontclear. The Code of Conduct captures the required conflict of interest guidelines of the AIFMD commensurate to the size of Frontclear.

FCM has contracted Finnius and the Projective Group (formerly Charco & Dique), Dutch law firms specialized in financial regulation, to assist the compliance function with safeguarding regulatory compliance. FCM has contracted Jones Day Amsterdam for all other FCF related legal matters.

Once a year, the FCM Management Board provides the FCC Supervisory Board with a regulatory compliance assessment and informs the Board on other compliance issues.

Risk Management

Risk Appetite and risk management approach

The business objective of the Company is to build a portfolio of collateralized counterparty credit risk exposures in emerging markets and developing countries (“EMDC”), with the purpose of facilitating the development of more liquid and inclusive financial markets. The Company therefore focuses on taking country risk and counterparty credit risk in EMDC and has limited appetite for other risk categories, such as credit risk in the investment portfolio or market risk other than through materialized counterparty credit exposures, when the Company could be directly exposed to the risks related to the collateral instrument.

The main documents capturing the risk appetite and the approach to managing the key risk exposures of the Company are the FCC Investment Guidelines and the FCC Risk Charter:

- FCC Investment Guidelines – document detailing the key investment guidelines of the Company, stating the risk appetite, key risk controls and guidance for determining key exposure metrics and approving new countries and counterparties.
- FCC Risk Charter – document detailing the governance and key elements of the risk governance management framework and the approach to the identification, assessment, measurement, mitigation and reporting of key risk exposures. The FCC Risk Charter further details the economic capital framework for measuring risk and the adequacy of capital on portfolio level.

The FCC Investment Guidelines and FCC Risk Charter supersede all other risk policies and guidelines of the Company. Changes to these main documents are

subject to the approval of the FCC Supervisory Board, with the exception of changes to the business objective and return target, which are subject to approval by the Joint Investor Meeting.

The Company evaluates its risk appetite and risk management approach annually and presents the results of the evaluation and any proposed changes to the FCC Investment Guidelines and FCC Risk Charter to the FCC Supervisory Board. For this evaluation, the Company performs an ICARAP (Internal capital adequacy assessment process and internal risk-assessment process) in accordance with the SREP guidelines on fund managers (in Dutch: de Beleidsregel SREP beheerders), as applied policy statement by the Dutch central bank as of 9 December 2025 and in line with the EBA and ESMA SREP Guidelines on investment firms (EBA/GL/2022/09).

For an overview of the key risk categories the Company is exposed to see Note 5.

Operational risk management

The Company adheres to a continuous self-improvement cycle for operational risk management. The Company, as part of the Frontclear group of entities, maintains a risk control framework for managing operational risk and subjects itself to an annual operational audit process, resulting in an ISAE 3402 Type II report for Frontclear. The Company maintains an Incident Register for recording operational incidents that could inform changes to the risk control framework.

The risk control framework and Incident Register are captured in a governance, risk and compliance (“GRC”) system, the allows for frequent review of all key operational risk categories and controls and the assessment of residual risk exposures.

2. Financial Statements

2. Financial statements

Consolidated statement of financial position

(as at 31 December, before profit appropriation)

(all amounts in thousands USD)	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	6	32,876	41,630
Financial instruments at FVTPL – Securities	13	64,355	63,203
Financial guarantee contracts at FVTPL	11	198	292
Financial instruments at FVTPL – Other	12	214,578	146,694
Financial instruments at FVTPL – Term deposits	14	8,004	-
Prepaid guarantee expenses		58	46
Cash collateral given		1,162	1,070
Management fee receivable	17	197	60
Other receivables	18	773	325
Total current assets		322,201	253,320
Total assets		322,201	253,320
Equity			
Shareholders' equity			
Issued share capital	7	-	-
General reserve	8	(7,516)	(9,989)
Undistributed result for the period	9	(2,218)	2,473
Total shareholders' equity		(9,734)	(7,516)
Liabilities			
Long-term liabilities			
Junior Notes	10	89,443	85,949
Subordinated Notes	10	10,596	10,216

(all amounts in thousands USD)	Notes	2025	2024
FMO facility loan	15	30,000	-
Total long-term liabilities		130,039	96,165
Short-term liabilities			
Financial guarantee contracts at FVTPL	11	320	384
Financial instruments at FVTPL – Other	12	176,896	146,279
Financial instruments at FVTPL – Term deposits	14	6,570	-
Accrued fees	16	172	85
Cash collateral received		16,254	15,086
Deferred performance fee and LTI		248	1,960
Other liabilities	19	1,436	876
Total short-term liabilities		201,896	164,671
Total equity & liabilities		322,201	253,320

The notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated statement of comprehensive income

(all amounts in thousands USD)	Notes	2025	2024
Revenues			
Realized fees on contracts at FVTPL	21	7,181	5,556
Change in fair value of contracts at FVTPL	22	946	(154)
Guarantee expenses	23	(482)	(505)
Total revenues		7,645	4,897
Finance costs			
Subordinated Notes	24	(264)	(265)
Callable Commitment Fee		(75)	(75)

(all amounts in thousands USD)	Notes	2025	2024
Counter Guarantee Fee	25	(355)	(356)
Portfolio Insurance Fee	26	(345)	(305)
FMO Facility Fee		(92)	-
Total finance costs		(1,131)	(1,001)
Other results			
Interest income	27	3,241	3,264
Fair value changes in liquidity investments	13	1,000	1,061
FX results		(9)	(75)
Other income		36	16
Total other results		4,268	4,265
Total operating income		10,781	8,161
Operating expenses			
Management Fees	28	(5,779)	(4,434)
Performance Fees	29	(826)	(567)
Legal Fees	30	(137)	(145)
Third party service providers	31	(384)	(217)
Other operating expenses	33	(1,205)	(669)
Total operating expenses		(8,331)	(6,032)
Operating result		2,451	2,129
Deferred Performance fee and LTI	34	-	(1,960)
Guarantee Payments		(795)	-
Net result for the period before revaluation of PPN		1,656	169
Revaluation of Subordinated Notes	10	(380)	252
Revaluation of Junior Notes	10	(3,494)	2,052
Net (loss)/ profit for the period before tax		(2,218)	2,473
Income tax		-	-
Comprehensive (loss)/ profit for the period		(2,218)	2,473
Comprehensive (loss)/ profit for the period attributable to the holder of the issued share of FCC	35	(2,218)	2,473

The notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated statement of cash flows

(all amounts in thousands USD)	Notes	2025	2024
Cash flow from operating activities			
Guarantee fees received	21	3,091	2,191
Income received from financial instruments at FVTPL	21	4,090	3,365
Guarantee expenses paid		(482)	(505)
Guarantee payments		(795)	-
Assets funded from available liquidity		(37,734)	-
Interest received		3,234	3,594
Management fees paid	28	(6,214)	(4,483)
Performance fee paid		(2,278)	(1,570)
Other income and operational expenses		(1,609)	(905)
Collateral received		1,077	10,923
Net cash flow (used in)/generated from operating activities		(37,620)	12,610
Cash flow from investing activities			
Financial instruments at FVTPL – Securities purchases		(35,052)	(82,145)
Financial instruments at FVTPL – Securities sales and redemptions		34,900	82,427
Net cash flow (used in)/generated from investing activities		(151)	282
Cash flow from financing activities			
Subordinated Notes - DTAF Fee paid	24	(264)	(265)
Callable commitment fee paid		(75)	(38)
Counter-guarantee fee paid	25	(355)	(532)
Portfolio insurance fee paid	26	(345)	(305)
FMO Facility received	15	29,760	-
Net cash flow from financing activities		28,722	(1,140)
Net cash flow (used in) / generated during the year		(9,050)	11,752
Cash and cash equivalents at beginning of the period		41,630	29,936
Foreign currency translation of cash positions		297	(58)

(all amounts in thousands USD)	Notes	2025	2024
Cash and cash equivalents at the end of the period		32,876	41,630
Analysis of cash and cash equivalents			
Cash at banks		15,876	24,630
Money market funds		17,000	17,000
Total of cash and cash equivalents	6	32,876	41,630

The notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated statement of changes in equity

(all amounts in thousands USD)	Amounts		Number of shares	
	2025	2024	2025	2024
Equity at beginning of the period	(7,516)	(9,989)	1	1
Proceeds from shares issued	-	-	-	-
Net change from transactions with shareholders	-	-	-	-
Comprehensive income/(loss) for the period	(2,218)	2,473	1	1
Equity at end of year	(9,734)	(7,516)	1	1

The notes to the consolidated financial statements are an integral part of these financial statements.

Notes to the consolidated financial statements

1. General information

Frontier Clearing Corporation B.V. (“the Company” or “FCC”), incorporated under the laws of the Netherlands, together with its wholly-owned subsidiaries FCC Securities B.V. (“FCC Securities”) and Tradeclear B.V. also referred to as “the Group” or “FCC” is a financial markets development company focused on catalyzing more stable and inclusive financial markets in emerging and developing countries (“EMDCs”).

The Group facilitates access to financial markets for local institutions in EMDCs. FCC is primarily funded by means of its Profit Participating Notes program, under which it issues Subordinated Notes, Junior Notes and Callable Notes (together the “Profit Participating Notes” or “PPN”) to the Frontier Clearing Fund Subordinated, Frontier Clearing Fund Junior and Frontier Clearing Fund Callable (together the “Funds”). FCC has issued a parent guarantee to cover all obligations of its subsidiaries.

The Group’s operations are managed by Frontclear Management B.V. (“FCM” or “the Manager”) under the terms of the FCC Management Agreement. Certain administrative functions have been outsourced to DLM Finance B.V.

The registered address of FCC is Mauritskade 63, 1092 AD, Amsterdam, The Netherlands. The Company is registered with Chamber of Commerce number 61998583 and was incorporated on 1 December 2014.

2. Events after the reporting period

On 3 March 2026, the Supervisory Board of FCC awarded the Manager with a Performance Fee being the sum of a Fixed Performance Fee Component of USD 279,331 and EUR 531,583 relating to the variable compensation of the staff of the Manager.

The amount of EUR 531,583 relating to the variable compensation of FCM staff has been invoiced in 2026. The difference of EUR 66,379 between amount recognized in 2025 based on management’s best assessment and the performance fee approved by the FCC Supervisory Board has been recognized in 2026.

The amount of USD 279,331 relating to the Fixed Performance Fee Component has equally been invoiced in 2026. The difference of USD 31,700 between Fixed Performance Fee Component recognized in 2025 and the final fee approved by the FCC Supervisory

Board has been recognized in 2026. The remaining deferred Fixed Performance Fee Component is USD nil.

3. Statement of compliance

The consolidated financial statements of FCC have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of The Netherlands Civil Code. The company only financial statements have been prepared in accordance with accounting principles in the Netherlands as embodied in Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements were authorized for issue by the Managing Board on 3 June 2026.

4. Summary of significant accounting policies

Basis for preparation

The consolidated financial statements are prepared on a fair value basis for financial assets and financial liabilities. Certain financial assets and financial liabilities are stated at amortized cost.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. All amounts have been rounded to the nearest thousand unless otherwise indicated.

Reporting standards

Effective for reporting years commencing on or after 1 January 2025

Title	Key requirements	Effective date
Amendments to IAS 21 – The effects of changes in Foreign Exchange Rates: Lack of Exchangeability.	The IASB has amended IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’, by adding requirements which will help entities to: assess whether a currency is exchangeable into another currency, and determine the spot exchange rate to use, when exchangeability is lacking. If an entity has estimated a spot exchange rate because a currency is not exchangeable into	1 January 2025

	<p>another currency, it will have to provide additional information to help users to understand the effects and associated risks, the estimated rates and estimation process used. The amended accounting standard is not expected to have a material impact on the Group's consolidated financial statements..</p>	
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Forthcoming requirements

The following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2025.

