

FRONTERA CAPITAL B.V.

Amsterdam, the Netherlands

ANNUAL REPORT FOR THE YEAR 2020

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FRONTERA CAPITAL B.V.

Amsterdam, the Netherlands

ANNUAL REPORT FOR THE YEAR 2020

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FRONTERA CAPITAL B.V.

Amsterdam, the Netherlands

Directors' report

Director's report

The management herewith presents the financial statements of Frontera Capital B.V. (hereinafter: the "Company") for the financial year ended 31 December 2020.

General

The Company is a limited liability company incorporated under the laws of the Netherlands on 28 January 2014 and acts as a securitisation special purpose vehicle. The Company has its statutory seat in Amsterdam. Stichting Frontera Capital is the sole shareholder of the Company.

Principal activities

The Company is a part of the Frontera Capital Group, that is a boutique investment firm which focuses specifically on frontier markets (emerging markets that have not yet "graduated" to being formally recognised as such). The Group focuses on the financial intermediation role of matching the demand for yield of global asset managers with the funding needs of governments and corporates in frontier markets. The Company provides long-term local currency funding and FX hedging products to both lenders and borrowers, the transactions are recognised as investments in the financial statements. The Company issues the limited recourse Credit Linked Notes (hereinafter: the "CLN") to investors in respect of these investments.

Limited Recourse

The CLN are limited recourse obligations of the Company and are payable solely out of amount received by or on behalf of the Company in respect of the portfolio of the underlying assets. The net proceeds of the realization of the assets following an event of default may be insufficient to pay all amounts due to the Noteholders. In this event, the Company will not be obliged to make any further payments to the Noteholders and all claims against the Company will be extinguished.

Results

The Company intends to continue with the issuance of CLNs in the foreseeable future. The Directors believe that the Company will be able to meet all future payment obligations of the notes issued and associated interest.

The total carrying amount of the CLNs for the financial period until 31 December 2020 amounts to USD 242,966,704 of which USD 65,841,401 relates to the Payment agreements entered with the third parties. In 2020, compared to 2019, the Company saw an increase in its turnover of USD 5,661,069 from USD 30,712,877 to USD 36,373,946. During the period under review, the Company recorded a profit of USD 29,346, which is set out in detail in the attached profit and loss account. 7 New Credit Linked Notes were issued in 2020: PYG S34, PYG S35, KGS S36, MWK S37, PYG S38, AZN S39 and MWK S40, increasing sovereign asset exposure in Paraguay, Kyrgyzstan, Malawi and Azerbaijan. The Company already had exposure in these sovereign countries. The credit risk on the assets is in line with prior year. Credit Linked Note GMD S08 matured in 2020 and the Company no longer has exposure in Gambia. In 2020 the Company had 1 non-performing asset in Zimbabwe. The asset has been restructured in 2021 extending the maturity date and lowering required periodical principal payments. The asset has been performing according to schedule in 2021 to date.

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. At this stage, the impact on our business and results is very limited. Asset performance is monitored closely and continuously throughout the year, and the Company is in close contact with the asset counterparties on sovereign country and corporate level. If an asset is not performing, the Company will reach out to the asset counter party to ensure appropriate action can be taken. Additionally, the Company performs periodical detailed impairment analyses on series', counterparty, and sovereign country level to monitor expected future asset performance. The Company noted no impairment triggers per year-end 2020 and at the time of the sign off date of the Annual Report. Based on the reasoning above the Company currently does not foresee any issues moving forward and the Company is confident it can endure COVID-19 outbreak without any external support.

FRONTERA CAPITAL B.V.

Directors' report

Financial instruments, risk management and hedging

The Company's principal financial instruments during the year comprised of investments financed with CLN. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from the financial assets and to minimise the impact of fluctuations in the exchange rates on future cash flows. The Company has other financial instruments such as short term debtors and creditors which arise directly from its operations.

The Company is exposed to a variety of financial risks: credit and counterparty risk, market risk (including interest rate risk and currency risk), and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

All financial risks are passed onto the noteholders as the notes are limited recourse obligations of the Company.

The amount payable for each CLN is limited to the amounts of principal and interest received by or on behalf of the Company from the respective financial assets which are used to secure the relevant CLN. The net proceeds of the realisation financial assets should be sufficient to pay all amounts due to the noteholders.

Risk Management

The Board of Management is responsible for the internal control and the management of risks within the Company and for the assessment of the effectiveness of the internal control systems. The main risk areas: currency, interest, liquidity and credit risks. The Board of Management considers the Company to have a risk neutral risk appetite due to the fact that the Company is risk and P&L flat. Company result is based on an arm's length remuneration for the limited risk finance function it performs in relation to the Debt Issuance Programme.

Currency risk

The Company's accounts are denominated in USD. The financial instruments (assets and Notes) are denominated in local currencies, such as MWK, GMD, NIO, GEL, PYG, AMD, KGS, TJS. The company is therefore exposed to currency risk, as there is a risk that the changes of foreign exchange rate will affect the Company's result or the value of the financial instruments. The objective of currency risk management is to manage and control currency risk exposure within acceptable parameters while optimising the return on risks. Any currency risks which are not covered by the Company's transactions will be borne by the Noteholders. The Company does not make use of hedge accounting.

Interest rate risk

The financial assets may bear interest either on basis of the same rates or a lower interest rate for the CLN. Under the program documentation the interest collected from the financial assets is equal or higher than the interest payable to the Noteholders, such due on or around the same payment dates. Therefore, the Company does not have interest rate risk exposure.

Interest rate risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders as they become due. The Company's policy is to manage liquidity risk by the investment restrictions and criteria, which amongst other put limitations on the interest payments frequency and maturity of the assets in the portfolio, aligning these with the characteristics of the Notes issued. There were no liquidity issues experienced by the Company in respect to meeting its obligations to holders of the Notes. The Company did not default on any of its contractual commitments during the year 2020.

Credit and counterparty risk

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

Some or derivatives will expose the Company to risk of counterparty default. With regards to swap counterparty exposure the Company uses International Swaps and Derivatives Association agreements to govern derivative contracts to mitigate counterparty credit risk.

Adverse changes in the financial condition of obligors or in general economic conditions, or both, may impair the ability of the obligator, as the case may be, to make payments of principal or interest. To mitigate the counterparty credit risk of the financial instruments, the Company has a policy of only entering into contracts with carefully selected major financial institutions base upon their credit ratings. Overall the credit risk of the company will be passed on to the noteholders.

Related Parties

The directors who held office on December 31, 2020 did not hold any shares in the Company at that date, or during the year. There were no contracts of any significance in relation to the business of the Company in which the directors had any interest at any time during the year.

FRONTERA CAPITAL B.V.

Directors' report

Future outlook

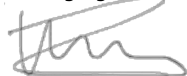
The management is of the opinion that the present level of activities will be maintained in the near future and no changes in financing or employees are expected.

Subsequent events

As per the Annual Report sign off date in 2021, the Company issued 7 new Credit Linked Notes in 2020: PYG S34, PYG S35, KGS S36, MWK S37, PYG S38, AZN S39 and MWK S40.

Amsterdam,

Managing Director,



Steven Melkman

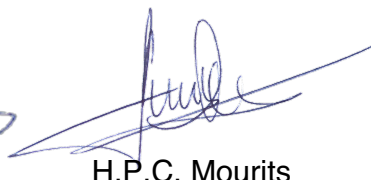
Amsterdam,

Managing Director,



I. Beekmeijer

Trustmoore Netherlands B.V.



H.P.C. Mourits

FRONTERA CAPITAL B.V.

BALANCE SHEET AS PER DECEMBER 31, 2020
(expressed in USD and before appropriation of results)

	Notes	December 31, 2020 USD	December 31, 2019 USD
Assets			
Financial fixed assets			
Investment held to maturity	1	113.725.351	119.288.768
Credit Default Swaps	2	6.636.596	5.537.231
Derivatives	3	22.300.201	17.237.865
Amounts due from third parties	4	122.051.460	164.584.051
<i>Total non-current assets</i>		264.713.608	306.647.915
Current assets			
Investment held to maturity	5	18.571.363	12.852.382
Amounts due from group companies	6	6.322	6.245
Amounts due from third parties	7	54.684.439	18.972.947
Prepayment and accrued income	8	19.640.567	8.349.328
Cash and cash equivalents	9	16.007.261	2.766.731
<i>Total current assets</i>		108.909.952	42.947.633
Total assets		373.623.560	349.595.548
Shareholder's equity and liabilities			
Shareholder's equity			
	10		
Issued share capital		1	1
Revaluation Reserve		1.547.563	2.649.327
Retained Earnings		58.340	41.871
Unappropriated result		29.346	16.467
<i>Total shareholder's equity</i>		1.635.250	2.707.666
Long term liabilities			
Credit linked notes	11	132.909.239	184.138.859
Credit Default Swaps	12	17.296.150	18.592.229
Derivatives	13	24.049.914	15.480.973
Amounts due to third parties	14	65.841.401	107.237.060
<i>Total long term liabilities</i>		240.096.704	325.449.121
Current Liabilities			
Credit linked notes	15	76.410.661	--
Amounts due to third parties	16	31.655.293	8.055.809
Creditors	17	200.273	97.944
Other liabilities	18	6.612	2.920
Accruals and deferred income	19	20.748.766	13.282.088
<i>Total current liabilities</i>		129.021.605	21.438.761
Total shareholder's equity and liabilities		370.753.560	349.595.548

FRONTERA CAPITAL B.V.
PROFIT AND LOSS ACCOUNT
for the year ended December 31, 2020
(expressed in USD)

	Notes	2020 USD	2019 USD
Financial income and expenses			
Interest income	20	36.373.946	30.712.877
Interest expenses	21	(28.740.829)	(28.276.946)
CDS Premium	22	2.865.597	- 3.084.006,00
<i>Total financial income and expenses</i>		10.498.714	(648.075)
Other net result on financial instruments	23	(6.250.084)	- 4.999.814
		4.248.630	- 5.647.889
Other operating income and expenses	24	(10.433.233)	(9.640.606)
		(6.184.603)	(15.288.495)
Other financial income and expenses	25	6.219.748	15.309.079
Net Result before taxation		35.145	
Income tax expense	26	(5.799)	(4.117)
NET RESULT AFTER TAXATION		29.346	16.467

FRONTERA CAPITAL B.V.
CASH FLOW STATEMENT
for the year ended December 31, 2020
(expressed in USD)

	2020	2019
	USD	USD
CASHFLOWS FROM OPERATIONAL ACTIVITIES		
Interest received	28.857.157	24.034.589
Interest Paid	(22.433.510)	(25.180.737)
Other Financial Income / Expense	(188.806)	(399.696)
Corporate Income Tax Paid	(1.898)	(6.196)
Administrative expenses	(4.863.148)	(12.723.661)
CDS Notional	15.761.397	--
CDS Premium	(2.267.109)	--
Paid/Received from third parties (Current accounts)	(10.332.134)	2.651.927
Net cash (used in) operating activities	<u>4.531.949</u>	<u>(11.623.774)</u>
CASHFLOWS FROM INVESTMENT ACTIVITIES		
Redemption of Investments	37.290.519	18.194.662
Acquisition of Investments	--	(41.205.777)
Paid/Received from third parties (Investments)	(49.311.497)	(40.000.000)
Derivatives	1.547.120	(1.685.888)
Net cash (used in) investment activities	<u>(10.473.858)</u>	<u>(64.697.003)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Issuance of CLN	54.152.435	100.165.384
Redemption of CLN	(34.774.722)	(52.768.069)
Paid/Received from third parties (CLN)	--	4.317.304
Net cash from financing activities	<u>19.377.713</u>	<u>43.080.011</u>
Effects of exchange rate on cash and cash equivalents	<u>(195.275)</u>	<u>(436.667)</u>
Increase in cash and cash equivalents	<u><u>13.240.529</u></u>	<u><u>(33.677.433)</u></u>
The movements of funds is as follows:		
Balance as at January 1	2.766.732	36.444.164
Movement for the year	13.240.529	(33.677.433)
Balance as at December 31	<u><u>16.007.261</u></u>	<u><u>2.766.732</u></u>

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020**GENERAL**

The company was incorporated as a limited liability company under the laws of the Netherlands on 28 January 2014. The company's registered address is Prins Hendriklaan 26 in Amsterdam, The Netherlands.