Title	Key requirements	Effective date
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	<p>The IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures', to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:</p> <p>(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</p> <p>(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</p> <p>(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and</p> <p>(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).</p>	1 January 2026

Title	Key requirements	Effective date
	<p>The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The amended accounting standard is not expected to have a material impact on the Group's consolidated financial statements.</p>	
<p>Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</p>	<p>The IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures', to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:</p> <ul style="list-style-type: none"> (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). <p>The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The amended accounting standard is not expected to have a material impact on the Group's consolidated financial statements.</p>	<p>1 January 2026</p>
<p>IFRS 18, 'Presentation and Disclosure in Financial Statements'</p>	<p>The IASB issued the new standard on presentation and disclosure in financial statements, which</p>	<p>1 January 2027</p>

Title	Key requirements	Effective date
	<p>replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> . the structure of the statement of profit or loss with defined subtotals; . a requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss; . required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and. <p>enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</p> <p>The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the statement of profit or loss, statement of cash flows and the additional disclosures required for MPMs.</p>	
<p>IFRS 19, Subsidiaries without Public accountability: Disclosures</p>	<p>In May 2024, the IASB issued IFRS 19, which allows eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard is intended to reduce the reporting burden for subsidiaries whose parent prepares consolidated financial statements under IFRS. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.</p> <p>This change does not affect the group, as the subsidiary does not provide a separate annual report.</p>	<p>1 January 2027</p>

Basis for consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The consolidated financial statements are prepared for the same period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses and unrealized gains and losses from intra-group transactions are eliminated in full.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights (Control) . The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group uses the purchase accounting method to account for the acquisition of subsidiaries. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date, irrespective of the extent of any non-controlling Interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of comprehensive income.

Subsidiary FCC Securities B.V. and Tradeclear B.V.

In 2017 the Company incorporated FCC Securities B.V. for the amount of EUR 1 which comprises the paid-in capital. This amount was paid on incorporation date. At the date of incorporation, the fair value was equal to the acquisition cost. The consolidated financial statements comprise financial statements of Frontier Clearing Corporation B.V. and FCC Securities B.V.

Tradeclear B.V. has been established in November 2025, with no activities prior to 31 December 2025. The performance of Tradeclear B.V. is not yet consolidated in these financial statements.

Foreign currency translation

Functional currency and presentation currency

The functional currency of FCC is the United States Dollar (“USD”), reflecting the fact that the majority of the transactions are settled in USD. FCC has adopted the USD as its presentation currency as the contributions made by the investors of the Company are denominated in USD.

Transactions and balances

All recognized assets and liabilities denominated in non-USD currencies are translated into USD equivalents using year-end spot rates. Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Resulting exchange differences on the financial instruments at fair value through profit or loss in foreign currencies are recorded in the income statement as part of the investment result. Realized and unrealized exchange differences on other assets and liabilities are also recorded in the income statement and disclosed as foreign currency translation results.

Financial Instruments

Classification

FCC classifies its investments in cash accounts, term deposits, interest receivable and other payables as financial assets and liabilities at amortized costs whose carrying amounts approximate fair value because of the short nature and the high credit quality of counterparties. Its investments in securities, money market funds and term deposits executed via the Tradeclear platform are at fair value through profit or loss.

FCC classifies its Subordinated, Junior and Callable Notes as financial liabilities in accordance with the substance of the contractual arrangements, given that the total expected cash flows attributable to the instruments over its life are not based substantially on the profit, the change in the recognized net assets, or the change in the fair value of the recognized and unrecognized net assets of FCC during the life of the instrument.

FCC classifies its issued financial guarantee contracts as financial liabilities at fair value through profit or loss.

FMO loan facility is classified as a financial liability measured at amortised cost. The liability is initially recognised at fair value and is subsequently measured using the effective interest method. Interest expense is recognised in profit or loss using the effective interest rate, which is based on the contractual compounded SOFR rate as management considers this rate to represent a market rate of interest at inception and throughout the reporting period. Directly attributable transaction costs, including front-end fees and commitment fees, are amortised over the term of the facility through finance costs.

The facility is not designated at fair value through profit or loss as management concluded that the loan represents a basic lending arrangement managed on a contractual settlement basis. In the assessment management considered:

- the contractual cash flows are consistent with principal and interest payments;
- the facility is intended to be held until maturity;
- the liability is managed on a contractual yield basis rather than a fair value basis;

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Initial recognition

FCC recognizes a financial instrument on its balance sheet when it becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognized using trade date accounting. Gains and losses are recognized from this date on. Drawdowns under the PPN are treated as loans. A further description of this feature is disclosed in Note 10.

The date of initial recognition is the date that FCC became a party to the irrevocable commitment.

Measurement

Financial instruments are initially measured at fair value (transaction price). Transaction costs on financial instruments at fair value through profit or loss are expensed immediately. After initial recognition, financial instruments at fair value through profit or loss are measured at fair value, with changes in their fair value recognized as gains or losses in the statement of comprehensive income.

Fair value measurement principles

Investments in liquid securities are valued against available market prices (Level 1). For all other financial instruments which are highly rated and liquid such as money market funds or deposits for which no reference prices are available in an active market, the fair value is determined based on market standard cash flow methodologies and are further referred to as Level 2 financial instruments.

The fair value of the Profit Participating Notes is set equal to the exit value of the assets. The exit value is the higher of the redemption value based on the level of Available Cash in accordance with the PPN Agreement and the value determined by a discounted cash flow model. A further description of the valuation of the PPN is disclosed in Note 10.

The fair value of financial guarantees at initial recognition is equal to the consideration received for the guarantee at inception minus a credit value adjustment, containing expected credit loss, cost of capital and add on elements. Subsequent measurement is based on a model that reflects the probability of default of the obligor whose obligations are guaranteed, the expected exposure at time of default, loss given default assumptions and the cost of the marginal economical capital allocation to the transaction, with changes in their fair value recognized as gains or losses in the statement of comprehensive income. A further description of the valuation of the financial guarantee contracts is disclosed in Note 11.

Fair value measurement of financial instruments - TradeClear term deposits

FCC Securities enters into uncollateralised short-term borrowing and lending transactions through the TradeClear platform in the form of term deposits. Subsequent to initial recognition, they are measured at fair value using a discounted cash flow (“DCF”) methodology based on contractual cash flows and observable current market interest rates applicable to similar instruments at the reporting date. Changes in fair value are recognised in profit or loss.

The fair value measurements are categorised within Level 2 of the IFRS fair value hierarchy because the valuation uses observable market inputs, including market yield curves and money market interest rates.

Fair value measurement of financial instruments entered into by FCC Securities

The fair value of repo and derivative contracts entered into by FCC Securities is measured against the present value of cash flows at the prevailing cash rates plus a net credit value adjustment or net debt value adjustment, dependent on the credit quality of the counterparty, relative to FCC Securities with support from FCC. The credit value adjustment is calculated in accordance with the fair value model for financial guarantees.

Derecognition

FCC derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition. A transfer will qualify for de-recognition when the Company transfers substantially all the risks and rewards of ownership. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

Insurance contracts taken

Premium payable for the contracts is accrued over the life of the contract. A reimbursement asset is recognized only in case the insured event has materialized. The reimbursement asset will in such case reflect the risk of non-payment by the insurance provider.

Cash and cash equivalents

Financial instruments are classified as cash and cash equivalents when the financial instruments are short-term positions which are highly liquid that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Unless indicated otherwise, they are at the Company's free disposal.

Consolidated statement of cash flows

The consolidated statement of cash flows is prepared according to the direct method. The consolidated statement of cash flows shows FCC's cash flows for the period divided into cash flows from operations and financing and investing activities and how the cash flows have affected cash balances.

Accrued expenses and other payables

Accrued expenses and other payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method.

Income and expense recognition

Income is recognized to the extent that it is probable that the economic benefits flow to FCC and the income can be reliably measured.

Interest on securities at fair value through profit or loss is recognized in the statement of comprehensive income within 'Interest income'.

Interest income and expenses are recognized as the interest accrues (taking into account the effective yield on the asset).

Interest received by FCC may be subject to withholding tax imposed in the country of origin. Interest and dividend income are recorded gross of such taxes.

The management fee is based on invoices and is subject to the budget approved by the Supervisory Board.

The performance fee is determined based on a separate performance assessment by the Supervisory Board against the performance targets agreed with FCM. The performance fee has two components, of which one is due on determination and one is deferred to be paid out of positive operating income. The performance is recognized in the year that it has been awarded.

Long-term incentive fees are determined in accordance with defined performance targets in the FCC Management Agreement and are approved by the FCC Supervisory Board.

The recognition and payment of the deferred performance fee component and the long-term incentive fees is conditional on the Company achieving a positive operational result during a financial year. In determining the positive operational result, accelerated income due to movements in market rates is deferred and decelerated income due to movements in market rates is vested.

Other fees and expenses such as guarantee expenses are recognized in profit or loss as the related services are performed.

Taxation

Current and deferred income tax

Since 2022 FCC has applies for a zero percent corporate income tax rate with the Dutch tax authority, on the ground of the company acting as the operating entity in which the Frontier Clearing Funds, investment entities

under Dutch law, invest and the company being owned and managed by the fund manager of these investment entities.

Events after the reporting period

The consolidated financial statements are adjusted to reflect material events that occurred between the end of the reporting period and the date when the consolidated financial statements are authorized for issue, provided they give evidence of conditions that existed at the reporting date. Material events that are indicative of conditions that arose after the balance sheet date are disclosed, but do not result in an adjustment of the consolidated financial statements themselves.

Significant accounting estimates and judgment in applying accounting policies

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

Significant accounting estimates

The fair value measurement of assets and liabilities include valuation based on non-market observable inputs. The determination of the fair value for the Profit Participating Notes and the financial guarantee contracts are based on non-observable inputs. See for further explanation Note 10 where the inputs are described including the impact of each variable for the determination of the fair value as well as the sensitivity towards each fair value.

Judgement

In the process of applying FCC's accounting policies, FCC has made the following judgement, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the consolidated financial statements. FCC determines the classification of positions in money market funds as disclosed in Note 6 as cash and cash equivalents, as the positions at money market funds are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Going concern

The Manager has made a going concern assessment and is satisfied that FCC has the resources to continue in business for the foreseeable future. As FCC does not have an obligation under the PPNs to distribute more than the redemption value at liquidation, a negative equity position resulting from a reported fair value exceeding the redemption value of the notes does not imply a going concern issue but reflects the perceived value of the future performance of FCC.

The Manager is not aware of any other material uncertainties that may lead to significant doubt about FCC's ability to continue as a going concern. The discussions between the Manager in its capacity of Fund Manager and the investors in the Funds re converting the investment in the funds into direct investments in FCC might affect the nature of the risk capital provided to FCC, but will not impact on the ability of FCC to conduct its business.

Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

5. Risk Management

FCC's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risks is core to the financial business, and operational risks are an inevitable consequence of being in business.

FCC aims to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The Company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. FCC regularly reviews its risk management policies and systems to reflect changes in markets, products and best practice.

Market price risk

Market price risk is the risk that the value of an instrument fluctuates as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

FCC limits the average duration of its liquidity investments to two years and the maximum duration of any individual investment to five years. The average duration of the portfolio of securities at 31 December 2025 is 1.1 years (2024: 1.0 years). The changes in fair value of these investments are disclosed in Note 13.

Interest rate risk

The general purpose of managing interest rate risk is to limit the adverse impact of interest rate fluctuations on the net asset value of the Company. The Company is exposed to interest rate risks in connection with interest-bearing assets and liabilities.

The Company's financial liabilities are issued on both a fixed rate and floating rate basis. The Subordinated and Junior Notes are fixed whilst any drawn Callable Notes are floating.

Given the long-term nature of the liabilities of FCC and the short-term nature of its liquidity investments, FCC is exposed to negative changes to the net asset value of the Company when interest rates decline and to positive changes to its net asset value when interest rates rise. FCC does not use derivative instruments to hedge against interest rate exposures due to potential changes in its asset base resulting from claims under issued

financial guarantees. FCC expects the individual noteholders to hedge their exposure to changes in value of the individual PPN resulting from interest rate fluctuations.

The sensitivity to the value of the PPN to changes in interest rates is disclosed in Note 10.

Foreign currency exchange rate risk

The Company may hold financial instruments denominated in currencies other than the USD, the functional currency, as a result of purchasing local currency denominated collateral instruments in a work-out scenario. It may therefore be exposed to currency risk, as the value of the financial instruments denominated in other currencies fluctuates due to changes in exchange rates. FCC does not engage in open currency positions for the purpose of investing its liquidity.

In case FCC is exposed to local currency instruments as a result of the default of one of its obligors, the maximum allowed foreign currency exposure is limited by means of one-month Value-at-Risk limits per currency and in aggregate. The maximum one-month Value-at-Risk in aggregate with a 97.5% confidence interval is limited to 10% of available cash.

The Company is exposed to exchange rate risk through incurring expenses in currencies other than the reporting currency. This currency risk is not actively managed, other than through budget controls.

The open currency positions of the company at 31 December 2025, incurred through bank balances in foreign currency and payables due only, are given below:

(all amounts in thousands USD)	Exposure 2025	Exposure 2024
EUR	1,326	1,007
XOF	977	-
GHS	8	5
DOP	2	1
Total	2,313	1,013

Liquidity risk

Liquidity risk is defined as the risk that an entity encounters difficulty in meeting payment obligations associated with financial liabilities and off-balance sheet commitments at a reasonable cost.

FCC is mainly exposed to liquidity risk in case of a counterparty default. FCC mitigates its liquidity risk by testing the adequacy of its liquidity buffer under stress scenarios, where

both credit losses on its liquidity investments and payment obligations under financial guarantees are considered. FCC runs the following liquidity stress-tests:

<i>Scenario</i>	<i>Test</i>	<i>Requirement</i>
Counterparty event – idiosyncratic defaults under normal market conditions	Liquidity buffer, corrected with 50% of largest single liquidity investment, over the sum of the two largest liquidity exposures (i.e. loss given default of gross guarantee exposure)	FCC able to meet the payment demand on any two guarantees outstanding
Market or legal risk event – counterparty default under illiquid market circumstances	Liquidity buffer, corrected with 50% of largest single liquidity investment, over the largest gross notional guarantee exposures	FCC able to purchase collateral instruments under any outstanding guarantee following a market liquidity event upon default of a obligor
Country event – all counterparties in one country defaulting under stressed market circumstances	Liquidity buffer, corrected with 50% of largest single liquidity investment, over the largest gross notional country exposures times 75%	FCC able to meet payment demands on all guarantees outstanding in any country, when collateral instruments in a forced sale only deliver 25% of last recorded market value

The results of these stress tests at 31 December are given below:

	2025	2024
Counterparty event	2.1	2.5
Market or legal risk event	1.6	1.9
Country event	1.7	1.7

Next to running discretionary liquidity stress tests, the company runs a Monte Carlo simulation model (see Capital model for details) to determine the maximum amount with 99.75% certainty of liquidity needed in the run-down of the portfolio, anticipating simultaneous work-out scenarios for multiple calls guarantee contracts issued, where the company might have to prefund guarantee payments under insured exposures and potentially have to purchase the collateral portfolio from the guaranteed beneficiary. This amount is determined at 31 December 2025 at USD 110 million (2024: USD 75 million).

Credit risk

Credit risk is defined as the risk that one party to a financial instrument causes a financial loss for the other party by failing to discharge an obligation. Credit risk arising from the inability of a counterparty to meet the terms of the Company's financial instrument

contracts exists as the Company has entered into significant financial instrument transactions that are exposed to credit risk.

FCC has limited the minimum counterparty rating for the purpose of investing liquidity to AA- and has assigned counterparty limits based on counterparty rating and type of financial instruments to ensure diversification in its liquidity investments. Capital requirements for liquidity investments follow the standardized approach under Capital Required Regulation. The credit limits are based on the lowest published credit rating by Standard & Poor's, Moody's or Fitch and internal assessments.

The following table shows the credit exposure for liquidity investment as at December 31, 2025:

(all amounts in thousands USD)	Credit rating	Exposure 2025	Exposure 2024
Money market funds	AAA	17,000	17,000
Fixed income investments	AA- and up	64,355	63,203
Cash positions Rabobank	A+	3,408	1,474
Term deposits Rabobank	A+	11,173	23,139
Cash positions CACEIS Bank, Netherlands Branch	A+	309	11
Other Cash Positions – EMDC banks	Not rated	986	6
Total		97,231	104,833

Counterparty credit risk

FCC is exposed to counterparty credit risk on transactions, where the obligor is typically located in an emerging or frontier market. The exposure under financial guarantees issued is affected by both country risk factors and credit risk factors relating to the obligor.

FCC assigns country limits and counterparty limits for obligors based on a fundamental analysis of the country and counterparty. The limit framework is based on two exposure metrics: the aggregate capital at risk and on the aggregate maximum exposure under a worst-case scenario per country and counterparty. The capital at risk is informed by the loss given default and probability of default of each exposure, based on an internal counterparty credit rating methodology.

The loss given default is determined based on the recovery rates of the collateral instruments posted in the transaction and the average expected depreciation of the local currency involved over the liquidation period, both conditional upon a default of the

obligor under severe economic circumstances. The recovery rates reflect expected movements in the local yield curve and are dependent on the duration of the collateral instruments posted. The average expected depreciation used for limit purposes is set between 30% and 50%. The maximum exposure of a guaranteed transaction is equal to the notional value of the transaction for transactions with exchange of principal (deliverable transactions) and is based on a stochastic potential future exposure metric for transactions without exchange of principal (non-deliverable transactions).

The maximum aggregate guarantee exposure across countries and counterparties that FCC can enter into against its available capital is controlled by the economic capital framework. The economic capital framework is reviewed annually as part of the internal capital adequacy and risk assessment procedure (ICARAP) and changes are subject to the approval of the FCC Supervisory Board.

The following table shows the notional amounts of outstanding exposures per country (please note the table combines exposures gained through guarantee contracts, derivative transactions and repurchase agreements):

2025

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Armenia	3,000	-	3,000	85
Azerbaijan	139,000	-	139,000	1,027
Bangladesh	12,074	-	12,074	77
Brazil	32,580	-	32,580	33
Bulgaria	170	-	170	-
Chile	730	-	730	(1)
China	21,290	-	21,290	(24)
Colombia	2,020	-	2,020	(2)
Cote d'Ivoire	59,000	(15,700)	43,300	69,328
Cyprus	1,920	-	1,920	(2)
Czech Republic	770	-	770	(1)
Dominican Republic	54,885	-	54,885	55,651
Egypt	50,000	(8,300)	41,700	(52)
France	59,000	-	59,000	(69,229)

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Georgia	1,440	-	1,440	(1)
Germany	48,496	-	48,496	(45,774)
Greece	4,040	-	4,040	(5)
Honduras	13,018	-	13,018	13,021
Hong Kong	13,770	-	13,770	(17)
Hungary	1,070	-	1,070	(1)
India	28,780	-	28,780	(26)
Kenya	10,883	-	10,883	1
Malaysia	12,010	-	12,010	(17)
Mauritius	960	-	960	-
Mexico	13,910	-	13,910	(17)
Mongolia	75,000	(11,500)	63,500	69,581
Netherlands	257,018	-	257,018	(13,066)
Nigeria	38,500	(5,000)	33,500	(46)
Paraguay	27,000	-	27,000	70
Peru	480	-	480	(1)
Poland	2,350	-	2,350	(3)
Romania	690	-	690	(1)
Slovakia	90	-	90	-
South Africa	19,230	-	19,230	(21)
South Korea	1,460	-	1,460	(2)
Spain	8,000	-	8,000	(8,074)
Taiwan	26,320	-	26,320	(31)
Thailand	3,010	-	3,010	(3)
Togo	15,000	-	15,000	(35)
United Kingdom	36,070	-	36,070	(36,154)
Uzbekistan	20,000	-	20,000	1,283
Zambia	5,000	-	5,000	7
Total	1,120,003	(40,500)	1,079,503	37,559

2024

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Azerbaijan	105,000	-	105,000	(328)
Bangladesh	16,500	-	16,500	92
Brazil	10,203	-	10,203	24
Bulgaria	780	-	780	(1)
China	11,061	-	11,061	(14)
Colombia	10,800	-	10,800	3
Dominican Republic	72,355	(13,896)	58,459	71,844
Egypt	50,000	(8,300)	41,700	105
Georgia	2,400	-	2,400	(3)
Germany	92,184	-	91,184	(92,764)
Global	15,000	-	15,000	(140)
Greece	834	-	834	(1)
Hong Kong	7,289	-	7,289	(11)
Hungary	1,279	-	1,279	(2)
India	8,900	-	8,900	(11)
Kenya	10,423	-	10,423	68
Mexico	3,300	-	3,300	(4)
Mongolia	70,985	(11,000)	59,985	71,207
Netherlands	263,333	-	263,333	(3,244)
Poland	1,824	-	1,824	(4)
Romania	1,274	-	1,274	(2)
Slovakia	1,300	-	1,300	(2)
South Africa	12,500	-	12,500	(10,318)
Taiwan	2,528	-	2,528	(4)
Thailand	1,010	-	1,010	(1)
Togo	8,530	-	8,530	(170)
Uganda	30,000	-	30,000	-
United Kingdom	41,170	-	41,170	(41,315)
Uzbekistan	35,000	-	35,000	(1,172)

Total	887,766	(33,196)	854,569	323
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FCC has obtained non-payment insurance to hedge USD 41 million (31 December 2024: USD 33 million) of its gross notional exposure. Insurance is obtained to bring the net exposure of contracts within the country or counterparty limits. The timing and the maturity of the hedged agreement aligns with the maturity of the gross exposure. Capital requirements for net guarantee follow from the capital model as described below.

Capital model

FCC assigns economic capital against its portfolio of exposures under an economic capital framework that addresses both credit and counterparty credit risk in Pillar I and liquidity, market and operational risk in Pillar II.

The Pillar I capital requirement for credit and counterparty credit risk is based on a loss distribution for the portfolio generated by a stochastic capital model. The stochastic capital model generates the loss distribution of the portfolio by simulating defaults in the portfolio in a Monte Carlo analysis and generating a loss per default by drawing FX and short-term interest rate movements from a distribution of such movements conditional on the default of a bank. The probabilities of default and correlation statistics for the exposure in the portfolio are taken from external credit rating agency models. The conditional distribution of FX and short-term interest rate movements are taken from a study commissioned by Frontclear on the topic in 2017 and are based on a distribution derived from the empirical observation of such movements after one week, one month and three months. The distribution is based on 344 recorded bank defaults in emerging markets since 1984. The Pillar I capital requirement is equal to the 99.75% percentile of the loss distribution. In Pillar II, an additional allocation of 20% of the Pillar I capital requirement for guarantee exposures is made to compensate for model risk.

FCC reserves 5% of available capital for market and operational risk.

Operational and compliance risk

The Manager maintains an operational risk management framework based on detection, prevention and reporting of potential and materialized operational risk events. This framework includes but is not limited to semi-annually risk control self-assessments, incident reporting and operational and financial audit feedback informing an internal risk control framework. The risk control framework forms the basis of quarterly internal control reporting and an annual external operational audit on the management of Frontclear. The Manager furthermore conducts quarterly compliance meetings including the consultation of an external legal advisor to manage issues relating to regulatory compliance.

Fair value measurement

The following table provides the fair value measurement of the Companies assets and liabilities measured at FVTPL.