The company has its seat in Amsterdam and is registered at Chamber of Commerce with registry file number 853665230.

Activities

The Company is a special purpose vehicle and a bankruptcy remote vehicle. Under a Limited Recourse Debt Issuance Program, the Company issues Credit Linked Notes. The net proceeds of the Series CLNs have been issued by the Company to purchase underlying Series Assets, which in each case represent debt instruments that are issued by sovereign and corporate borrowers in the emerging and frontier markets. The Company bears virtually no financial risk because of the limited recourse debt issuance program.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES**General principles**

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting as issued by the Dutch Accounting Standards Board, taking into account the exemptions offered by the Dutch Accounting Standards Board.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on into account if they have become known before preparation of the financial statements.

Assets and liabilities are stated at the amounts at which they were incurred or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

Going concern

The financial statements have been prepared on a going concern basis, which basis for valuation and determination of results assumes that the Company will be able to realize its assets and discharge its liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Comparison with previous year

The principles of valuation and determination of result remained unchanged compared to the previous year.

Functional and reporting currency

Due to the fact that the majority of the operations consist of USD transactions, the Company has adopted the USD as its functional and reporting currency.

Foreign currencies

All assets and liabilities denominated in currencies other than USD have been translated at the rates of exchange on balance sheet date. All transactions in foreign currencies have been translated into USD at rates of exchange approximating those prevailing on the dates of the transaction. Unless otherwise indicated, any resulting exchange differences are included in the profit and loss accounts. Income and expenses are translated at the average rates of exchange during the year.

The year end closing exchange rates used for translation purposes are as follows, 1 USD equals*:

		12.31.2020	12.31.2019
AMD	Armenian Dram	522,5900	479,7000
AZN	Azerbaijan Manat	1,7000	1,7000
EUR	Euro	0,8149	0,8902
GBP	Pound Sterling	0,7364	0,7623
GEL	Georgian Lari	3,2766	2,8677
GMD	Gambia Dalasi	51,5038	50,9332
KGS	Kyrgyzstan Som	82,6498	69,7939
KZT	Kazakhstan Tenge	420,7100	-
MWK	Malawi Kwacha	778,4680	743,6920
NIO	Nicaragua Cordoba oro	34,4663	33,3411
PYG	Paraguay Guarani	6.900,1100	6.465,0000
TZS	Tanzanian Shilling	2.298,4549	2.299,0000
TJS	Tajikistan Somoni	11,3000	9,6872
UZS	Uzbekistan Som	10.476,9200	9.505,8100
UGX	Uganda Shilling	3.640,4300	-
EGP	Egyptian Pound	15,7342	16,0416
MMK	Myanmar Kyat	1.331,7000	-

*Source for 2020 exchange rates is a respective central bank for each country.

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020**Financial instruments held to maturity**

Financial assets held to maturity are recognized at fair value initially and subsequently measured at amortized cost using effective interest rate method. Any discount or premium arising, as well as asset financing fees, on acquisition of a financial asset carried at amortized cost will be amortized using effective interest rate method.

A financial asset that is not stated at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it requires to be impaired in conformity with RJ 290. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably. Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate. Impairment losses below (amortised) cost of investments in equity instruments that are measured at fair value through profit or loss, are recognised directly in the profit and loss account.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security. The entity considers evidence of impairment for financial assets measured at amortised cost (loan and receivables and financial assets that are held to maturity) at a specific asset level. All individually significant assets are assessed for specific impairment.

Losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Impairment losses below (amortised) cost of investments in equity instruments that are stated at fair value through profit or loss, are recognised directly in profit or loss. When,

Derivatives

Derivative contracts entered into by the Company are used as a hedging mechanism against its exposure to market risks. These instruments have been accounted for in the financial statement using the fair value method. Fair value of these financial instruments measured against the prevailing market conditions at a given date. Movements in the fair valuation are recognised through Revaluation reserve if positive and through Profit and Loss if negative.

Under the cross-currency swap agreements, the swap counterparty generally has no obligation to pay amounts to the Company prior to the receipt of amounts due by the Company. As terms of the swap contract mirror the terms of the underlying debt obligations, cashflows arising under the swap contract are certain upon the Company fulfilling its payment obligations to the swap counterparty.

Receivables

Unless differently stated the receivables are recorded at face value upon initial recognition and subsequently valued at the amortized cost. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Credit Default Transactions

The Credit Default Transactions are recorded at face value upon initial recognition and subsequently revalued at the mark to market position, taking into consideration the economical development of the market and the currency involved. The CDS market to market valuation is determined by calculating the Net Present Value (NPV) of the future flows, using a discount rate derived from the yield curve or rate.

Non-current liabilities

Liabilities are valued at face value, unless determined and disclosed differently.

Credit-linked Notes

Notes are initially recognised at fair value, normally being the amount received taking into account premium or discount less transaction costs, as well as financing fees. The notes are subsequently stated at amortised cost, being the amount received taking into account of any premium or discount less any adjustments for attribution of impairment to noteholders and the estimated diminution in the value of the Notes. The CLN's include credit linked events and reference entities, as such non-performing linked assets can affect the CLN value.

Current liabilities

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

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Accounting policies for the cash flow statement

The Cash flow statement has been prepared using the direct method. The cash items disclosed in the cash flow statement comprise cash at banks. Cash flows in foreign currencies are translated at a spot rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Interest received, interest paid, payments related to administrative expenses, payments of corporate income tax and other financial income and expenses has been recognised as cash used in operating activities. Acquisition and redemption of investments, also related to the payment agreements with third parties has been recognised as cash used in investing activities. Issuance and redemption of the Notes also related to the payment agreements with third parties has been recognised as cash from financing activities.

PRINCIPLES OF DETERMINATION OF RESULT

General

Income from transactions is recognised in the year in which it is realised. Losses are recognised when foreseen.

Revenue recognition

The result is determined based upon the difference between the net interest gain, other net gains from financial instruments and the costs and other expenses taking into account the aforementioned valuation principles.

Exchange rate differences

Exchange rate differences arising upon the settlement of monetary items are recognised in the profit and loss accounts in the period that they arise. Exchange rate differences on long-term loans relating to the financing of foreign participations are recognised in the profit and loss accounts in the period they arise.

Financial income and expenses

Interest paid and received are time apportioned. Income arising on the financial assets, together with bank interest is recognised on an accrual basis. All income and expenditures from the financial assets, notes issued, swaps and other finance activities that have the character of interest payments received and/or paid are recognised as interest income or interest expenses respectively. Expenses are based on the historical cost conventions and attributed to the financial year to which they pertain.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year. Result is based on an arm's length remuneration for the limited risk finance function it performs in relation to the Debt Issuance Programme. An overall remuneration for the Company based on cost-plus 10% with a minimum taxable profit of EUR 2,500 is considered as an acceptable approach in determining an arm's length remuneration for the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Application of the accounting policies in the preparation of the financial statements requires the management of the Company to exercise judgement 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.

Those accounting policies that are critical to the financial statement presentation and that require complex estimates or significant judgement are described below.

In the opinion of the directors, the critical accounting judgements and key sources of estimation uncertainty are derived from the Company's indirect exposure to the valuation of the financial assets and financial liabilities (i.e. using valuation parameters that are not based on observable market data). The principal uncertainties concern the valuation of various types of structured credit derivatives. The values of unobservable parameters result from hypotheses and/or correlations that are not based on either transaction prices observable on the same instrument on the valuation date, or observable market data available on such date. Changes in the fair value of financial assets and/or financial liabilities resulting from such unobservable parameters would be matched by an equivalent change in the fair value of the CLN. Therefore, any such changes have no overall effect on either the profit or the financial position of the Company. Consequently, the Company bears no material risk in relation to any such estimation uncertainties.

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Financial instruments, risk management and hedging

The Company's principal financial instruments during the year comprised of investments financed with CLN. The main purpose of these financial instruments is to finance the Company's operations, to manage the interest rate risk arising from the financial assets and to minimise the impact of fluctuations in the exchange rates on future cash flows. The Company has credit default swap instruments for which the market to market valuation is determined by calculating the Net Present Value (NPV) of the future flows, using a discount rate derived from the yield curve or rate. The Company also has other financial instruments such as short term debtors and creditors which arise directly from its operations. Accounting standard RJ 290.313 is not applicable to the Company since the Company does not make use of hedge accounting.

The Company is exposed to a variety of financial risks: credit and counterparty risk, market risk (including interest rate risk and currency risk), and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. At this stage, the impact on our business and results is very limited. Asset performance is monitored closely and continuously throughout the year, and the Company is in close contact with the asset counterparties on sovereign country and corporate level. If an asset is not performing, the Company will reach out to the asset counter party to ensure appropriate action can be taken. Additionally, the Company performs periodical detailed impairment analyses on series', counterparty, and sovereign country level to monitor expected future asset performance. The uncertainties related COVID-19 outbreak have resulted in the Company increasing their periodical performance reviews on the assets to ensure all used estimates that require to be updated and potential impairment triggers are recognized in a timely manner. The Company considers itself to have a conservative approach in making use of estimates used in the different valuation processes.

All financial risks are passed onto the noteholders as the notes are limited recourse obligations of the Company.

The amount payable for each CLN is limited to the amounts of principal and interest received by or on behalf of the Company from the respective financial assets which are used to secure the relevant CLN. The net proceeds of the realisation financial assets should be sufficient to pay all amounts due to the noteholders.

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

Credit and counterparty risk

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

Some assets or derivatives will expose the Company to risk of counterparty default. With regards to swap counterparty exposure the Company uses International Swaps and Derivatives Association agreements to govern derivative contracts to mitigate counterparty credit risk.

Adverse changes in the financial condition of obligors or in general economic conditions, or both, may impair the ability of the obligator, as the case may be, to make payments of principal or interest. To mitigate the counterparty credit risk of the financial instruments, the Company has a policy of only entering into contracts with carefully selected major financial institutions base upon their credit ratings. Overall the credit risk of the company will be passed on to the noteholders.

Market risk

The Company is exposed to the risk of reductions in earnings and/or value, arising from unexpected changes in interest rates and exchange rates. Also, the COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. At this stage, the impact on our business and results is limited. We will continue to follow the various national institutes policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible.

a) Currency risk

The Company's accounts are denominated in USD. The financial instruments (assets and Notes) are denominated in local currencies, such MWK, GMD, NIO, GEL, PYG and AMD. The company is therefore exposed to currency risk, as there is a risk that the changes of foreign exchange rate will affect the Company's result or the value of the financial instruments. The objective of currency risk management is to manage and control currency risk exposure within acceptable parameters while optimising the return on risks. Any currency risks which are not covered by the Company's transactions will be borne by the Noteholders.

b) Interest rate risk

The financial assets may bear interest either on basis of the same rates or a lower interest rate for the CLN. Under the programme documentation the interest collected from the financial assets is equal or higher then the interest payable to the Noteholders, such due on or around the same payment dates. Therefore, the Company does not have interest rate risk exposure.

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the Noteholders as they become due. The Company's policy is to manage liquidity risk by the investment restrictions and criteria, which amongst other put limitations on the interest payments frequency and maturity of the assets in the portfolio, aligning these with the characteristics of the Notes issued. There were no liquidity issues experienced by the Company in respect to meeting its obligations to holders of the Notes. The Company did not default on any of its contractual commitments during the year 2020.

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	<u>12.31.2020</u>	<u>12.31.2019</u>
	USD	USD
1 Investment held to maturity, non-current	113.725.351	119.288.768
	<u>113.725.351</u>	<u>119.288.768</u>

The investment held to maturity represents acquisition of financial assets matched with CLN's and can be specified as follows:

Investment FCGBV Serie 1	-	2.500.000
Investment Zambezi Serie 2	19.450.310	19.311.611
Investment Zambezi Serie 5	14.492.523	15.467.904
Investment Zambezi Serie 6	3.690.411	4.216.620
Investment Zambezi Serie 7	10.507.032	11.144.075
Investment Zambezi Serie 8	-	9.816.780
Serie 9	-	3.138.404
Serie 11	-	3.295.757
Serie 12	1.603.248	3.926.967
Serie 28	12.568.176	16.470.650
Serie 29	30.000.000	30.000.000
Serie 34	14.659.038	-
Serie 35	3.760.603	-
KazLoan	2.994.010	-
	<u>113.725.351</u>	<u>119.288.768</u>

The amount of USD 87,492,581 is to be received between 2-5 years as a scheduled repayment of the principal. The amount of USD 27,173,480 has a repayment schedule longer than 5 years. The Company has performed detailed impairment analyses on series', counterparty and sovereign country level, and noted no impairment triggers. The fair value of the assets approximates the carrying value.

Investment FCGBV Serie 1

The Company entered into a loan agreement with Bank Respublika OJSC in Azerbaijan for a total amount of USD 2,500,000, equivalent to AZN 4,250,000 with annual interest rate of 12%, which is similar to the effective interest rate and maturity date on December 7, 2021.

The movement can be specified as follows:

Opening balance	2.500.000
Redemption	(1.250.000)
Reclass to current, note 5	<u>(1.250.000)</u>
Ending balance	<u>--</u>

Investment Zambezi Serie 2

The Company purchased the following bonds issued by Empresa Administradora de Aeropuerto in Nicaragua:

- 1 Bonds with series number EAAIBRADE_010409_5479_10_Series C_425_1 for a nominal amount of USD 20,000,000 with an annual interest rate of 8.50%, which approximates the effective interest rate and maturity date on April 1, 2024.

The movement can be specified as follows:

Opening balance	19.311.611
Amortization adjustment 2020	<u>138.699</u>
Ending balance	<u>19.450.310</u>

Investment Zambezi Serie 5 \

The Company purchased the following bonds issued by Valores Casa de Bolsa S.A., Paraguay:

- 1 Bonds with series number PYMUA01F7830 for a nominal amount of PYG 25,000,000,000 with an annual interest rate of 14%, which is similar to the effective interest rate and maturity date on June 15,2025.
- 2 Bonds with series number PYMUA02F7847 for a nominal amount of PYG 25,000,000,000 with an annual interest rate of 14.5%, which is similar to the effective interest rate and maturity date on June 15,2026.
- 3 Bonds with series number PYMUA03F7853 for a nominal amount of PYG 50,000,000,000 with an annual interest rate of 14.75%, which is similar to the effective interest rate and maturity date on June 15,2027. The bond is valued at amortized costs till maturity date.

The movement can be specified as follows:

Opening balance	15.467.904
FX revaluation 2020	<u>(975.381)</u>
Ending balance	<u>14.492.523</u>

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Investment Zambezi Serie 6 (continued)

The Company entered into an unsecured term loan facility agreement with JSC Credo Bank in Georgia for a total amount of GEL 12,092,000 with an annual interest rate of 12.5%, which is similar to the effective interest rate and with a final repayment date on August 31, 2022.

The movement can be specified as follows:

Opening balance	4.216.620
FX revaluation 2020	(526.209)
Ending balance	<u>3.690.411</u>

Investment Zambezi Serie 7

The Company purchased the following bonds issued by Bolsa de Valores in Nicaragua:

- 1 Bonds with series number MHCPBONO\$D_251015_1827_1_B-25-10-20 for a nominal amount of USD 1,000,000 and maturity date on October 25, 2020. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 8,4%.
- 2 Bonds with series number MHCPBONO\$D_251015_1826_1_B-25-07-22 for a nominal amount of USD 11,000,000 and maturity date on July 25, 2022. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 8,7%.

The movement can be specified as follows:

Opening balance	11.144.075
Redemption	(1.000.000)
Amortization adjustment 2020	362.957
Ending balance	<u>10.507.032</u>

Investment Zambezi Serie 8

The Company purchased the following assets:

- 1 Bond with series number 20170830 (3 years) GG Treasury Bond for a nominal amount of GMD 500,000,000 with an annual interest rate of 12%, which is similar to the effective interest rate and maturity date on August 29, 2020.

The movement can be specified as follows:

Opening balance	9.816.780
Redemption	(9.690.862)
FX revaluation 2020	(125.918)
Ending balance	<u>--</u>

Serie 9

The Company purchased the following financial assets at the JSC Liberty Bank in Georgia:

- 1 Certificate of Deposit for an amount of GEL 9,000,000 with an annual interest rate of 16%, which is similar to the effective interest rate and maturity date on April 23, 2021.

The movement can be specified as follows:

Opening balance	3.138.404
FX revaluation 2020	(391.654)
Reclass to current, note 5	(2.746.750)
Ending balance	<u>--</u>

Serie 11

The Company purchased the following financial assets at the JSC Liberty Bank:

- 1 Certificate of Deposit for an amount of GEL 5,000,000 with an annual interest rate of 13.5%, which is similar to the effective interest rate and matures on July 22, 2021.
- 2 Certificate of Deposit for an amount of GEL 3,000,000 with an annual interest rate of 13%, which is similar to the effective interest rate and matures on July 22, 2020.
- 3 Bonds with ISIN code XS1319820384, issued by Georgian Oil & Gas for a total nominal amount of USD 500,000 with an annual interest rate of 6.75%, which is similar to the effective interest rate and maturity date on April 26, 2021.

The movement can be specified as follows:

Opening balance	3.295.757
Redemption	(1.477.167)
FX revaluation 2020	(286.553)
Amortization adjustment 2020	(6.065)
Reclass to current, note 5	(1.525.972)
Ending balance	<u>--</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 12

The Company purchased the following bonds issued by Municipalidad de Asuncion of Paraguay:

- 1 Bond with ISIN code PYMUA03F6749 for a total nominal amount of PYG 10,825,000,000 and maturity date on August 9, 2023. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 13,55%.
- 2 Bond with ISIN code PYMUA02F6732 for a total nominal amount of PYG 4,555,000,000 and maturity date on August 9, 2021. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 12,61%.
- 3 Bond with ISIN code PYMUA01F6725 for a total nominal amount of PYG 9,620,000,000 and maturity date on August 10, 2020. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 11,67%.

The movement can be specified as follows:

Opening balance	3.926.967
Redemption of 4Y Bond	(1.387.135)
Amortization adjustment 2020	(22.145)
FX revaluation 2020	(254.305)
Reclass to current, note 5	(660.134)
Ending balance	1.603.248

Serie 28

The Company purchased the following bonds issued by Valores Casa de Bolsa S.A., Paraguay:

- 1 Bonds with series number PYMUA03F9172 for a nominal amount of PYG 50,000,000,000 with an annual interest rate of 14.5%, which is similar to the effective interest rate and maturity date on February 12, 2029.
- 2 Bonds with series number PYMUA02F9165 for a nominal amount of PYG 12,500,000,000 with an annual interest rate of 13.5%, which is similar to the effective interest rate and maturity date on February 15, 2027.
- 3 Bonds with series number PYMUA01F9158 for a nominal amount of PYG 12,500,000,000 with an annual interest rate of 12.50%, which is similar to the effective interest rate and maturity date on February 13, 2025. The bond is valued at amortized costs till maturity date.

The Company entered into loan agreement with Pasfin S.A.E.C.A for the total amount of USD 5,000,000, equivalent to PYG 31,482,750,000, with annual interest rate of 15.25%, which is similar to the effective interest rate and maturity date on May 28, 2024. The loan includes a "Conversion Option", that gives right to convert any portion of the outstanding disbursed Loan into single-voting ordinary shares of Pasfin. The option may be exercised depending on the anniversary date of the loan.

On February 12, 2020 amount of USD 4,578,976, equivalent to PYG 28,831,750,000, of PASFIN loan's notional amount were used to cover the issuance of Series 35.

In November 2020, the loan with Pasfin S.A.E.C.A was recheduled since Pasfin S.A.E.C.A was absorbed by Credicentro S.A.E.C.A. The principal will be repaid on four tranches during the term of the loan and the coupon payment dates have been changed to May and December.

In August 2020, the Company entered into a loan agreement with FMVV S.A.I.C.A.G. for the total amount of USD 1,908,883, equivalent to PYG 13,337,000,000, with annual interest rate of 14.50%, which is similar to the effective interest rate and maturity date on August 28, 2023.

The movement can be specified as follows:

Opening balance	16.470.650
Reclass Pasfin orphan loan investment to S35	(4.578.976)
FCBV loan to FMVV	1.908.883
FX revaluation 2020	(614.101)
Reclass to current, note 5	(618.280)
Ending balance	12.568.176

Serie 29

The Company purchased saving bonds worth USD 30,000,000 issued by Reserve Bank of Zimbabwe, with an interest rate of 13%, which is similar to the effective interest rate and maturity date July 31, 2021. In 2021 the maturity date of the Savina bonds was extended to April 30, 2024.