2025

Assets at FVTPL

(all amounts in thousands USD)	Quoted prices in active Markets (Level 1)	Significant unobservable Inputs (level 2)	Significant unobservable Inputs (level 3)
Financial instruments at FVTPL – Securities	64,355	-	-
Financial guarantee contracts at FVTPL	-	-	198
Financial instruments at FVTPL – Other	-	-	214,578
Financial instruments at FVTPL – Term deposits	-	8,004	-
Total assets at FVPTL	64,355	8,004	214,776

Liabilities at FVTPL

(all amounts in thousands USD)	Quoted prices in active Markets (Level 1)	Significant unobservable Inputs (level 2)	Significant unobservable Inputs (level 3)
Long-term liabilities – Junior Notes	-	-	89,443
Long-term liabilities – Subordinated Notes	-	-	10,596
Financial guarantee contracts at FVTPL	-	-	320
Financial instruments at FVTPL – Other	-	-	176,896
Financial instruments at FVTPL – Term deposits	-	6,570	-
Total liabilities at FVPTL	-	6,570	277,255

2024

Assets at FVTPL

(all amounts in thousands USD)	Quoted prices in active Markets (Level 1)	Significant unobservable Inputs (level 2)	Significant unobservable Inputs (level 3)
Financial instruments at FVTPL – Securities	63,203	-	-
Financial guarantee contracts at FVTPL	-	-	292
Financial instruments at FVTPL – Other	-	-	146,694
Total assets at FVPTL	63,203	-	146,986

Liabilities at FVTPL

(all amounts in thousands USD)	Quoted prices in active Markets (Level 1)	Significant unobservable Inputs (level 2)	Significant unobservable Inputs (level 3)
Long-term liabilities – Junior Notes	-	-	85,949
Long-term liabilities – Subordinated Notes	-	-	10,216
Financial guarantee contracts at FVTPL	-	-	384
Financial instruments at FVTPL – Other	-	-	146,279
Total liabilities at FVPTL	-	-	242,828

Fraud risk assessment and management

Frontclear deploys a continuous improvement approach to operational risk management. The management of operational risk is performed within a single GRC platform, that allows for risk identification and assessment, formulation of operational risk controls, the continuous monitoring of timely evaluation and assessment of these risks and controls and tracking of operational incidents. As part of this broader operational risk management framework, Frontclear identifies, assesses and mitigates fraud-specific risks that may impact FCC's activities. Key fraud risks relate to transaction execution and

settlement, which are mitigated through applying documented procedures and four eye approval of all cash payments. Management reports on matters relating to operational risk directly to the FCC Supervisory Board.

6. Cash and cash equivalents

(all amounts in thousands USD)	2025	2024
Money market fund – Blackrock ICS USD Liquidity	10,000	10,000
Money market fund – Blackrock ICS USD Treasury	7,000	7,000
Term deposits Rabobank	11,173	23,139
Cash positions Rabobank	3,408	1,474
Cash positions CACEIS Bank, Netherlands Branch	309	11
Other Cash Positions – EMDC banks	986	6
Total cash and cash equivalents	32,876	41,630

No restrictions to the usage of cash and cash equivalents exist at year end. Interest income related to cash and cash equivalents amounted to USD 1,904 (2024: USD 1,808).

7. Issued share capital

The authorized and issued share capital consists of 1 ordinary share of € 1 and has been fully paid. FCM holds the share of FCC.

8. General reserve

(all amounts in thousands USD)	2025	2024
Balance as at beginning of period	(9,989)	(9,947)
Distributed from undistributed result for the period	2,473	(42)
Balance as at 31 December	(7,516)	(9,989)

9. Undistributed result for the period

(all amounts in thousands USD)	2025	2024
Balance as at beginning of period	2,473	(42)
Distributed to general reserve	(2,473)	42
Comprehensive (loss)/ income for the period	(2,218)	2,473
Balance as at 31 December	(2,218)	2,473

Minimum capital requirement

FCC is not subject to any internal or external imposed minimum capital requirement.

10. Long-term liabilities

The long-term liabilities at 31 December 2025 are detailed as follows:

(all amounts in thousands USD)	Junior Notes	Callable Notes	Subordinated Notes	Total
Total position at beginning of period	85,949	-	10,216	96,165
Revaluation during the period	3,494	-	380	3,874
Total position at 31 December 2025	89,443	-	10,596	100,039

The long-term liabilities at 31 December 2024 are detailed as follows:

(all amounts in thousands USD)	Junior Notes	Callable Notes	Subordinated Notes	Total
Total position at beginning of period	88,001	-	10,468	98,469
Revaluation during the period	(2,052)	-	(252)	(2,304)
Total position at 31 December 2024	85,949	-	10,216	96,165

Callable Notes

Status

Frontier Clearing Fund Callable (“FCF Callable”) was established on 29 November 2019. FCF Callable is party to the Amended & Restated PPN Agreement between FCC and each of the Frontier Clearing Funds. FCC agrees to issue to and FCF Callable agrees to purchase Callable Notes up to the level of commitments given to FCF Callable by its investors (the “Callable Commitment”). The Callable Commitment is unconditional and irrevocable.

FCC entered into the first Callable Commitment with FCC Callable effective on 23 December 2022 resulting in a Callable Commitment on 31 December 2025 of USD 50 million (2024: USD 50 million). At 31 December 2025, the Callable Commitment remained undrawn and no Callable Notes are recognized.

Issuance, repayment and interest

On the occurrence of a liquidity trigger event or if in the reasonable determination of FCC the financial position of FCC requires such, FCC will issue Callable Notes to FCC Callable, reducing the undrawn Callable Commitment.

FCC pays each quarter on the first business day of April, July, October and January of each calendar year a Commitment Fee over the undrawn Callable Commitment based on the level of the aggregate maximum exposure of FCC's guarantee portfolio divided by the amount of Available Cash (see Redemption value below for details) and a Liquidity Fee over outstanding Callable Notes of three-months USD SOFR or the replacement benchmark rate in case SOFR ceases to exist.

Any outstanding Callable Notes shall be repaid in full on 2 December 2034. However, on 2 December 2029, the investors in FCC Callable have the option to postpone the redemption date of the Notes to 2 December 2034. Repayment of Callable Notes is subject to Available Cash and ranks senior to repayment of the Junior Notes and Subordinated Notes. The repayment of any PPN is further subject to FCC having concluded the orderly liquidation of its guarantee portfolio.

Junior Notes

Status

A net nominal value of USD 91 million has been issued to Frontier Clearing Fund Junior ("FCF Junior). Of the outstanding USD 91 million, an amount of USD 26.4 million was issued on 15 April 2019 and USD 65 million on 20 December 2019. All Junior Notes have been issued at par and are fully settled. An amount of USD 400,000 has been redeemed on 20 December 2019 for a price of USD 559,316.

Repayment and interest

FCC pays each quarter on the first business day of April, July, October and January of each calendar year all of its Available Cash remaining (see Redemption value below for details) after FCC has paid all accrued Commitment Fees, Liquidity Fees and DTAF Fees (if applicable) and (ii) reduced by the total amount of any outstanding Callable Funds (nil as per 31 December 2025), Junior Funds (as per 31 December 2025 USD 91 million) and Subordinated Funds (as per 31 December 2025 USD 13.2 million) as interest on the Junior Notes. During the period, Available Cash has been less than the total amount of

outstanding Junior Funds and Subordinated Funds and hence no interest has accrued or been paid on the Junior Notes.

The Junior Note shall be repaid in full on 2 December 2034. However, on 2 December 2029 FCF Junior has the option to postpone the redemption date of the Notes to 2 December 2044. Repayment of Junior Notes is subject to Available Cash and ranks junior to repayment of the Callable Notes, if any, and senior to repayment of the Subordinated Notes. The repayment of any PPN is further subject to FCC having concluded the orderly liquidation of its guarantee portfolio.

Subordinated Notes

Status

The nominal value of Subordinated Notes issued to Frontier Clearing Fund Subordinated ("FCF Subordinated) stands at USD 13.2 million at 31 December 2025 (2024: USD 13.2 million). The first Subordinated Notes were issued on 15 April 2015 for an amount of USD 8.7 million at par. On 29 December 2016, FCC issued an additional USD 2.2 million in Subordinated Notes to FCF Subordinated at par. On 20 December 2019 an amount of USD 2.3 million has been issued to FCF Subordinated at a price of USD 2 million. All issues have been fully paid.

Repayment and interest

FCC pays each quarter on the first business day of April, July, October and January of each calendar year the DTAF Fee of 2% per annum, subject to Available Cash (see Redemption value below for details).

The Subordinated Notes shall be repaid in full on 2 December 2034. However, on 2 December 2029 FCF Subordinated has the option to postpone the redemption date of the Notes to 2 December 2044. The repayment of the Subordinated Notes is subject to Available Cash and ranks junior to the repayment of Senior Notes and Junior Notes. The repayment of any PPN is further subject to FCC having concluded the orderly liquidation of its guarantee portfolio.

Fair value of Junior Notes and Subordinated Notes

The Junior Notes and Subordinated Notes can only be transferred subject to the approval of FCC and the investors in the respective notes. The PPN have not been traded and are unlikely to trade as a financial investment on active markets. As a result, the fair value of the PPN is not obtained from market prices but is derived from a level 3 proxy model as further described below.

The most advantageous market for the Notes is formed by investors encompassing governments, development finance institutions and other strategic investors that will value the business of FCC beyond the financial return offered by or the fair value of the instruments, in line with their development mandate. These investors can therefore accept financial returns that may deviate significantly from those sought after by commercial investors. The fair value model reflects the assumptions that these market participants would use to value the Notes.

Redemption value

The redemption value of the PPN is based on the contractual cash flows attributable to the notes under the PPN Agreement. In accordance with the PPN Agreement, the redemption value is determined by the level of Available Cash to be attributed to each class of the PPN in line with their ranking. The level of Available Cash is equal to the fair value of cash and cash equivalents, minus a provision for amounts to be paid under legally binding obligations and expenses.

The investors in the Frontier Clearing Funds have the right to liquidate the Frontier Clearing Funds and thereby trigger the early repayment of the PPN at any time subject to Investor Special Consent, i.e. with more than 80% of votes or the consent of all investors minus one. The redemption value of the PPN is a proxy of the value noteholders would receive in case of liquidation on the reporting date.

Fair value model

At 31 December 2025, FCC has valued the PPN with a level 3 discounted cashflow model, which models the cashflows to each of the PPN over the remaining life of the notes based on portfolio actuals and the following significant unobservable inputs:

<i>Description</i>	<i>Definition</i>
Portfolio baseline	The capital utilized by the portfolio of guarantees at financial year-end;
Portfolio growth rate	The annual growth rate of the capital utilized by the portfolio of guarantees issued by FCC, subject to the portfolio leverage limits, in the years following the next financial year-end;
Pricing	The expected risk-adjusted average return earned on capital utilized by the guarantee portfolio over the projected horizon;
OPEX growth rate	The annual growth rate of the operational expenses of FCC relative to the capital utilized by the guarantee portfolio in the years following the next financial year-end. The growth of OPEX is limited as it increases only with the utilization of capital.

For the purpose of fair value measurement, the model does not take into account unknown guarantee payments nor any issuance of PPN beyond the level of confirmed commitments.

The discounted cashflow value of each note is the present value of all its projected distributions and redemptions, discounted USD zero coupon rates extracted from observable interest rates for the remaining tenor of the notes plus the risk premium calibrated to the latest information regarding the perceived return rate of the notes.

The discounted cashflow model discounts the distributions to the excess spread Junior Notes against a risk premium derived from the last reported internal rate of return (“IRR”) of the notes when reinvesting the redemption value on the reporting date. The distributions on the fixed rate Subordinated Notes are discounted against a risk premium observed in the last transaction in the notes. The discount rates hence reflect the return expectation of investors in the most advantageous market for FCC.

At 31 December 2025, the projected IRR for the Junior Notes over the remaining life of the notes if invested in at their redemption value stands at 5.53% (2024: 5.53%). This IRR calculation excludes the valuation of the option for investors to extend the life of the notes by another ten years.

Fair value and Redemption Value end of period

The table below provides an overview of valuations of the PPN.