The movement can be specified as follows:

Opening balance	30.000.000
Ending balance	30.000.000

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 34 (continued)

The Company purchased the following bonds issued by Valores Casa de Bolsa S.A., Paraguay:

- 1 Bonds with series number PYMUA03F0213 for a nominal amount of PYG 50,000,000,000 with an annual interest rate of 13.75%, which is similar to the effective interest rate and maturity date on January 19, 2029.
- 2 Bonds with series number PYMUA02F0206 for a nominal amount of PYG 25,000,000,000 with an annual interest rate of 11.5%, which is similar to the effective interest rate and maturity date on January 20, 2025.
- 3 Bonds with series number PYMUA01F0199 for a nominal amount of PYG 25,000,000,000 with an annual interest rate of 10.50%, which is similar to the effective interest rate and maturity date on January 20, 2023.

The movement can be specified as follows:

Opening balance	-
Investment of 10Y Bond	7.680.492
Investment of 8Y Bond	3.840.246
Investment of 6Y Bond	3.840.246
Comission fee	204.685
Amortisation set up cost	(26.728)
FX revaluation 2020	<u>(879.902)</u>
Ending balance	<u><u>14.659.038</u></u>

Serie 35

The Company used the amount of USD 4,578,976, equivalent to PYG 28,831,750,000, with annual interest rate of 15.25%, which is similar to the effective interest rate and maturity date on May 27, 2024, with PASFIN S.A.E.C.A held under Series 28 to cover the issuance of Series 35. The loan includes a "Conversion Option", that gives right to convert any portion of the outstanding disbursed Loan into single-voting ordinary shares of Pasfin. The option may be excersied depending on the aniversario date of the loan.

The movement can be specified as follows:

Opening balance	-
Reclass Pasfin orphan loan investment to S35	4.578.976
FX revaluation 2020	(400.528)
Reclass to current, note 5	<u>(417.845)</u>
Ending balance	<u><u>3.760.603</u></u>

KazLoan

The Company entered into a loan agreement with Microfinance Organization OnlineKazFinance Limites Liability Partnership for a total amount of USD 3,000,000, equivalent to KZT 1,259,610,000 with annual interest rate of 21.10%, which is similar to the effective interest rate and maturity date on December 30, 2022.

The movement can be specified as follows:

Opening balance	-
Investment	3.000.000
FX revaluation 2020	<u>(5.990)</u>
Ending balance	<u><u>2.994.010</u></u>

2 Credit Default Swaps

	<u>12.31.2020</u>	<u>12.31.2019</u>
	USD	USD
CDS Series KGS 6 A	106.082	345.987
CDS Series TZS 10 L	1.629.176	5.191.244
CDS Series PYG 26	2.196.733	-
CDS Series KGS 27	412.489	-
CDS Series KGS 28	301.449	-
CDS Series KGS 30 L	1.411.886	-
CDS Series TZS 41L	283.868	-
CDS Series TZS 42L	294.913	-
	<u><u>6.636.596</u></u>	<u><u>5.537.231</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series KGS 6 A (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 534,718, equivalent to KGS 37,349,206, with a maturity date on February 19, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 20. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	345.987
Fair Value adjustment	(192.945)
FX revaluation 2020	<u>(46.959)</u>
Ending balance	<u><u>106.082</u></u>

CDS Series TZS 10L

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 4,817,569, equivalent to TZS 11,044,662,000, with a maturity date on April 9, 2021. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Zambezi Series 11. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	5.191.244
Fair Value adjustment	(3.564.831)
FX revaluation 2020	<u>2.763</u>
Ending balance	<u><u>1.629.176</u></u>

CDS Series PYG 26 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 31, 2020 for a total amount of USD (4,609,920), equivalent to PYG (30,105,546,092), with a maturity date on May 27, 2024. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 35. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

CDS Series PYG 26 L

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 31, 2020 for a total amount of USD 5,970,000, equivalent to PYG 38,715,450,000, with a maturity date on February 12, 2023. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 35. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement of PYG 26 A and 26 L can be specified as follows:

Opening balance	--
Acquisition	1.360.080
Fair Value adjustment	951.867
FX revaluation 2020	<u>(115.213)</u>
Ending balance	<u><u>2.196.733</u></u>

CDS Series KGS 27 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 31, 2020 for a total amount of USD (4,925,385), equivalent to KGS (353,888,931), with a maturity date on October 15, 2028. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 36. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series KGS 27 L (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 31, 2020 for a total amount of USD 6,268,500, equivalent to KGS 435,660,750, with a maturity date on February 12, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 36. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement of KGS 27 A and 27 L can be specified as follows:

Opening balance	--
Acquisition	1.343.115
Fair Value adjustment	(599.732)
FX revaluation 2020	(330.893)
Ending balance	<u>412.489</u>

CDS Series KGS 28 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on February 10, 2020 for a total amount of USD (2,471,104), equivalent to KGS (172,730,168), with a maturity date on February 12, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 36. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

CDS Series KGS 28 L

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on February 10, 2020 for a total amount of USD 2,985,000, equivalent to KGS 207,457,500, with a maturity date on February 12, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 36. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement of KGS 28 A and 28 L can be specified as follows:

Opening balance	--
Acquisition	513.896
Fair Value adjustment	(131.830)
FX revaluation 2020	(80.617)
Ending balance	<u>301.449</u>

CDS Series KGS 30 L

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on February 15, 2020 for a total amount of USD 1,652,127, equivalent to KGS 115,195,705, with a maturity date on May 14, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 23. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	1.652.129
Fair Value adjustment	18.622
FX revaluation 2020	(258.865)
Ending balance	<u>1.411.886</u>

CDS Series TZS 41 L

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on July 03, 2020 for a total amount of USD 401,212, equivalent to TZS 929,215,400, with a maturity date on April 09, 2021. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 11. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	401.212
Fair Value adjustment	(120.410)
FX revaluation 2020	3.067
Ending balance	<u>283.868</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series TZS 42 L (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on July 03, 2020 for a total amount of USD 434,176, equivalent to TZS 1,005,560,191, with a maturity date on April 09, 2021. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Frontera Capital BV Series 11. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	434.176
Fair Value adjustment	(142.581)
FX revaluation 2020	3.318
Ending balance	<u>294.913</u>

3 Derivatives	12.31.2020	12.31.2019
	USD	USD
Independent Amount FCGBV Serie 1	-	10.165.882
MtM Forward Serie 9	721.786	2.085.191
Credo Zambezi Serie 6	940.000	370.000
Payable Eskhata FX Swap S26	685.542	-
Independent Amount Serie 17	1.016.588	4.066.353
MtM Swaps Serie 17	49.481,00	437.841
FMA FX Swap Serie 26	870.657,00	112.598,00
Derivatives	18.016.147	-
	<u>22.300.201</u>	<u>17.237.865</u>

FCGBV Serie 1

The Company entered into the following FX Swap Agreement with AccessBank CJSC:

- 1 A FX Swap Agreement with trade date May 8, 2017 and settlement date March 16, 2020 for an amount of USD 10,000,000.
- 2 A FX Swap Agreement with trade date May 8, 2017 and settlement date March 16, 2020 for an amount of AZN 17,282,000.

The Balance represents the Independent amount of AZN 17,282,000 as per Master Agreement entered with AccessBank CJSC on May 8, 2017.

The Fair Value of the FX Swaps are based on the weekly treasury yield curves of the USD for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America. The treasury yield curves for AZN are not available, therefore the refinancing rates published from time to time by the Central bank of Azerbaijan is used instead.

The movement can be specified as follows:

Opening balance	10.165.882
Maturity of 3Y IA	(10.000.000)
FX revaluation 2020	(165.882)
Ending balance	<u>--</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 9 (continued)

The Company entered into the following FX Forward contracts with JSC Liberty Bank and Frontera Markets Advisory FZE as Calculating Agent:

- 1 A five year FX Forward Contract with trade date April 22, 2016 and settlement date April 26, 2021 for an amount of USD 10,000,000.
- 2 A five year FX Forward Contract with trade date September 15, 2017 and settlement date August 7, 2022 for an amount of USD 5,000,000.
- 3 A FX Forward Agreement with trade date February 19, 2020 and settlement date February 20, 2022 for an amount of USD 3,000,000.
- 4 A FX Forward Agreement with trade date December 22, 2020 and settlement date November 22, 2023 for an amount of USD 5,000,000.
- 5 A FX Forward Agreement with trade date December 28, 2020 and settlement date November 28, 2023 for an amount of USD 5,000,000.

As at the end of the year, taking into consideration the prevailing economic conditions, the Forward contracts were valued at USD 721,786.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rates of the USD and GEL for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the National Bank of Georgia.

The movement can be specified as follows:

Opening balance	2.085.191
MtM movements 2020	<u>(1.363.406)</u>
Ending balance	<u><u>721.786</u></u>

Zambezi Serie 6

The Company entered into a FX Swap Agreement with trade date December 5, 2017 and settlement date August 9, 2020. The balance represents the amount received due to margin call during the life time of the FX swap agreement.

The movement can be specified as follows:

Opening balance	370.000
MtM movements 2020	<u>570.000</u>
Ending balance	<u><u>940.000</u></u>

Serie 17

The Company entered into the following FX swap agreements for a total amount of AZN 39,925,000 (USD

- 1 2 year FX Swap, where the Company agreed to exchange USD 5,000,000 for AZN 7,985,000 at a maturity date, October 14, 2018;
- 1 3 year FX Swap, where the Company agreed to exchange USD 15,000,000 for AZN 23,955,000 at a maturity date, October 14, 2019;
- 2 5 year FX Swap, where the Company agreed to exchange USD 5,000,000 for AZN 7,985,000 at a maturity date, October 14, 2021.

The Balance represents the Independent amount of AZN 6,912,800 as per Master Agreement entered with AccessBank. As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swaps were valued at USD 49,481.

The Fair Value of the FX Swaps are based on the weekly treasury yield curves of the USD for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America. The treasury yield curves for AZN are not available, therefore the refinancing rates published from time to time by the Central bank of Azerbaijan is used instead.

The movement of Independent Amount can be specified as follows:

Opening balance	4.066.353
Maturity of 3Y IA	<u>(3.000.000)</u>
FX revaluation 2020	<u>(49.765)</u>
Ending balance	<u><u>1.016.588</u></u>

The movement of MtM Swap can be specified as follows:

Opening balance	437.841
MtM movements 2020	<u>(388.360)</u>
Ending balance	<u><u>49.481</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 26 (continued)

The Company entered into 12 FX swap agreements with Frontier Markets Advisory F.Z.E. for a total amount of TJS 31,898,400 (EUR 3,000,000), mirroring the FX swap agreements with Eshkata bank, described under note 11.

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swaps were valued at USD 870,657.

The Fair Value of the FX Swaps is based on the 1-year NBT Securities (the benchmark in Tajikistan's TJS government risk market), an average is calculated based on the latest 12 auctions. The average is included in the model, taking into account the inflation trend, real rates and the evaluated risk premium, that resulted in a downward sloping discount of 10 base points per year.

The movement of MtM Swap can be specified as follows:

Opening balance	112.598
MtM movements 2020	778.644
FX revaluation 2020	<u>(20.585)</u>
Ending balance	<u>870.657</u>

Derivatives

FCGL Structured funding swap (continued)

The Company entered into the following Structured funding swap Agreement with Frontera Capital Group Limited:

- 1 A structured funding swap Agreement with trade date January 13, 2021 and settlement date January 25, 2024 for an amount of USD 15,000,000.