2025

(all amounts in thousands USD)	Redemption Value at 31 December	Fair Value at 31 December
Callable Notes	-	-
Junior Notes	88,576	89,443
Subordinated Notes	-	10,596
Total	88,576	100,039

2024

(all amounts in thousands USD)	Redemption Value at 31 December	Fair Value at 31 December
Callable Notes	-	-

Junior Notes	88,442	85,949
Subordinated Notes	-	10,216
Total	88,442	96,165

A reported fair value exceeding the redemption value does not imply that investors can monetize that value by redeeming their commitment. Furthermore, as FCC does not have an obligation to its investors to distribute more than the redemption value at liquidation, a negative equity position resulting from a reported fair value exceeding the redemption value of the notes does not imply a going concern issue but reflects the perceived value of the future performance of FCC.

The entrance of new investors in the Frontier Clearing Funds will be subject to negotiation of an acceptable risk premium to both parties and the price against which new PPN are issued to the Frontier Clearing Funds may therefore deviate from the prices reported in the final column. The resulting agreed-upon risk premiums will serve as input for the valuation model, in line with the description above.

In line with the above, at 31 December 2025 the Junior Notes are valued at USD 89 million (2024: USD 86 million) and the Subordinated Notes at USD 10.6 million (2024: USD 10.2 million).

Error correction in PPN fair value measurement

During 2025, the Group identified an error in the valuation model used for the fair value measurement of the PPN, arising from the use of an incorrect maturity date within the model assumptions.

The error existed in prior reporting periods. However, management assessed that the impact of the error on prior period financial statements was not material, individually or in aggregate. Consequently, the comparative information has not been restated and the correction has been recognised in the current reporting period in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

As a result, the fair value movement recognised in profit or loss during 2025 included USD 689,351 relating to the correction of amounts attributable to prior periods.

Sensitivity analysis

The sensitivity analysis provides an overview of the uncertainty of each significant unobservable input and the impact on the PPN valuations of a reasonable change in levels applied. The uncertainty of each significant input refers to the measure of uncertainty that FCC faces in estimating each input (1 is less uncertain, 5 is most

uncertain) over the projected horizon. At 31 December 2025, none of the reasonable changes in unobservable inputs leads to a reduction in payment of interest and principal on the Subordinated Notes, leaving the notes exposed to changes in USD interest rates only. The table also provides the sensitivity of the Notes to a parallel shift in interest rates as observable input, affecting both the interest income projected over the remaining life via implied forward rates and the discount rates applied to future distributions.

2025

				Change in DCF value in USD 1,000		
	Uncertainty	Inputs	Reasonable possible change	Impact	Junior Note	Subordinated Note
Portfolio growth rate	4	20%	-5%	Non-linear	(9,762)	
			+5%		5,829	
Pricing (return on capital)	4	7.5%	-1,0%	Linear	(13,147)	
			+1,0%		12,981	
OPEX growth rate	2	5%	-3,0%	Linear	4,695	
			+3,0%		(5,207)	
Interest rates	n/a	market	-100bps	Non-linear	454	854
			+100bps	r	(531)	(778)
Available capital	3	USD215m	+USD50m	Non-linear	9,403	

2024

				Change in DCF value in USD 1,000		
	Uncertainty	Inputs	Reasonable possible change	Impact	Junior Note	Subordinated Note

Portfolio growth rate	4	20%	-5%	Non-linear	(8,412)	
			+5%		5,303	
Pricing (return on capital)	4	7.5%	-1,0%	Linear	(12,022)	
			+1,0%		12,073	
OPEX growth rate	2	5%	-3,0%	Linear	3,494	
			+3,0%		(3,834)	
Interest rates	n/a	market	-100bps	Non-linear	386	842
			+100bps	r	(372)	(766)
Available capital	3	USD215m	+USD50m	Non-linear	7,839	

The redemption value of the PPN is based on the level of Available Cash at the measurement date. The level of Available Cash is driven by the commercial operations of FCC and is subject to business risk, i.e. the ability of FCC to generate cash from its business activities and the operational expenses incurred in the course of these activities.

11. Financial guarantee contracts at FVTPL

FCC issues financial guarantees on repo, derivative and other money market transactions between EMDC-based regulated financial institutions and their local, regional or global counterparties.

The following FCC guarantees were outstanding at 31 December 2025:

2025

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Bangladesh	12,074	-	12,074	77
Brazil	19,000	-	19,000	42
Kenya	10,883	-	10,883	1
Paraguay	27,000	-	27,000	70
Zambia	5,000	-	5000	8

Total - Assets	73,957	-	73,957	198
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(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Brazil	13,580	-	13,580	(9)
Bulgaria	170	-	170	-
Chile	730	-	730	(1)
China	21,290	-	21,290	(24)
Colombia	2,020	-	2,020	(2)
Cyprus	1,920	-	1,920	(2)
Czech Republic	770	-	770	(1)
Egypt	50,000	-	50,000	(52)
Georgia	1,440	-	1,440	(1)
Greece	4,040	-	4,040	(5)
Hong Kong	13,770	-	13,770	(17)
Hungary	1,070	-	1,070	(1)
India	28,780	-	28,780	(26)
Malaysia	12,010	-	12,010	(17)
Mauritius	960	-	960	-
Mexico	13,910	-	13,910	(17)
Nigeria	38,500	-	33,500	(46)
Peru	480	-	480	(1)
Poland	2,350	-	2,350	(3)
Romania	690	-	690	(1)
Slovakia	90	-	90	-
South Africa	19,230	-	19,230	(21)
South Korea	1,460	-	1,460	(2)
Taiwan	26,320	-	26,320	(31)
Thailand	3,010	-	3,010	(3)
Togo	15,000	-	15,000	(37)
Total - Liabilities	273,590	-	273,590	(320)

Total – Financial guarantees at FVTPL	347,547	-	347,547	(122)
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2024

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Bangladesh	16,500	-	16,500	92
Brazil	10,203	-	10,203	24
Colombia	10,800	-	10,800	3
Egypt	50,000	(8,300)	41,700	105
Kenya	10,423	-	10,423	68
Uganda	30,000	-	30,000	-
Total - Assets	127,926	(8,300)	119,626	292

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Bulgaria	780	-	780	(1)
China	11,061	-	11,061	(14)
Georgia	2,400	-	2,400	(3)
Global	15,000	-	15,000	(138)
Greece	834	-	834	(1)
Hong Kong	7,289	-	7,289	(11)
Hungary	1,279	-	1,279	(2)
India	8,900	-	8,900	(11)
Mexico	3,300	-	3,300	(4)
Poland	1,824	-	1,824	(4)
Romania	1,275	-	1,275	(2)
Slovakia	1,300	-	1,300	(2)
South Africa	2,500	-	2,500	(16)
Taiwan	2,528	-	2,528	(4)
Thailand	1,010	-	1,010	(1)

Togo	8,530	-	8,530	(170)
Total - Liabilities	69,813	-	69,813	(384)
Total – Financial guarantees at FVTPL	197,738	-	189,438	(92)

Issued Guarantees - Fair value information

The fair value of an issued guarantee is equal to the present value of all premium payments due under the contract minus the credit value adjustment, i.e. the sum of expected costs associated with the guarantee contract in terms of expected credit losses and capital costs. The credit value adjustment of issued guarantees is set equal to the price received for each guarantee at inception – fair value of a contract is equal to zero at inception - and to the price that would be required for each guarantee at any consequent measurement date. The price that would be required on any measurement date is determined in accordance with the Level 3 valuation model described below. Changes in fair value are recorded in the Consolidated Statement of Comprehensive Income.

FCC guarantees transactions that may be subject to wrong-way risk, i.e. the risk that the exposure at default and loss given default rise together with the probability of default of the counterparty to the trade. General wrong-way risk arises when the probability of default of the obligor and the exposure at default and loss given default are influenced by the same country risk factors. Specific wrong-way risk arises when the default of the obligor is likely to affect the market parameters driving the exposure at default and loss given default, e.g. by triggering a currency crisis.

Given the bespoke nature of the guarantees, their credit value adjustment cannot be determined by market prices or observable inputs only. The credit value adjustment at any consequent measurement date after inception is therefore determined using non-observable inputs (level 3 model).

Level 3 model

The level 3 model valuation is based on the fair value of fee payments receivable under the financial guarantee contract minus the sum of i) the expected credit loss of the financial guarantee conditional on the simultaneous occurrence of a country event at the time of default of the obligor, ii) capital costs associated with marginal economic capital requirement of the financial guarantee and iii) an adjustment factor capturing elements not included in the calculation of expected credit loss and capital costs.

The expected credit loss is determined as the expected loss given default times the probability of default, i.e. the probability of a simultaneous occurrence of a country event and default of the obligor. The expected credit loss given default for a guarantee is given by the loss of converting collateral instruments to local currency cash and the conversion of local currency cash to USD. The 95% percentile of the distribution of short-term interest rates and FX conditional on bank defaults are used to determine the (stressed) loss given default for the country and counterparty exposure metrics, and the 50% percentiles for the expected loss given default. The parameters involved are reviewed at least annually as part of the country and counterparty review process and are subject to the review and approval of the Investment Committee.

The company uses an internal rating model to assign internal credit ratings to each obligor. The probability of default per rating category is derived from observable spread of CDS contracts or USD denominated government securities of EMDC.

The capital costs per exposure are calculated as the stressed probability of default times loss given default minus the expected credit loss times a transfer price weighted average cost of capital. The transfer price cost of capital is set to 5%, under the assumption that development finance institutions are the most advantageous market to transfer any guarantee exposures to and the average cost of capital for development finance institutions is about 5%.

The adjustment factor is determined at inception of the financial guarantee to calibrate the credit value adjustment to the present value of all premium cashflows of the guarantee and is linearly amortized of the life of the guarantee contract.

Unobservable inputs

The level 3 model uses the following significant unobservable inputs on a transaction by transaction level for determining the fair value:

<i>Description</i>	<i>Definition</i>
FX jump factor	The expected exchange rate for conversion of local currency cash to USD following the default of the obligor. Set between 30% to 50% by decision of the Investment Committee for wrong-way risk exposures.
Interest rate differential	Change in the difference between interest rate for the domestic currency and the USD interest rate following the default of the obligor. Default assumption is 5% jump in the differential post-default of the obligor.
Recovery rate	The expected price obtained for converting collateral instruments to local currency cash

	following the default of the obligor. Recovery rates depend on the type, currency denomination and tenor of the securities and range from 35% for Eurobonds to 95% for short-dated local currency Treasury Bills.
Volatility of collateral	The volatility of the value of the collateral provided at inception of the trade, leading to an assumption on variation margin paid during the trade. The default volatility used is 8% reflecting both exchange and interest rate movements.

In case FCC has obtained risk mitigation for guarantees issued, the credit value adjustment reflects the expected credit loss over the gross exposure under the guarantee to FCC and the capital costs associated with the net guarantee exposure.

Obligations under guarantees issued by FCC rank senior to any obligations of FCC under the Profit Participating Notes.

Sensitivity analysis

The uncertainty of each significant input reflects the measure of uncertainty that FCC faces in estimating each significant input (1 is less uncertain, 5 is most uncertain) over the lifetime of each guarantee. The sensitivity of the inputs is expressed in terms of a deviation of 10% up and down in the model parameters:

2025

(all amounts in thousands USD)	Uncertainty (1-5)	Change in FV +10%	Change in FV -10%
FX jump factor	4	(3)	3
Interest rate differential	4	-	-
Recovery rate	2	1	(9)
Volatility of collateral	3	1	(1)
Probability of default	2	(330)	330

2024

(all amounts in thousands USD)	Uncertainty (1-5)	Change in FV +10%	Change in FV -10%
FX jump factor	4	(44)	(44)
Interest rate differential	4	(1)	1
Recovery rate	2	-	-

Volatility of collateral	3	13	(9)
Probability of default	2	(304)	304

The significant inputs are country and counterparty specific and reviewed at least annually by the Investment Committee.

12. Financial instruments at FVTPL - Other

FCC issues financial guarantees on repo, derivative and other money market transactions between EMDC-based regulated financial institutions and their local, regional or global counterparties. In some cases, transactions are structured using the wholly-owned subsidiary FCC Securities as a structuring vehicle. The transactions entered into by FCC Securities are back-to-back transactions, where FCC Securities transacts with an EMDC-based counterparty (the “obligor”) and hedges the exposure with a reverse transaction with a regional or global counterparty (the “beneficiary” or the “lender”). All risks of transactions structured through FCC Securities are guaranteed by FCC and all net income of such transactions is paid to FCC in lieu of an FCC guarantee issued to the counterparty of FCC Securities. In the consolidated balance sheet, the guarantees on transactions entered into by FCCS are eliminated and the transactions of FCCS are reported as financial instruments at FVTPL.

Financial instruments - Fair value information

Absent any credit risk mitigation, the lender, through the transaction with pass-through vehicle FCC Securities, would have the same exposure to FCC Securities as FCC Securities has to the EMDC-based obligor. This would lead to a debt value adjustment (DVA) on the transaction between FCC Securities and the lender. The financial guarantee issued by FCC to the lender however absorbs a significant part of this exposure. The value of the risk absorbed by FCC is calculated based on the credit value adjustment (the Guarantee CVA) model described in the Note 11.

The residual net DVA equal to the above DVA minus the Guarantee CVA, reflects the residual exposure of the lender to the transaction as a result of the credit risk exposure to FCC under the financial guarantee contract. This residual net DVA (Net DVA) is amortized linearly over the life of the transaction.

In the transaction between FCC Securities and the obligor, FCC Securities will charge a CVA reflecting the financial value of the exposure of FCC Securities to the obligor, which is equal to the Guarantee CVA plus the Net DVA on recognition (for the residual risk the lender is exposed to). The CVA between FCC Securities and the obligor at any consequent measurement date is equal to the sum of the then applicable Guarantee CVA and the linearly amortized Net DVA between FCC Securities and the lender.

The following financial instruments were outstanding in back-to-back transactions at 31 December 2025 (each line representing two contracts in total – one between FCC Securities and the obligor and one offsetting transaction between FCC Securities and the lender):

The following financial instruments were outstanding at 31 December 2025, aggregated per country:

2025

(all amounts in thousands USD)	Type	Maturity	Notional exposure	Fair value
Armenia	CC-IRS	multiple	3,000	85
Azerbaijan	CC-IRS	multiple	76,000	1,931
Côte d'Ivoire	Repo	multiple	59,000	69,533
Dominican Republic	Repo	multiple	54,855	55,651
Honduras	Repo	04-08-2029	13,018	13,021
Mongolia	Repo	multiple	71,000	69,411
Mongolia	CC-IRS	multiple	4,000	170
The Netherlands	CC-IRS	multiple	63,000	995
The Netherlands	Repo	multiple	71,000	2,496
Uzbekistan	CC-IRS	16-02-2026	20,000	1,283
Total financial instruments at FVTPL - Assets			434,873	214,578

(all amounts in thousands USD)	Type	Maturity	Notional exposure	Fair value
Azerbaijan	CC-IRS	multiple	63,000	(904)
France	Repo	multiple	59,000	(69,434)
Germany	Repo	multiple	45,496	(45,707)
Germany	CC-IRS	10-07-2026	3,000	(67)
The Netherlands	CC-IRS	multiple	100,000	(3,188)
The Netherlands	Repo	multiple	23,018	(13,370)
Spain	Repo	12-05-2026	8,000	(8,074)
United Kingdom	Repo	multiple	36,070	(36,154)

Total financial instruments at FVTPL - Liabilities	337,583	176,896
Total financial instruments at FVTPL		37,682

2024

(all amounts in thousands USD)	Type	Maturity	Notional exposure	Fair value
Azerbaijan	CC-IRS	multiple	32,000	236
Dominican Republic	Repo	multiple	72,355	71,844
Mongolia	Repo	multiple	70,985	71,207
The Netherlands	CC-IRS	01-06-2024	236,333	3,407
Total financial instruments at FVTPL - Assets			411,673	146,694

(all amounts in thousands USD)	Type	Maturity	Notional exposure	Fair value
Azerbaijan	CC-IRS	multiple	73,000	(563)
Germany	Repo	multiple	92,184	(92,764)
South-Africa	Loan	25-07-2025	10,000	(10,302)
The Netherlands	CC-IRS	multiple	27,000	(163)
United Kingdom	Repo	multiple	41,170	(41,315)
Uzbekistan	CC-IRS	multiple	35,000	(1,172)
Total financial instruments at FVTPL - Liabilities			278,354	(146,279)
Total financial instruments at FVTPL			690,027	415

The net income generated by FCC Securities on the contracts in financial instruments, which is paid to FCC in lieu of the guarantee issued to the counterparty of FCC Securities, is recognized in the calculation of fair value of the guarantees issued by FCC. The income received by FCC from FCC Securities and the fair value of guarantees issued to counterparties of FCC Securities are eliminated in the consolidation.

Sensitivity analysis

The uncertainty of each significant input reflects the measure of uncertainty that FCC faces in estimating each significant input (1 is less uncertain, 5 is most uncertain) over the

lifetime of each guarantee. The sensitivity of the inputs is expressed in terms of a deviation of 10% up and down in the input parameter:

2025

(all amounts in thousands USD)	Uncertainty (1-5)	Change in FV +10%	Change in FV -10%
FX jump factor	4	(16)	16
Interest rate differential	4	(64)	64
Recovery rate	2	44	(55)
Volatility of collateral	3	4	(4)
Probability of default	2	(91)	91

2024

(all amounts in thousands USD)	Uncertainty (1-5)	Change in FV +10%	Change in FV -10%
FX jump factor	4	(12)	12
Interest rate differential	4	(58)	58
Recovery rate	2	41	(73)
Volatility of collateral	3	3	(3)
Probability of default	2	(80)	80

Collateral balance

The net collateral balance held by FCC Securities at 31 December 2025 is USD 15.1 million (2024: USD 14.4 million).

13. Financial instruments at FVTPL - Securities

The carrying amounts based on level 1 valuations of financial assets at fair value through profit or loss at 31 December are as follows:

(all amounts in thousands USD)

Bonds 2025	Counterparty	Maturity date	Fair Value
US62944BBG86	BNG Bank	16-03-2026	5,020

US748149AJ05	Province of Quebec	20-04-2026	6,006
US91282CCP41	US Treasuries	31-07-2026	2,958
US500769JZ83	KfW	07-08-2026	7,168
US912810EX29	US Treasuries	15-08-2026	2,091
XS2919216122	NWB Bank	16-10-2026	4,043
XS2708406637	BNG Bank	26-10-2026	5,110
XS2434314840	Kommunalbanken AS	20-01-2027	6,891
US01021NAE22	SEK	04-08-2027	6,650
US86959LAL71	Svenska Handelsbanken	10-06-2027	4,532
US500769KL78	KfW	28-06-2027	3,021
US50048MDN74	Kommunalbanken AS	10-09-2027	515
XS2711552989	KommuneKredit	01-11-2027	4,554
XS2711552989	KommuneKredit	01-11-2027	3,105
XS2711552989	KommuneKredit	01-11-2027	2,691
Total			64,355

(all amounts in thousands USD)

Bonds 2024	Counterparty	Maturity date	Fair Value
US912797NB96	US Treasuries	10-04-2025	3,834
US86959LAJ26	Svenska Handelsbanken	10-06-2025	4,992
US748148SC86	PROVINCE OF QUEBEC	23-07-2025	3,927
US9128284Z04	US Treasuries	31-08-2025	2,499
US912797MH75	US Treasuries	04-09-2025	2,878
US50048MCW82	Kommunalbanken AS	11-09-2025	2,530
US91282CJL63	US Treasuries	30-11-2025	3,030
XS2270152098	L-Bank	08-12-2025	4,818
US62944BBG86	BNG	16-03-2026	4,912
US748149AJ05	PROVINCE OF QUEBEC	20-04-2026	5,879
US91282CCP41	US Treasuries	31-07-2026	2,844
US500769JZ83	KfW	07-08-2026	7,161
US912810EX29	US Treasuries	15-08-2026	2,133

XS2708406637	BNG Bank	26-10-2026	5,122
XS2434314840	Kommunalbanken AS	20-01-2027	6,644
Total			63,203

The movement of the securities is as follows:

(all amounts in thousands USD)	2025	2024
Opening balance	63,203	62,425
Purchases	35,052	82,145
Sales/maturities	(34,900)	(82,427)
Fair value changes on financial instruments at FVTPL	1,000	1,061
Position as per 31 December	64,355	63,203

14. Financial instruments at FVTPL – Term deposits

FCC Securities enters into uncollateralised short-term borrowing and lending transactions through the Tradeclear platform in the form of term deposits. These instruments are classified as financial assets or financial liabilities at fair value through profit or loss (“FVTPL”). The fair value measurements are categorised within Level 2 of the IFRS fair value hierarchy.

The following financial instruments were outstanding at 31 December 2025, aggregated per country:

2025

(all amounts in thousands USD)	Maturity	Notional exposure	Fair value
Uzbekistan	06-01-2026	8,000	8,004
Total financial instruments at FVTPL - Assets		8,000	8,004

(all amounts in thousands USD)	Maturity	Notional exposure	Fair value
Azerbaijan	27-11-2026	5,000	(5,188)
Uganda	12-05-2026	1,370	(1,382)
Total financial instruments at FVTPL - Liabilities		6,370	(6,570)

Total financial instruments at FVTPL – Term deposits		1,434
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The instruments comprise uncollateralised short-term placements and borrowings executed through the Tradeclear platform.

15. FMO facility loan

On 31 October 2025, FCC Securities entered into a USD 50,000,000 secured term loan facility agreement with the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (“FMO”). The purpose of the facility is to finance repurchase agreements, derivative transactions and economically similar instruments with financial institutions operating in emerging markets and developing countries. The facility bears interest at a variable rate equal to compounded SOFR plus an applicable contractual margin and is repayable in four equal instalments between May 2029 and November 2030.

As at 31 December 2025, the outstanding principal amount under the facility amounted to USD 30,000,000 (2024: nil). The Company incurred front-end, commitment and monitoring fees in connection with the facility in the amount of USD 240,000 (2024: nil). Such costs are amortised over the term of the facility through finance costs.

Liquidity Risk

The contractual maturities of the Company’s financial liabilities are as follows:

(all amounts in thousands USD)	Carrying amount	Contractual cash flows	< 1 year	1-5 years
FMO loan facility	30,000	35,674	-	35,674
Total			-	35,674

Interest cash flows are based on market forward SOFR rates at the reporting date.

Interest Rate Risk

The Company is exposed to cash flow interest rate risk arising from the variable-rate FMO loan facility, which bears interest at compounded SOFR plus margin. A reasonably possible increase of 100 basis points in SOFR at the reporting date would increase annual finance costs by approximately USD 300,000.

Financial Covenants

The FMO facility agreement contains customary financial covenants that the Company is required to comply with throughout the term of the facility. The principal covenants relate to leverage and capital adequacy of the Company. Management monitors compliance with these covenants on an ongoing basis. As at 31 December 2025, the Company complied with all covenant requirements under the facility agreement.

The carrying amount of the FMO term loan facility approximates fair value.

16. Accrued fees

(all amounts in thousands USD)	2025	2024
Accrued Subordinated Notes fees	66	66
Accrued FMO Facility fees	87	-
Accrued Callable commitment fees	19	19
Total Accrued fees	172	85

17. Management fee receivable / (payable)

At 31 December 2025, a final amount due to the Manager for costs incurred in excess of management fee charged by the Manager of EUR 256,617 (2024: management fee receivable of EUR 164,602) has been recorded as an accrual.

18. Other receivables

(all amounts in thousands USD)	2025	2024
Interest receivable	56	66
Prepaid counter-guarantee fees	176	176
Prepaid FMO facility fee	235	-
Guarantee income due	190	70
Other	116	13
Total other receivables	773	325

All amounts due above have been settled after the reporting date.