The Balance represents the Initial payment amount of USD 15,000,000 as per Master Agreement entered with Frontera Capital Group Limited on January 07, 2021.

The Fair Value of the Structured funding swap contracts are based on the weekly treasury yield curves exchange rates of the USD and GEL for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the National Bank of Georgia.

The movement can be specified as follows:

Opening balance	-
FCGL Structured funding swap	15.000.000
MTM Structured swap FCGL	<u>102.872</u>
Ending balance	<u>15.102.872</u>

Myanmar

The Company entered into the following FX Swap Agreement with LOLC Myanmar Micro-Finance Limited:

- 1 A FX Swap Agreement with trade date March 06, 2020 and settlement date March 06, 2022 for an amount of EUR 1,000,000.
- 2 A FX Swap Agreement with trade date August 27, 2020 and settlement date August 31, 2022 for an amount of USD 3,000,000.

The Balance represents the Independent amount of EUR 100,000 and USD 300,000 as per Master Agreement entered with LOLC Myanmar Micro-Finance Limited on December 09, 2019.

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swaps were valued at EUR (29,607) and USD 146,622.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rate of the EUR for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the.

The movement can be specified as follows:

Opening balance	-
Myanmar (FX Swaps MtM)	<u>110.290</u>
Ending balance	<u>110.290</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

JP Morgan (continued)

The Company entered into the following FX Swap and FX Forward Agreements with JPMorgan Chase Bank:

- 1 A FX Forward Agreement with trade date July 01, 2020 and settlement date July 05, 2022 for an amount of USD 2,000,000.
- 2 A Total return swap Agreement with trade date November 10, 2020 and settlement date July 07, 2023 for an amount of USD 4,209,943.

The Balance represents the Independent amount of USD 2,083,977 as per Master Agreement entered with JPMorgan Chase Bank on March 05, 2020.

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swaps and FX Forward were valued at USD 1,792,340.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rate of the EUR for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the.

The movement can be specified as follows:

Opening balance	-
JP Morgan FWD Independent amount	400.000
JP Morgan Swap Independent amount	1.683.977
JP Morgan (Forwards MTM)	228.753
JP Morgan (FX Swaps MTM)	61.819
Ending balance	<u>2.374.549</u>

ECFMO

The Company entered into the following FX Swap and FX Forward Agreements with Frontera Capital Frontier Market Opportunities Limited:

- 1 A FX Forward Agreement with trade date February 19, 2020 and settlement date February 20, 2022 for an amount of USD 3,000,000.
- 2 A FX Swap Agreement with trade date March 06, 2020 and settlement date March 06, 2022 for an amount of EUR 1,000,000.
- 3 A FX Forward Agreement with trade date July 01, 2020 and settlement date July 05, 2022 for an amount of USD 2,000,000.

The Balance represents the amounts payable due to Margin Calls during 2020.

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swap and FX Forward were valued at EUR 12,026 and USD 203,678.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rate of the EUR for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America.

The movement can be specified as follows:

Opening balance	-
FCFMO Liberty (MtM)	203.678
FCFMO Myanmar (FX Swaps MtM)	14.758
FCFMO JPM FWD Margin call	210.000
	<u>428.436</u>

	12.31.2020	12.31.2019
	USD	USD
4 Amounts due from third parties, non-current		
Frontier Markets Advisory FZE	32.664.016	47.323.586
Zambezi B.V.	1.861.726	22.342.945
Aurora Australis B.V.	324.042	218.325
Baobab Securities Ltd.	49.562.043	39.659.956
Frontera Capital Group B.V.	-	17.500.000
Frontera Capital Mena S.P.C.	12.639.633	12.539.239
Frontera Capital Group Limited	25.000.000	25.000.000
	<u>122.051.460</u>	<u>164.584.051</u>

The amount of USD 60,445,970 is to be received between 2-5 years as a scheduled repayment of the principal. The amount of USD 39,787,002 has a repayment schedule longer than 5 years. The Company has performed detailed impairment analyses on series', counterparty and sovereign country level, and noted no impairment triggers. The fair value of the assets approximates the carrying value.

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Frontier Market Advisory FZE (continued)

In 2018, the Company entered into payment agreements with Frontier Market Advisory FZE, related to the Series 18, 19, 21, 23. In 2019 the Company entered into payment agreement with Frontier Market Advisory FZE related to Series 26 and 28. In 2020 the Company entered into payment agreement with Frontier Market Advisory FZE related to Serie 36.

Serie 18

The Company entered into a Payment agreement with Frontier Markets Advisory FZE ("FMA") for an amount of KGS 1,162,375,356 on January 30, 2018. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 17.5%.

Serie 19

The Company entered into a Payment agreement with Frontier Markets Advisory FZE ("FMA") for an amount of KGS 664,790,853 on February 02, 2018. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 17,48% for 10Y Bond and annual rate of 8.0% for 2Y Bond, which approximates the effective

Serie 20

The Company entered into a Payment agreement with Frontier Markets Advisory FZE ("FMA") for an amount of KGS 386,450,570 on March 01, 2018. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 14,85%.

Serie 21 (continued)

The Company entered into a Payment agreement with Frontier Markets Advisory FZE ("FMA") for an amount of KGS 459,037,883 on March 01, 2018. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 14,91%.

Serie 23

The Company entered into a Payment agreement with Frontier Markets Advisory FZE ("FMA") for an amount of KGS 820,000,000 on May 23, 2018. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 13,22%.

Serie 36

The Company entered into a Payment agreement with Frontier Markets Advisory FZE ("FMA") for an amount of KGS 646,350,000 on February 12, 2020. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 12,24% for 10Y Bond, 11.79% for 7Y Bond and 10.6% for 5Y Bond.

The movement can be specified as follows:

Opening balance	47.323.586
Acquisition S36	7.513.944
Amortization	689.055
Redemption S19	(13.942.790)
reclass FCFMO excess cash received KGS 5 A	4.884.398
cancelation of PA with FMA re Pasfin shares	(1.767.473)
Reclass S20 to current, note 7	(4.662.366)
FX revaluation 2020	(7.374.337)
Ending balance	<u>32.664.016</u>

Zambezi B.V.

In 2018, the Company entered into a payment agreement with Zambezi B.V., related to the Serie 26 and Zambezi Serie 11.

The movement can be specified as follows:

Opening balance	22.342.945
Redemption S26	(3.981.576)
Redemption ZS11	(6.538.019)
FX revaluation 2020	(1.538.391)
Reclass ZS11 to current, note 7	(3.272.459)
Reclass S26 to current, note 7	(5.150.774)
Ending balance	<u>1.861.726</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Aurora Australis B.V. (continued)

The movement can be specified as follows:

Opening balance	218.325
Payment of the invoices o.b.o Aurora Australis	78.529
Interest 2020	6.241
Fx revaluation 2020	13.705
VAT refund	(4.698)
Funding	15.870
Transfer	<u>(3.931)</u>
Ending balance	<u><u>324.042</u></u>

Baobab Securities Ltd

In 2019, the Company entered into payment agreements with Baobab Securities Ltd, related to the Series 30, 31, 32 and 33. In 2020, the Company entered into payment agreements with Baobab Securities Ltd, related to the Series 37, 38 and 39.

The movement can be specified as follows:

Opening balance	39.659.956
Acquisition	23.436.550
Amortization	3.105
FX revaluation 2020	(4.541.604)
Reclass S30 to current, note 7	<u>(8.995.964)</u>
Ending balance	<u><u>49.562.043</u></u>

Frontera Capital Mena S.P.C. (continued)

In 2018, the Company entered into Deed of Novation with Frontera Capital Mena S.P.C., related to the Serie 22.

Serie 22

The Company entered into a Payment agreement with Frontera Capital Mena S.P.C. for an amount of EGP 180,000,000 on May 28, 2018. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 12,9%.

The movement can be specified as follows:

Opening balance	12.539.239
Amortization	(143.683)
FX revaluation 2020	<u>244.077</u>
Ending balance	<u><u>12.639.633</u></u>

5 Investment held to maturity, current

	<u>12.31.2020</u>	<u>12.31.2019</u>
	USD	USD
Investment FCGBV Serie 1	1.250.000	-
Serie 9	2.746.750	-
Serie 11	1.525.972	-
Serie 12	660.134	-
Serie 28	618.280	-
Serie 29 Settlement agreement	11.352.382	12.852.382
Serie 35	417.845	-
	<u><u>18.571.363</u></u>	<u><u>12.852.382</u></u>

Investment FCGBV Serie 1

The Company entered into a loan agreement with Bank Respublika OJSC in Azerbaijan for a total amount of USD 2,500,000, equivalent to AZN 4,250,000 as disclosed under the Note 1. The Balance represents the principal amount receivable during 2021.

The movement can be specified as follows:

Opening balance	-
Reclass of receivable in 2021 from Note 1	<u>1.250.000</u>
Ending balance	<u><u>1.250.000</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 9

The Company purchased financial assets at the JSC Liberty Bank in Georgia as disclosed under the Note 1.

The Balance represents the principal amount receivable during 2021.

The movement can be specified as follows:

Opening balance	-
Reclass of receivable in 2021 from Note 1	<u>2.746.750</u>
Ending balance	<u><u>2.746.750</u></u>

Serie 11

The Company purchased financial assets at the JSC Liberty Bank as disclosed under the Note 1.

The Balance represents the principal amount receivable during 2021.

The movement can be specified as follows:

Opening balance	-
Reclass of receivable in 2021 from Note 1	<u>1.525.972</u>
Ending balance	<u><u>1.525.972</u></u>

Serie 12

The Company purchased three bonds issued by Municipalidad de Asuncion of Paraguay for a total nominal amount of PYG 25,000,000,000 as disclosed under the Note 1. The Balance represents the principal amount receivable during

The movement can be specified as follows:

Opening balance	-
Reclass of receivable in 2021 from Note 1	<u>660.134</u>
Ending balance	<u><u>660.134</u></u>

Serie 28

The Company entered into loan agreement with Credicentro S.A.E.C.A (formerly known as Pasfin S.A.E.C.A.) for the total amount of USD 5,000,000, equivalent to PYG 31,482,750,000 and into a loan agreement with FMVV S.A.I.C.A.G. for the total amount of USD 1,908,883, equivalent to PYG 13,337,000,000 as disclosed under the Note 1. The Balance represents the principal amount receivable during 2021.

The movement can be specified as follows:

Opening balance	-
Reclass of receivable in 2021 from Note 1	<u>618.280</u>
Ending balance	<u><u>618.280</u></u>

Serie 29 Settlement agreement

In 2019, the Company entered into Settlement agreement with Reserve Bank of Zimbabwe for the amount of USD 27,852,382, with maturity date April 30,2020. The amount is repaid in a number of installments as per payment schedule. In 2020, the Company received installment amounts of USD 7,500,000. The installments from April was received partially and the installments from May, June and July were not received.

In March 2020, the Company entered into an agreement that represented rescheduling of the repayments by Reserve Bank of Zimbabwe. The total amount to be paid and the maturity date remain the same. In February 2021, the Company entered into a agreement that represented rescheduling of the repayments and transferred to new note. The maturity date was rescheduled to August 31, 2021.