19. Other liabilities

(all amounts in thousands USD)	2025	2024
Third party service provider fees payable	93	-

Accrued performance fees	547	567
Accrued Supervisory Board Fees	52	73
Accrued Portfolio Insurance Fees	156	129
Collateral balance and distributions due	544	86
Other liabilities	44	21
Total other liabilities	1,436	876

In the prior year financial statements, collateral balances were presented under the Other Liabilities financial statement line item. In the current year, collateral balances are presented in separate financial statement line items. As such, the prior year comparative figures have been appropriately reclassified to match the current year presentation. There has been no restatement of the amounts included in the comparative figures. This is only a change in presentation for clarity purposes.

20. Off-balance-sheet rights, obligations and arrangements

Callable Commitment

In accordance with the Amended & Restated PPN Agreement between FCC and each of the Frontier Clearing Funds, FCC agrees to issue to and Frontier Clearing Fund Callable (“FCF Callable”) agrees to purchase Callable Notes up to the level of commitments given to FCF Callable by its investors (the “Callable Commitment”). The Callable Commitment is unconditional and irrevocable.

FCC entered into the first Callable Commitment with FCF Callable effective on 23 December 2022 resulting in a Callable Commitment on 31 December 2025 of USD 50 million (2024: USD 50 million). At 31 December 2025, the Callable Commitment remained undrawn and no Callable Notes are recognized.

XOL Insurance Policy

The company has entered into a USD 75m excess-of-loss insurance policy with Lloyd’s of London, under which the company can draw in case losses on the portfolio exceeds the level of remaining paid-in capital available to the company, with a waiting period for any recovered amounts under the policy of 180 days. See Note 26 for further information.

KFW Counter-Guarantee

Under the KFW Counter-Guarantee agreement, KFW guarantees the financial obligations of FCC towards third parties under financial guarantee contracts, in case FCC is unable to meet such obligations. The guaranteed amount is the sum of the aggregate of the

nominal amounts of the Profit Participating Notes and the portfolio insurance as per the Amended & Restated PPN Agreement up to a maximum of USD 100 million. The agreement matures on 31 December 2030. See Note 25 for further detail.

Deferred Performance Fee Component

In accordance with clause 5 of Schedule 2 of the FCC Management Agreement, the Fixed Performance Fee Component is payable conditional on FCC achieving a positive operational result. The FCC Management Agreement defines a positive operational result as the lower of the reported operating result and the result of FCC with income from guarantees and fixed income investments adjusted to reflect linear recognition of income over the life of the transaction, with the difference between the two carried forward to the next financial year.

The deferred Fixed Performance Fee Component is USD nil (2024: USD nil) and the remaining Long-Term Incentive fee is USD nil (2024: USD nil). Please refer to Note 34 for further information on the Fixed Performance Fee Component.

These deferred components are not subject to expiration.

21. Realized fees on contracts at FVTPL

(all amounts in thousands USD)	2025	2024
Realized fees on financial guarantee contracts at FVTPL	3,091	2,191
Realized fees of financial instruments at FVTPL	4,090	3,365
Total realized and accrued fees	7,181	5,556

22. Changes in fair value on contracts at FVTPL

(all amounts in thousands USD)	2025	2024
Fair value of financial guarantee contracts at beginning of the period	(92)	108
Fair value of financial instruments at FVTPL at beginning of the period	415	369
Fair value of financial guarantee contracts at end of the period	(122)	(92)
Fair value of financial instruments at FVTPL at end of the period	1,391	415
Total change in fair value	946	(154)

As of 31 December 2025, the fair value of financial instruments classified at FVTPL on the balance sheet included financial instruments that were funded from the own liquidity of FCC Securities with notionals amounting to of USD 36,300,000. For purposes of this disclosure, the fair value of financial instruments at FVTPL at the end of the period was adjusted. Please refer to Notes 11 and 12 for further detail.

23. Guarantee expenses

(all amounts in thousands USD)	2025	2024
Hedging costs	482	505
Total guarantee expenses	482	505

The guarantee expenses exclusively relate to fees on insurance contracts.

24. Subordinated Notes - DTAF Fee

The Subordinated Notes DTAF Fee is a fee calculated based on 2% per annum based on the Subordinated Notes outstanding. The fees are paid to FCF Subordinated. See Note 10 for further details.

25. Counter Guarantee fee

The Counter Guarantee fee is a fee calculated based on the counter guarantee agreement between FCC and KfW. The agreement guarantees the financial obligations of FCC towards third parties under financial guarantee contracts, in case FCC is unable to meet such obligations. The guaranteed amount is the sum of the aggregate of the nominal amounts of the Profit Participating Notes and the portfolio insurance as per the Amended & Restated PPN Agreement up to a maximum of USD 100 million. The maturity date of the Counter Guarantee is 31 December 2030.

Depending on FCC's (implied) credit rating a counter-guarantee fee is charged between 0.35% and 0.50% as of 1 January 2025 (2024: 0.35% and 0.50%) of the guaranteed amount. At 31 December 2025, the available guaranteed amount under the counter guarantee equals USD 100 million (2024: USD 100 million).

(all amounts in thousands USD)	2025	2024
Counter guarantee fee	355	356
Total counter guarantee fee	355	356

26. Portfolio Insurance Fee

(all amounts in thousands USD)	2025	2024
Portfolio insurance fees	345	305
Total portfolio insurance fee	345	305

The Portfolio insurance fees are determined monthly based on the ratio of the outstanding portfolio and Available Cash, with a minimum of 0.40% per annum. The Portfolio Insurance policy is effective from 2 December 2019, the fees relating to the period until 31 December 2025 have been recognized in 2025.

27. Interest income

(all amounts in thousands USD)	2025	2024
Interest income on term deposits	1,801	1,660
Interest income on bank accounts	103	148
Interest income on collateral	(711)	(318)
Realized income on securities	2,048	1,774
Total interest income	3,241	3,582

The Company typically invests excess cash on the bank account in overnight deposits. The rates earned on the overnight deposits have followed the rise in USD interest rates over 2025.

During the preparation of the 2025 financial statements, a misstatement was identified in the 2024 comparative information relating to collateral interest. An amount of USD 318k of collateral interest expense was incorrectly recorded within other payables in the statement of financial position instead of being recognised as an expense in the statement of profit or loss. The comparative figures for 2024 have been restated to correct this misstatement. Management has assessed the adjustment and concluded that it is immaterial to the prior period financial statements. The correction has been made to improve the accuracy and comparability of the financial statements.

28. Management fees

FCM is the manager of FCC. The fee for the management of FCC is based on the FCC Management Agreement between FCC and FCM and covers all operational expenses of

FCC as approved in the annual budget. For the year 2025, the management fee amounts to USD 5.8 million (2024: USD 4.4 million).

The management fee has been charged in equal monthly installments of EUR 403,740 (2024: EUR 328,223) in accordance with the budget approved by the Supervisory Board. The final amount due to the Manager for costs incurred in excess of management fee charged by the Manager of EUR 256,617 (2024: management fee receivable of EUR 164,602) has been recorded as an accrual (see Note 17).

The management fee over 2025 covers commercial legal fees incurred by FCM of EUR 62,224 (2024: EUR 18,780). The audit fees paid by FCC are disclosed in Note 33.

The following table provides a break-down of the management fee per cost category in percentages (based on the approved budgeted figures):

	2025	2024
Salaries & Remuneration	66%	70%
Business Development, Travel & Sundry	11%	10%
Third Party Service Providers	5%	5%
Insurance Costs	3%	3%
Subscription & License Fees	8%	7%
Information Technology	3%	3%
Office Expense	4%	2%
Total management fees	100%	100%

29. Performance fees

(all amounts in thousands USD)	2025	2024
Performance fees	826	567
Total Performance fees	826	567

On 3 March 2026, the Supervisory Board of FCC has awarded the Manager with a Performance Fee being the sum of USD 279,331 (2024: USD 329,973) and EUR 531,583 (2024: 562,263) in relation to its performance as Manager in 2025. The amount of EUR 531,583 (2024: EUR 562,263) in relation to the variable compensation of the staff of the Manager is fully recognized in 2025 (2024: EUR 562,263). Please refer to Note 34 for further information on the recognition of the Performance fee.

30. Legal fees

All legal fees for 2025 and 2024 relate to commercial activities of structuring financial contracts.

31. Third party service providers

(all amounts in thousands USD)	2025	2024
Back office services	384	217
Total third party service providers	384	217

32. Related party transactions

Related party transactions are transfers of resources, services or obligations between related parties and FCC, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is part of key management of FCC. The following parties are considered related parties.

Parent entities

Frontclear Management B.V. ("FCM" or "Manager") holds 100% of the ordinary shares in the share capital of FCC. Cardano Development B.V. is the single shareholder of FCM. In its capacity of single shareholder, Cardano Development B.V. appoints the members of the management board and the supervisory board of FCM. Stichting Cardano Development in Amsterdam is the sole ultimate beneficial owner of Cardano Development B.V.

There were no transactions between FCC and Stichting Cardano Development and Cardano Development B.V. during the year ended 31 December 2025.

Manager

FCM is appointed as the Manager of FCC in accordance with the terms of the FCC Management Agreement. The main responsibilities of the Manager are to manage FCC's investments according to FCC's investment guidelines and risk charter, to represent FCC in communication with its stakeholders, counterparties and services providers and to ensure the FCC's optimal access to international and local markets to promote and implement FCC's mandate.

Under the terms of the FCC Management Agreement, the Manager receives a Management Fee to cover operational expenses made in relation to the management of

FCC and Performance Fees as remuneration for its services. The fees awarded to FCM in 2025 is disclosed under Notes 28, 29 and 34.

Supervisory Board

The Supervisory Board members are entitled to receive fixed annual fees of USD 35,000 (2024: USD 35,000) for the Chairman and USD 30,000 (2024: USD 30,000) for each other member. The amount expensed each year depends inter alia on the VAT treatment of the fees, the timing of actual payments and Supervisory Board appointments.

Managing Board

FCM received remuneration for services provided as FCC's statutory director which is included in the overall agreement with both parties. See below under Manager for further details.

33. Other operating expenses

(all amounts in thousands USD)	2025	2024
Supervisory Board	87	125
Audit & Financial Reporting	275	158
Bank costs	107	239
Subscription and License fees	578	-
Other expenses	158	147
Total other operating expenses	1,205	669

These fees relate to the audit of the group's financial statements. There is no other non-audit service fee during the financial year ended 31 December 2025. The audit fees of USD 97,788 for the 2024 financial audit have been invoiced and recognised in 2025 (2024: EUR 31,431 for prior-period financial audits).

34. Deferred Performance fee and LTI

On 3 March 2026, the Supervisory Board of FCC has awarded the Manager with a Performance Fee being the sum of USD 279,331 (2024: USD 329,973) and EUR 531,583 (2024: 562,263) in relation to its performance as Manager in 2025.

In accordance with clause 5 of Schedule 2 of the FCC Management Agreement, the Fixed Performance Fee Component is payable conditional on FCC achieving a positive operational result. Based on the expected positive net operating income of FCC over 2025, FCM has recognized an accrual regarding the Fixed Performance Fee Component

of EUR 210,515 (2024: EUR 1,909,398). The remaining deferred Fixed Performance Fee Component at 31 December 2025 is USD nil (2024: USD nil).

35. Proposal appropriation of result

Based on the results over the year ended 31 December 2025, the Board of Directors proposes to add the loss of USD 2,217,983 to the other reserves.

Company Only Financial Statements Frontier Clearing Corporation B.V.

The company only financial statements are presented below, where notes refer to the disclosures of the consolidated financial statements where applicable.