The movement can be specified as follows:

Opening balance	12.852.382
Redemption	<u>(1.500.000)</u>
Ending balance	<u><u>11.352.382</u></u>

Serie 35

The Company used the amount of USD 4,578,976, equivalent to PYG 28,831,750,000, maturity date on May 27, 2024, with PASFIN S.A.E.C.A held under Series 28 to cover the issuance of Series 35 as disclosed under the Note 1. The Balance represents the principal amount receivable during 2021.

The movement can be specified as follows:

Opening balance	-
Reclass of receivable in 2021 from Note 1	<u>417.845</u>
Ending balance	<u><u>417.845</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	12.31.2020	12.31.2019
	USD	USD
6 Amounts due from group companies		
C/A Stichting Frontera Capital	6.322	6.245
	6.322	6.245
7 Amounts due from third parties, current		
	12.31.2020	12.31.2019
	USD	USD
Frontera Group B.V.	17.735.085	2.403
C/A Zambezi	1.091.691	1.600.525
C/A FCFMO	-	11.159.577
VAT receivable	59.178	61.855
Interest receivable	5.879.690	5.005.907
Assets in PA	22.081.563	-
FCFMO Premium receivable	5.024.455	1.142.680,00
C/A FCMena	912.777	-
C/A Ecobank	1.900.000	-
	54.684.439	18.972.947

Assets in PA

Reclass S20 from non-current, note 4	4.662.366
Reclass ZS11 from non-current, note 4	3.272.459
Reclass S26 from non-current, note 4	5.150.774
Reclass S30 from non-current, note 4	8.995.964
	22.081.563

Interest receivable

Frontier Market Advisory FZE	1.463.879
Zambezi B.V.	379.762
Baobab Securities	3.740.526
Frontera Capital Mena S.P.C.	295.523
	5.879.690

These balances represent accrued coupon interest as calculated from the last coupon receipt dates till year end.

C/A FCFMO

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to a number of Series. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement. The Company will have its CLN liabilities fully and exactly matched creating a neutral cash flow situation for the Company.

The movement can be specified as follows:

Opening balance	11.159.577
Movements 2020	(1.743.483)
Reclass C/A FCFMO to due to third parties, note 15	(9.416.094)
	--

FCFMO Premium receivable

FCFMO Premium KGS 5 A	--
FCFMO Premium TZS 10 L	3.775.775
FCFMO Premium PYG 12 A	--
FCFMO Premium PYG 26 L	176.220
FCFMO Premium KGS 27 L	245.016
FCFMO Premium KGS 28 L	116.675
FCFMO Premium KGS 30 L	124.817
FCFMO Premium TZS 41L	149.267
FCFMO Premium TZS 42L	149.267
FCFMO Premium Receivable KGS 5 A	287.418
	5.024.455

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FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

8 Prepayment and accrued income	12.31.2020	12.31.2019
	USD	USD
Interest receivable from investments	8.995.605	7.136.611
FCGL interest receivable	1.272.407	672.017
Accrued FCGL fee	-	540.700
Prepaid structuring fee	8.939.049	-
JPM interest receivable	270.789	-
LOLC Myanmar	162.717	-
	<u>19.640.567</u>	<u>8.349.328</u>

The interest receivable from investment can be specified as follows:

FCGBV Serie 1	10.000	1.413.283
Zambezi CLN Serie 2	560.397	560.397
Zambezi CLN Serie 5	1.145.703	1.210.522
Zambezi CLN Serie 6	272.738	311.628
Zambezi CLN Serie 7	243.265	250.923
Zambezi CLN Serie 8	-	398.015
Serie 9	6.015	5.500
Serie 11	4.984	14.891
Serie 12	124.036	206.692
Serie 17	283.907	714.049
Serie 26 Eshkata FX Swap	11.910	13.893
Serie 28	680.460	682.851
Serie 29	4.800.494	1.353.967
Serie 34	795.997	-
Serie 35	54.119	-
KazLoan	1.580	-
	<u>8.995.605</u>	<u>7.136.611</u>

Accrued FCGL fee

The movement can be specified as follows:

Opening balance	540.700
Movements 2020	- 2.968.576
Reclass Accrued FCGL to Accruals, note 18	1.348.721
	<u>-</u>

These balances represent accrued coupon interest as calculated from the last coupon receipt dates till year end.

9 Cash and cash equivalents				12.31.2020	12.31.2019
<u>Banks</u>	<u>Countries</u>	<u>Currency</u>	<u>Bank balances in foreign currencies</u>	USD	USD
ING Bank N.V.	The Netherlands	USD		11.845.290	1.771.682
ING Bank N.V.	The Netherlands	EUR	EUR 635.947	218.127	714.387
Bank of Georgia	Georgia	GEL	GEL 0	-	-
Bank of Georgia	Georgia	USD		76.320	65.748
EcoBank Gambia Ltd	Gambia	GMD	GMD 50.933	869.980	479
EcoBank Gambia Ltd	Gambia	EUR	EUR 24.402	1	2
EcoBank Gambia Ltd	Gambia	USD		2.844.989	(23)
First Merchant Bank Limited	Malawi	MWK	MWK 13.238.616	17.525	17.801
JSC Liberty Bank	Georgia	GEL	GEL 543.418	128.809	189.496
JSC Liberty Bank	Georgia	USD		129	718
Ameriabank	Armenia	AMD	AMD 0	-	-
Ameriabank	Armenia	USD		5.689	6.400
Valores Case de Bolsa	Paraguay	USD		-	41
DFCU Bank USD	Uganda	USD		206	-
DFCU Bank UGX	Uganda	UGX	UGX 720,350	198	-
				<u>16.007.261</u>	<u>2.766.731</u>

All cash and cash equivalents are at the Company's free disposal.

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FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

10 Shareholder's equity

The Company's authorised share capital amounts to EUR 1 and consists of 1 ordinary share with a nominal value of EUR 1 each.

	Issued share capital	Revaluation reserve	Retained Earnings	Unappropriated result	Total
Balance as per January 1, 2019	1	4.398.917	28.063	13.806	4.440.786
Transfer	-	-	13.806	(13.806)	-
Revaluation of the derivatives	-	- 1.749.590	-	-	1.749.590
Result for the year	-	-	-	16.467	16.467
<hr/>					
Balance as per December 31, 2019	1	2.649.327	41.871	16.467	2.707.663
Transfer	-	-	16.467	(16.467)	-
Revaluation of the derivatives	-	(1.101.764)	-	-	(1.101.764)
Result for the year	-	-	-	29.346	29.346
<hr/>					
Balance as per December 31, 2020	1	1.547.563	58.340	29.346	1.635.245

The Revaluation reserve relates to the valuation of each Derivative separately, disclosed in the Note 3 and Note 13. The Revaluation reserve is a temporary reserve account for the positive fair values of the Derivatives and does not constitute, at all times, a freely distributable reserve of the Company to its sole shareholder. Once the Derivatives are matured or are cancelled, the positive (if any) valuation will be realised and subsequently applied and distributed, according to the contractual swap and series agreements and accompanying obligations, to the respective series noteholder(s) and any other defined third party.

On April 26, 2020, a four year FX Forward Contract, entered under Serie 9, has matured and it resulted in a release of USD 61,832 from "Revaluation reserve" to "Other net result on financial instruments".

The release of the revaluation reserve raises no effect on the fiscal result of the Company. The fiscal result of the Company equal to 10% of its management, corporate secretarial and administration fee as per arm's length remuneration rules for the limited risk finance function in relation to the CLN programmes.

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	12.31.2020	12.31.2019
	USD	USD
11 Credit linked notes, non-current	132.909.239	184.138.859
	132.909.239	184.138.859

The Company issued the following Credit Linked Notes (CLN) in multiple tranches under a combined Regulation S offering outside the United States and Rule 144A offering inside the United States. All CLN are issued under the limited recourse debt issuance programm. The amount of USD 91,610,947 is to be paid between 2-5 years as a scheduled repayment of the principal. The amount of USD 43,557,701 has a repayment schedule longer than 5 years. The fair value of the CLN's approximates the carrying value and can be specified as follows:

Serie 9	-	11.585.940
Serie 11	-	2.580.465
Serie 12	1.760.841	3.758.701
Serie 17	-	5.133.603
Serie 18	12.587.323	14.763.415
Serie 19	-	9.533.505
Serie 20	-	5.430.797
Serie 21	4.795.870	5.523.016
Serie 22	12.639.633	12.539.239
Serie 23	8.771.424	10.162.722
Serie 26	1.861.726	12.547.485
Serie 28	13.043.270	13.921.114
Serie 29	-	36.998.901
Serie 30	-	9.914.989
Serie 31	8.995.964	9.914.989
Serie 32	8.995.964	9.914.989
Serie 33	8.995.964	9.914.989
Serie 34	14.481.571	-
Serie 35	5.618.610	-
Serie 36	7.786.929	-
Serie 37	6.236.119	-
Serie 38	6.352.737	-
Serie 39	9.985.294	-
	132.909.239	184.138.859

The details of the individual CLN are as follows:

Serie 9

The Company issued Credit-Linked Notes on April 22, 2016 to professional investors for a total aggregate notional amount ("Principal amount") of GEL 33,225,000 at an issue price of 100% and maturity date on October 25, 2021. Interest is paid semi-annually according to a payment schedule. The indication of yield is 12.50%, which is similar to the effective interest rate. The Principal amount is repayable in two instalments on April 25, 2021 (66,42%) and October 25, 2021 (33,58%).

The movement can be specified as follows:

Opening balance	11.585.940
FX revaluation 2020	(1.445.856)
Transfer to current, note 15	(10.140.084)
Ending balance	--

Serie 11

The Company issued Credit-Linked Notes on July 21, 2016 for a total aggregate notional amount ("Principal amount") of GEL 22,900,000 at an issue price of 100% and maturity date on July 21, 2021. The interest is paid semi-annually according to the payment schedule. The Principal amount is repayable in four instalments on July 21, 2018, July 21, 2019, July 21, 2020 and July 21, 2021.

The movement can be specified as follows:

Opening balance	2.580.465
Redemption	(806.582)
FX revaluation 2020	(278.430)
Transfer to current, note 15	(1.495.453)
Ending balance	--

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 12 (continued)

The Company issued Credit-Linked Notes on August 4, 2016 for a total aggregate notional amount ("Principal amount") of PYG 24,300,000,000 at an issue price of 100% and maturity date on August 18, 2023. The interest is paid semi-annually according to the payment schedule at the annual rate of 9.4%, which is similar to the effective interest rate. The Principal amount is repayable in two instalments on August 18, 2020 and August 18, 2023.

The movement can be specified as follows:

Opening balance	3.758.701
Redemption	(1.739.442)
FX revaluation 2020	(258.418)
Ending balance	<u><u>1.760.841</u></u>

Serie 17

The Company issued Credit-Linked Notes on October 12, 2016 for a total aggregate notional amount ("Principal amount") of AZN 43,635,625 at an issue price of 100% and maturity date on October 18, 2021. The interest is paid semi-annually according to the payment schedule at the annual rate of 13.5%, which is similar to the effective interest rate. The Principal amount is repayable in three instalments on October 18, 2018, October 19, 2019 and

The movement can be specified as follows:

Opening balance	5.133.603
Transfer to current, note 15	- 5.133.603
Ending balance	<u><u>--</u></u>

Serie 18

The Company issued Credit-Linked Notes on January 30, 2018 for a total aggregate notional amount ("Principal amount") of KGS 1,162,375,356 at an issue price of 87.3642% and maturity date on February 4, 2028. The interest is paid semi-annually according to the payment schedule at the annual rate of 12%, with an effective interest rate of 14.44%. The Principal amount is repavable fully at the maturity date.

The movement can be specified as follows:

Opening balance	14.763.415
Amortization	124.723
FX revaluation 2020	(2.300.815)
Ending balance	<u><u>12.587.323</u></u>

Serie 19

The Company issued Credit-Linked Notes on February 2, 2018 for a total aggregate notional amount ("Principal amount") of KGS 664,790,853 at an issue price of 101,8365% and maturity date on January 31, 2020. The interest is paid semi-annually according to the payment schedule at the annual rate of 8%, with an effective interest rate of 6.98%. The Principal amount is repavable fully at the maturity date.

The movement can be specified as follows:

Opening balance	9.533.505
Redemption	(9.252.482)
Amortization	(8.442)
FX revaluation 2020	(272.581)
Ending balance	<u><u>--</u></u>

Serie 20

The Company issued Credit-Linked Notes on March 1, 2018 for a total aggregate notional amount ("Principal amount") of KGS 386,450,570 at an issue price of 95,2412% and maturity date on March 4, 2021. The interest rate is paid semi-annually according to the payment schedule at the annual rate of 6%, with an effective interest rate of 7.83%. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	5.430.797
Amortization	79.108
FX revaluation 2020	(847.539)
Transfer to current, note 15	(4.662.366)
Ending balance	<u><u>--</u></u>

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 21 (continued)

The Company issued Credit-Linked Notes on March 1, 2018 for a total aggregate notional amount ("Principal amount") of KGS 459,037,883 at an issue price of 80,1807% and maturity date on March 10, 2025. The interest rate is paid semi-annually according to the payment schedule at the annual rate of 8%, with an effective interest rate of 12.33%. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	5.523.016
Amortization	136.671
FX revaluation 2020	(863.817)
Ending balance	<u>4.795.870</u>

Serie 22

The Company issued Credit-Linked Notes on March 28, 2018 for a total aggregate notional amount ("Principal amount") of EGP 180,000,000 at an issue price of 114,09259% and maturity date on May 17, 2022. The interest rate is paid semi-annually according to the payment schedule at the annual rate of 15.58%, with an effective interest rate of 12.90%. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	12.539.239
Amortization	(143.683)
FX revaluation 2020	244.077
Ending balance	<u>12.639.633</u>

Serie 23

The Company issued Credit-Linked Notes on May 23, 2018 for a total aggregate notional amount ("Principal amount") of KGS 820,000,000 at an issue price of 83,7946% and maturity date on May 26, 2025. The interest rate is paid semi-annually according to the payment schedule at the annual rate of 8%, with an effective interest rate of 11.44%. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	10.162.722
Amortization	196.380
FX revaluation 2020	(1.587.678)
Ending balance	<u>8.771.424</u>

Serie 26

The Company issued Credit-Linked Notes on August 28, 2018 for a total aggregate notional amount ("Principal amount") of TJS 121,550,000 at an issue price of 100% and maturity date on February 15, 2023. The interest rate is 10,78%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	12.547.485
Redemption	(3.981.576)
FX revaluation 2020	(1.553.409)
Transfer to current, note 15	(5.150.774)
Ending balance	<u>1.861.726</u>

Serie 28

The Company issued Credit-Linked Notes on January 29, 2019 for a total aggregate notional amount ("Principal amount") of PYG 90,000,000,000 at an issue price of 100% and maturity date on February 15, 2029. The interest rate is 11%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable in four instalments on February 9, 2024, February 7, 2025, February 9, 2027 and February 15, 2029.

The movement can be specified as follows:

Opening balance	13.921.114
FX revaluation 2020	(877.844)
Ending balance	<u>13.043.270</u>

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 29 (continued)

The Company issued Credit-Linked Notes on September 23, 2019 for a total aggregate notional amount ("Principal amount") of USD 45,165,384 at an issue price of 100% and maturity date on April 30, 2021. The interest is paid according to the payment schedule. The Principal amount is repayable in eleven instalments as per repayment schedule with the final installment on April 30, 2021.

The movement can be specified as follows:

Opening balance	36.998.901
Redemption	(2.166.484)
Provision	6.000.000
Transfer to current, note 15	<u>(40.832.417)</u>
Ending balance	<u><u>--</u></u>

Serie 30

The Company issued Credit-Linked Notes on December 12, 2019 for a total aggregate notional amount ("Principal amount") of UZS 94,520,000,000 at an issue price of 100% and maturity date on January 8, 2021. The interest rate is 12.5%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	9.914.989
FX revaluation 2020	(919.025)
Transfer to current, note 15	<u>(8.995.964)</u>
Ending balance	<u><u>--</u></u>

Serie 31

The Company issued Credit-Linked Notes on December 13, 2019 for a total aggregate notional amount ("Principal amount") of UZS 94,520,000,000 at an issue price of 100% and maturity date on January 10, 2023. The interest rate is 13.5%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	9.914.989
FX revaluation 2020	<u>(919.025)</u>
Ending balance	<u><u>8.995.964</u></u>

Serie 32

The Company issued Credit-Linked Notes on December 13, 2019 for a total aggregate notional amount ("Principal amount") of UZS 94,520,000,000 at an issue price of 100% and maturity date on January 10, 2025. The interest rate is 14%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	9.914.989
FX revaluation 2020	<u>(919.025)</u>
Ending balance	<u><u>8.995.964</u></u>

Serie 33

The Company issued Credit-Linked Notes on December 13, 2019 for a total aggregate notional amount ("Principal amount") of UZS 94,520,000,000 at an issue price of 100% and maturity date on January 11, 2027. The interest rate is 14.75%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	9.914.989
FX revaluation 2020	<u>(919.025)</u>
Ending balance	<u><u>8.995.964</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 34 (continued)

The Company issued Credit-Linked Notes on January 24, 2020 for a total aggregate notional amount ("Principal amount") of PYG 100,000,000,000 at an issue price of 99.8949% and maturity date on January 31, 2023. The interest rate is 8%, which approximates the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	-
Acquisition	15.492.385
Amortization	4.322
FX revaluation 2020	<u>(1.015.136)</u>
Ending balance	<u><u>14.481.571</u></u>

Serie 35

The Company issued Credit-Linked Notes on February 12, 2020 for a total aggregate notional amount ("Principal amount") of PYG 38,910,000,000 at an issue price of 100% and maturity date on February 12, 2023. The interest rate is 6.25%, which approximates the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	-
Acquisition	5.970.000
Amortization	7.824
FX revaluation 2020	<u>(359.214)</u>
Ending balance	<u><u>5.618.610</u></u>

Serie 36

The Company issued Credit-Linked Notes on February 12, 2020 for a total aggregate notional amount ("Principal amount") of KGS 646,350,000 at an issue price of 100% and maturity date on February 12, 2025. The interest rate is 9.25%, which approximates the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	-
Acquisition	9.253.500
Amortization	5.904
FX revaluation 2020	<u>(1.472.476)</u>
Ending balance	<u><u>7.786.929</u></u>

Serie 37 (continued)

The Company issued Credit-Linked Notes on February 20, 2020 for a total aggregate notional amount ("Principal amount") of MWK 4,857,500 at an issue price of 100% and maturity date on February 20, 2022. The interest rate is 10.5%, which approximates the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	-
Acquisition	6.693.300
Amortization	2.606
FX revaluation 2020	<u>(459.787)</u>
Ending balance	<u><u>6.236.119</u></u>

Serie 38 (continued)

The Company issued Credit-Linked Notes on June 30, 2020 for a total aggregate notional amount ("Principal amount") of PYG 43,875,000,000 at an issue price of 100% and maturity date on June 30, 2025. The interest rate is 10.5%, which approximates the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	-
Acquisition	6.743.250
Amortization	580
FX revaluation 2020	<u>(391.093)</u>
Ending balance	<u><u>6.352.737</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 39 (continued)

The Company issued Credit-Linked Notes on July 14, 2020 for a total aggregate notional amount ("Principal amount") of AZN 16,975,000 at an issue price of 100% and maturity date on August 01, 2023. The interest rate is 10%, which is similar to the effective interest rate, and is paid semi-annually according to the payment schedule. The Principal amount is repayable fully at the maturity date.

The movement can be specified as follows:

Opening balance	-
Acquisition	10.000.000
FX revaluation 2020	<u>(14.706)</u>
Ending balance	<u>9.985.294</u>

12 Credit Default Swaps	12.31.2020	12.31.2019
	USD	USD
CDS Series PYG 1 A	2.018.427	2.316.153
CDS Series PYG 2 A	724.586	500.044
CDS Series KGS 4 A	1.130.534	1.203.765
CDS Series KGS 5 A	-	2.181.820
CDS Series KGS 7 A	370.109	421.734
CDS Series TZS 11A	1.990.627	5.501.407
CDS Series PYG 12 A	1.711.189	2.020.987
CDS Series UZS 21 A	294.636	462.690
CDS Series UZS 22 A	722.490	848.508
CDS Series UZS 23 A	1.241.222	1.368.481
CDS Series UZS 24 A	1.652.575	1.766.640
CDS Series PYG 25 A	1.266.513	-
CDS Series KGS 29 A	-	-
CDS Series AZN 43A	1.156.390	-
CDS Series KZT 50A	3.016.852	-
	<u>17.296.150</u>	<u>18.592.229</u>

CDS Series PYG 1A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 2,659,742, equivalent to PYG 15,853,501,303, with a maturity date on June 15, 2027. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Zambezi Series 5. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	2.316.153
Fair Value adjustment	(157.232)
FX revaluation 2020	<u>(140.495)</u>
Ending balance	<u>2.018.427</u>

CDS Series PYG 2A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 661,156, equivalent to PYG 3,940,845,141, with a maturity date on August 9, 2023. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 12. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	500.044
Fair Value adjustment	251.358
FX revaluation 2020	<u>(26.817)</u>
Ending balance	<u>724.586</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series KGS 4 A (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 1,125,718, equivalent to KGS 78,631,422, with a maturity date on January 22, 2028. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 18. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	1.203.765
Fair Value adjustment	114.496
FX revaluation 2020	<u>(187.726)</u>
Ending balance	<u><u>1.130.534</u></u>

CDS Series KGS 5 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 1,498,329, equivalent to KGS 104,655,885, with a maturity date on January 22, 2028. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 19. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	2.181.820
CDS Termination	(6.941.381)
Fair Value adjustment	5.072.886
FX revaluation 2020	<u>(313.325)</u>
Ending balance	<u><u>--</u></u>

CDS Series KGS 7 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 402,399, equivalent to KGS 28,106,923, with a maturity date on February 19, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 21. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	421.734
Fair Value adjustment	14.156
FX revaluation 2020	<u>(65.781)</u>
Ending balance	<u><u>370.109</u></u>

CDS Series TZS 11A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on January 1, 2019 for a total amount of USD 5,500,532, equivalent to TZS 12,610,410,097, with a maturity date on April 9, 2021. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Zambezi Series 11. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement can be specified as follows:

Opening balance	5.501.407
Fair Value adjustment	(3.513.454)
FX revaluation 2020	<u>2.674</u>
Ending balance	<u><u>1.990.627</u></u>

CDS Series PYG 12 A1

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on February 15, 2019 for a total amount of USD 534,371, equivalent to PYG 3,230,574,463, with a maturity date on February 12, 2029. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 28. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series PYG 12 A2 (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on February 15, 2019 for a total amount of USD 1,959,472, equivalent to PYG 11,846,124,038, with a maturity date on May 31, 2024. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 28. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

CDS Series PYG 12 A3

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on May 29, 2019 for a total amount of USD 428,887, equivalent to PYG 2,700,510,298, with a maturity date on May 27, 2024. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 28. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, as disclosed in the agreement.