Company only statement of financial position

(as at 31 December, before profit appropriation)

(all amounts in thousands USD)	Notes	2025	2024
Assets			
Non-current assets			
Subsidiary FCC Securities B.V.	45	545	(126)
Intergroup receivable	38	1,106	581
Total non-current assets		1,651	455
Current assets			
Cash and cash equivalents	39	24,433	27,219
Financial guarantee contracts at FVTPL	40	714	684
Financial instruments at FVTPL – Securities	13	64,355	63,203
Prepaid guarantee expenses		60	46
Management fee receivable	17	197	60
Other receivables		454	324
Total current assets		90,213	91,536
Total assets		91,864	91,991
Equity			
Shareholders' equity			
Issued share capital	7	-	-
General reserve	8	(7,515)	(9,989)
Undistributed result for the period	9	(2,218)	2,474
Total shareholders' equity		(9,733)	(7,515)
Liabilities			
Long-term liabilities			
Junior Notes	10	89,443	85,949
Subordinated Notes	10	10,596	10,216
Total long term liabilities		100,039	96,165

Short-term liabilities			
Financial guarantee contracts at FVTPL	40	330	402
Accrued fees	14	85	85
Deferred performance fee and LTI	34	248	1,960
Other liabilities	41	895	894
Total short term liabilities		1,558	3,341
Total equity & liabilities		91,864	91,991

Company only statement of comprehensive income

(all amounts in thousands USD)	Notes	2025	2024
Revenues			
Realized fees on contracts at FVTPL	21	7,181	5,556
Change in fair value of financial guarantee contracts at FVTPL	42	102	(196)
Guarantee expenses	23	(482)	(505)
Total revenues		6,801	4,855
Finance costs			
Subordinated Notes - DTAF Fee	24	(264)	(265)
Callable commitment Fee		(75)	(75)
Counter Guarantee Fee	25	(355)	(356)
Portfolio Insurance Fee	26	(345)	(305)
Total finance costs		(1,039)	(1,001)
Other results			
Interest income	43	3,130	3,223
Subscription and license fees		(535)	(132)
Fair value changes in liquidity investments		1,115	1,006
Other income		9	16
Total other results		3,719	4,113
Total operating income		9,481	7,967
Operating expenses			

Management Fees	28	(5,779)	(4,434)
Performance Fees	29	(826)	(567)
Legal Fees	30	(102)	(145)
Third party service providers	31	(384)	(217)
Other operating expenses	44	(611)	(497)
Total operating expenses		(7,702)	(5,860)
Operating result		1,779	2,107
Deferred Performance fee and LTI	34	-	(1,960)
Guarantee Payments		(795)	-
Net result for the period before revaluation		984	147
Revaluation of Subordinated Notes	10	(380)	252
Revaluation of Junior Notes	10	(3,494)	2,052
Net result FCC Securities B.V.	45	671	23
Net (loss)/profit for the period before tax		(2,218)	2,474
Income tax		-	-
Comprehensive (loss)/ income for the period		(2,218)	2,474
<i>Comprehensive (loss)/ income for the period attributable to the holder of the issued share of FCC</i>		<i>(2,218)</i>	<i>2,474</i>

36. General information

Frontier Clearing Corporation B.V. (“the Company” or “FCC”) is a financial markets development company focused on catalyzing more stable and inclusive financial markets in emerging and developing countries (“EMDCs”).

FCC facilitates access to financial markets for local institutions in EMDCs through the provision of credit guarantees to cover a transacting institution’s counterparty credit risk. FCC is primarily funded by means of its Profit Participating Notes program, under which it issues Subordinated Notes, Junior Notes and Callable Notes (together the “Profit Participating Notes” or “PPN”) to the Frontier Clearing Fund Subordinated, Frontier Clearing Fund Junior and Frontier Clearing Fund Callable (together the “Funds”). FCM is also the fund manager (in this capacity the “Fund Manager”) of the Funds in accordance with their Terms and Conditions.

FCC has issued a parent guarantee to cover all obligations of its subsidiaries FCC Securities B.V. and Tradeclear B.V.

FCC’s operations are managed by Frontclear Management B.V. (“FCM” or “the Manager”) under the terms of the FCC Management Agreement. The administration function has been outsourced to DLM Finance B.V.

The registered address of FCC is Mauritskade 63, 1092 AD, Amsterdam, The Netherlands. The Company is registered with Chamber of Commerce number 61998583 and was incorporated on 1 December 2014.

37. Summary of significant accounting policies

The company only financial statements have been prepared in accordance with accounting principles in the Netherlands as embodied in Part 9 of Book 2 of the Netherlands Civil Code. In accordance with 2:362.8 of the Dutch Civil Code, the Company’s financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

The group companies are stated at their net asset value, determined on the basis of the consolidated accounting policies as applied in the consolidated financial statements. For details on the accounting policies applied for the group companies refer to the consolidated financial statements.

A reference is made to Note 4 Summary of significant accounting policies of the consolidated financial statements for the description of the accounting policies applied.

38. Intergroup receivable

(all amounts in thousands USD)	2025	2024
Amounts due from FCC Securities B.V.	1,106	581
Total intergroup receivable	1,106	581

The amounts due from FCC Securities B.V. relate to intergroup payments for the temporary accommodation of the settlement of obligations. The carrying amount represents a reasonable approximation of fair value at the reporting date.

39. Cash and cash equivalents

(all amounts in thousands USD)	2025	2024
Money market funds	17,000	17,000
Term deposits Rabobank	11,173	23,139
Cash positions Rabobank	(4,049)	(12,931)
Cash positions CACEIS Bank, Netherlands Branch	309	11
Total cash and cash equivalents	24,433	27,219

No restrictions to the usage of cash and cash equivalents exist at year end. Interest income related to cash and cash equivalents amounted to USD 1,081,513 (2024: USD 1,448,463).

40. Financial guarantee contracts at FVTPL

The following FCC guarantees were outstanding at 31 December 2025:

2025

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Armenia	3,000	-	3,000	5
Azerbaijan	136,100	-	136,100	253
Bangladesh	12,074	-	12,074	77
Brazil	23,000	-	23,000	69
Burkina Faso	9,000	-	9,000	34
Côte d'Ivoire	58,106	(18,320)	39,786	65

Dominican Republic	10,000	-	10,000	18
Kenya	10,883	-	10,883	1
Mongolia	34,940	(11,500)	23,440	87
Paraguay	27,000	-	27,000	70
Uzbekistan	20,000	-	20,000	26
Zambia	5,000	-	5000	9
Total - Assets	349,103	(29,820)	319,283	714

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Azerbaijan	5,000	-	5,000	(7)
Brazil	13,580	-	13,580	(9)
Chile	730	-	730	(1)
China	21,290	-	21,290	(24)
Colombia	2,020	-	2,020	(2)
Cyprus	1,920	-	1,920	(2)
Czech Republic	770	-	770	(1)
Egypt	50,000	(8,300)	41,700	(52)
Georgia	1,440	-	1,440	(1)
Greece	4,040	-	4,040	(5)
Honduras	13,018	-	13,018	(3)
Hong Kong	13,770	-	13,770	(17)
Hungary	1,070	-	1,070	(1)
India	28,780	-	28,780	(26)
Malaysia	12,010	-	12,010	(17)
Mexico	13,910	-	13,910	(17)
Nigeria	38,500	(5,000)	33,500	(46)
Peru	480	-	480	(1)
Poland	2,350	-	2,350	(3)
Romania	690	-	690	(1)

South Africa	19,230	-	19,230	(21)
South Korea	1,460	-	1,460	(2)
Taiwan	26,320	-	26,320	(31)
Thailand	3,010	-	3,010	(3)
Togo	15,00	-	15,000	(37)
Total - Liabilities	290,388	(13,300)	277,088	(330)
Total – Financial guarantees at FVTPL	50,609	(40,500)	36,700	384

The following FCC guarantees were outstanding at 31 December 2024:

2024

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Azerbaijan	60,000	-	60,000	113
Bangladesh	16,500	-	16,500	92
Brazil	10,000	-	10,000	24
Colombia	10,000	-	10,000	4
Dominican Republic	72,355	(13,896)	58,459	138
Egypt	51,200	(8,300)	42,900	105
Kenya	10,423	-	10,423	68
Mongolia	71,000	(11,000)	60,000	85
Uzbekistan	35,000	-	35,000	55
Uganda	30,000	-	30,000	-
Total - Assets	366,478	(33,196)	333,282	684

(all amounts in thousands USD)	Gross notional exposure	Insured	Net notional exposure	Fair Value
Azerbaijan	45,000	-	45,000	(18)
Brazil	2043	-	203	-
Bulgaria	780	-	780	(1)
China	11,061	-	11,061	(14)
Colombia	800	-	800	(1)

Georgia	2,400	-	2,400	(3)
Nigeria	13,800	-	10,350	(137)
Greece	834	-	834	(1)
Hong Kong	7,289	-	7,289	(11)
Hungary	1,279	-	1,279	(2)
India	8,900	-	8,900	(11)
Mexico	3,300	-	3,300	(4)
Poland	1,824	-	1,824	(4)
Romania	1,275	-	1,275	(2)
Slovakia	1,300	-	1,300	(2)
South Africa	12,500	-	12,500	(16)
Taiwan	2,528	-	2,528	(4)
Thailand	1,010	-	1,010	(1)
Togo	8,530	-	2,713	(170)
Total - Liabilities	124,613	-	124,613	(402)
Total – Financial guarantees at FVTPL	491,091	(33,196)	457,895	282

41. Other liabilities

(all amounts in thousands USD)	2025	2024
Third party service provider fees payable	93	-
Accrued performance fees	547	567
Accrued Supervisory Board Fees	52	73
Accrued portfolio insurance fees	156	129
Other liabilities	47	125
Total other liabilities	895	894

42. Change in fair value on financial guarantee contracts at FVTPL

(all amounts in thousands USD)	2025	2024
Fair value of financial guarantee contracts at beginning of the period	282	477

Fair value of financial guarantee contracts at end of the period	384	282
Total change in fair value	102	(196)

43. Interest income

(all amounts in thousands USD)	2025	2024
Interest income bank accounts	1,082	1,449
Interest income on fixed bonds	2,048	1,774
Total interest income	3,130	3,223

44. Other operating expenses

(all amounts in thousands USD)	2025	2024
Supervisory Board	87	125
Audit & Financial Reporting	293	141
Bank costs	73	83
VAT costs	108	71
Credit rating fees	50	69
Other expenses	-	8
Total other operating expenses	611	497

For more information on the Supervisory Board fees, please refer to note 33.

45. Subsidiary FCC Securities B.V.

(all amounts in thousands USD)	2025	2024
Opening balance	(126)	(149)
Net result for the year	671	23
Total at year end	545	(126)

The investment in the subsidiary is carried at net asset value (NAV), with the year-on-year movement in carrying amount and the reported result reflecting the earnings generated by the underlying participation in the subsidiary.

3. Other information

Statutory requirements for processing results (extract of Articles of Association)

Article 24.	PROFITS AND RESERVES
24.1	The general meeting is authorised to appropriate the profits, which are determined by adoption of the Annual Accounts and to determine distributions, in as far as the shareholders' equity of the Company exceeds the reserves which must be maintained pursuant to the law. Notwithstanding the provisions of the previous sentence and in accordance with the provisions of article 24.4, the management board is authorised to resolve to decide to make interim distribution of profits
24.2	The general meeting shall determine the allocation of the accrued profits. In calculating the amount of profit, that shall be distributed on each share, the nominal value of the shares shall be taken into account, regardless if these shares have been fully paid up.
24.3	A distribution of profits shall take place after the adoption of the Annual Accounts. The distribution of profits shall be due for payment within two weeks after the resolution of the management board to approve the distribution as meant in article 24.6, unless the management board for reasons of special circumstances resolves otherwise.
24.4	Subject to article 24.1, the management board may resolve to interim distribution of profits. The management board shall not resolve to decide to make interim distributions if it knows or reasonably should foresee that the Company shall get into a position in which it cannot continue to pay its due and payable debts after the distribution.
24.5	The general meeting may resolve to make distributions out of a reserve in whole or in part.
24.6	A resolution to distribute profits or reserves shall not have consequences as long as the management board has not granted its approval. The management board shall only withhold its approval if it knows or reasonably should foresee that the Company cannot continue to pay its due and payable debts after the distribution has been made.
24.7	The claim of a shareholder to receive any distributions shall lapse within five years after they have become due for payment.
24.8	In calculating the amount of any distribution on shares, shares held by the Company shall be disregarded.



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