The movement of PYG 12 A1, A2, A3 can be specified as follows:

Opening balance	2.020.987
Fair Value adjustment	(185.130)
FX revaluation 2020	<u>(124.668)</u>
Ending balance	<u><u>1.711.189</u></u>

CDS Series UZS 21 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 13, 2019 for a total amount of USD 459,530, equivalent to UZS 4,373,167,680, with a maturity date on January 8, 2021. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 30. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	462.690
Fair Value adjustment	(126.810)
FX revaluation 2020	<u>(41.244)</u>
Ending balance	<u><u>294.636</u></u>

CDS Series UZS 22 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 13, 2019 for a total amount of USD 842,010, equivalent to UZS 8,013,089,336, with a maturity date on January 10, 2023. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 31. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	848.508
Fair Value adjustment	(47.656)
FX revaluation 2020	<u>(78.362)</u>
Ending balance	<u><u>722.490</u></u>

CDS Series UZS 23 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 13, 2019 for a total amount of USD 1,357,844, equivalent to UZS 12,922,089,975, with a maturity date on January 10, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 32. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	1.368.481
Fair Value adjustment	241
FX revaluation 2020	<u>(127.500)</u>
Ending balance	<u><u>1.241.222</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series UZS 24 A (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 13, 2019 for a total amount of USD 1,752,435, equivalent to UZS 16,677,257,945, with a maturity date on January 11, 2027. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 33. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	1.766.640
Fair Value adjustment	51.302
FX revaluation 2020	<u>(165.367)</u>
Ending balance	<u><u>1.652.575</u></u>

CDS Series PYG 25 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 21, 2020 for a total amount of USD 1,130,147, equivalent to PYG 7,357,254,463, with a maturity date on January 19, 2029. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 34. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	1.130.147
Fair Value adjustment	201.227
FX revaluation 2020	<u>(64.860)</u>
Ending balance	<u><u>1.266.513</u></u>

CDS Series KGS 29 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on February 15, 2020 for a total amount of USD 2,507,826, equivalent to KGS 175,297,024, with a maturity date on February 12, 2025. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 36. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	2.507.826
Fair Value adjustment	100.969
CDS termination	(2.315.666)
FX revaluation 2020	<u>(293.129)</u>
Ending balance	<u><u>--</u></u>

CDS Series AZN 43 A

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 29, 2020 for a total amount of USD 1,082,124, equivalent to AZN 1,728,200, with a maturity date on April 11, 2022. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to Series 17. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	1.082.127
Fair Value adjustment	139.802
FX revaluation 2020	<u>(65.539)</u>
Ending balance	<u><u>1.156.390</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

CDS Series KZT 50 A (continued)

The Company entered into a Credit Derivative Transaction with Frontera Capital Frontier Market Opportunities Limited on December 29, 2020 for a total amount of USD 3,000,000, equivalent to KZT 1,259,610,000, with a maturity date on December 30, 2022. Frontera Capital Frontier Market Opportunities Limited acquired the mark to market risk from the Company associated with the difference between the receivable from assets/securities and respective obligations related to KazFinance LLP. In exchange, the Company will transfer Fixed Payment Amounts on the relevant Fixed Payment Dates, disclosed in the agreement.

The movement can be specified as follows:

Opening balance	--
Acquisition	3.000.000
Fair Value adjustment	22.842
FX revaluation 2020	<u>(5.990)</u>
Ending balance	<u>3.016.852</u>

13 Derivatives

	<u>12.31.2020</u>	<u>12.31.2019</u>
	USD	USD
Independent amount FCGBV Series 1	--	7.500.000
MtM Credo Swap Zambezi Serie 6	895.641	335.657
Independent amount forward contracts Series 9	--	3.532.718
Independent amount Series 17	1.000.000	4.000.000
MtM Eshkata FX Swap	870.657	112.598
Margin Call Receivable Eshkata FX Swap Serie 26	685.542	--
Derivatives	20.598.074	--
	<u>24.049.914</u>	<u>15.480.973</u>

FCGBV Series 1

The Company entered into FX Swap agreements with AccessBank CJSC as it is disclosed under the Note 2. The Balance represents the Independent amount of USD 7,500,000 as per Master Agreement entered with AccessBank CJSC on May 8, 2017.

The movement can be specified as follows:

Opening balance	7.500.000
Maturity of 3Y IA FCG BV S1	<u>(7.500.000)</u>
Ending balance	<u>--</u>

Zambezi Series 6

The Company entered into a FX Swap Agreement with JSC Credo Bank as it is disclosed under the Note 3. The Balance represents the amounts received due to Margin Calls during 2020.

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swap was valued at USD 335,657.

The Fair Value of the FX Swap contracts are based on the weekly treasury yield curves exchange rates of the USD and GEL for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the National Bank of Georgia.

The movement can be specified as follows:

Opening balance	335.657
MtM Movements 2020	<u>559.984</u>
Ending balance	<u>895.641</u>

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Series 9 (continued)

The Company entered into FX Forward contracts with JSC Liberty Bank as it is disclosed under the Note 2.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rates of the USD and GEL for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the National Bank of Georgia.

The movement of Independent amount can be specified as follows:

Opening balance	3.532.718
IA Movements 2020	<u>(3.532.718)</u>
Ending balance	<u><u>--</u></u>

Series 17

The Company entered into the FX swap agreements as it is disclosed under the Note 3.

The Fair Value of the FX Swaps are based on the weekly treasury yield curves of the USD for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America. The treasury yield curves for AZN are not available, therefore the refinancing rates published from time to time by the Central bank of Azerbaijan is used instead.

The movement of Independent amount can be specified as follows:

Opening balance	4.000.000
Maturity of 2Y IA	<u>(3.000.000)</u>
Ending balance	<u><u>1.000.000</u></u>

Serie 26

The Company entered into 12 FX swap agreements with Bank Eshkata for a total amount of TJS 31,898,400 (EUR 3,000,000)

- 1 19 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, January 1, 2021;
- 2 19 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, January 17, 2021;
- 3 20 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, February 1, 2021;
- 4 20 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, February 17, 2021;
- 5 21 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, March 1, 2021;
- 6 21 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, March 17, 2021;
- 7 22 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, April 1, 2021;
- 8 22 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, April 17, 2021;
- 9 23 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, May 1, 2021;
- 10 23 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, May 17, 2021;
- 11 24 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, June 1, 2021;
- 12 24 months FX Swap, where the Company agreed to exchange EUR 250,000 for TJS 2,658.200 at a maturity date, June 17, 2021;

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swaps were valued at USD 870,657.

The Fair Value of the FX Swaps is based on the 1-year NBT Securities (the benchmark in Tajikistan's TJS government risk market), an average is calculated based on the latest 12 auctions. The average is included in the model, taking into account the inflation trend, real rates and the evaluated risk premium, that resulted in a downward sloping discount of 10 base points per year.

The movement of MtM Swap can be specified as follows:

Opening balance	112.598
MtM movements 2020	778.644
FX revaluation 2020	<u>(20.585)</u>
Ending balance	<u><u>870.657</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Frontera Capital Group B.V. (continued)

The Company entered into the Master agreement entered with FCGBV.

- 1 A Master Agreement with trade date January 06, 2021 for an Independent amount of USD 17,500,000.

The movement can be specified as follows:

Opening balance	-
Independent amount FCGBV S11 (payable to FCC	17.500.000
Ending balance	<u>17.500.000</u>

Myanmar

The Company entered into the FX swap agreements as it is disclosed under the Note 3.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rate of the EUR for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the.

The movement can be specified as follows:

Opening balance	-
Myanmar Independent amount EUR	422.714
Ending balance	<u>422.714</u>

Frontier Markets Advisory FZE

The Company entered into the following FX Swap Agreement with Frontier Markets Advisory FZE:

- 1 A FX Swap Agreement with trade date February 11, 2021, effective date August 31, 2020 and settlement date August 31, 2022 for an amount of USD 3,000,000.

As at the end of the year, taking into consideration the prevailing economic conditions, the FX Swap was valued at The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rate of the EUR for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the.

The movement can be specified as follows:

Opening balance	-
FMA Myanmar (FX Swaps MTM)	146.622
Ending balance	<u>146.622</u>

JP Morgan

The Company entered into the FX forward and FX swap agreements as it is disclosed under the Note 3.

The Balance represents the amounts received due to Margin Calls during 2020.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rates of the USD and GEL for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the National Bank of Georgia.

The movement can be specified as follows:

Opening balance	-
JP Morgan FWD Margin Calls	210.000
Ending balance	<u>210.000</u>

FCFMO

The Company entered into the following FX Swap and FX Forward Agreements with Frontera Capital Frontier Market Opportunities Limited:

- 1 A FX Forward Agreement with trade date July 01, 2020 and settlement date July 05, 2022 for an amount of USD 2,000,000.
- 2 A FX Swap Agreement with trade date November 10, 2020 and settlement date July 07, 2023 for an amount of USD 4,209,943.

The Balance represents FX Forward transaction's Independent amount of USD 400,000 and the FX swap transaction's Independent amount of USD 1,683,977 as per Master Agreement entered with Frontera Capital Frontier Market Opportunities Limited on September 02, 2020.

The Fair Value of the FX Forwards contracts are based on the weekly treasury yield curves exchange rates of the USD and GEL for the period of 1 to 5 years and the exchange rates on the balance sheet date published by a Central Bank of United States of America and the National Bank of Georgia.

The movement can be specified as follows:

Opening balance	-
FCFMO JP Morgan Forward Independent amount	400.000
FCFMO JP Morgan (Forwards MTM)	170.740
FCFMO JP Morgan Swap Independent amount	1.683.977
FCFMO JP Morgan Swap MTM	64.021
Ending balance	<u>2.318.738</u>

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Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	12.31.2020	12.31.2019
	USD	USD
14 Amounts due to third parties, non-current		
Frontera Capital Group BV Serie 1	-	17.546.324
Zambezi B.V.	65.841.401	89.690.736
	65.841.401	107.237.060

The amount of USD 55,236,560 is to be paid between 2-5 years as a scheduled repayment of the principal. The amount of USD 11,154,532 has a repayment schedule longer than 5 years. The Company has performed detailed impairment analyses on series', counterparty and sovereign country level, and noted no impairment triggers. The fair value of the assets approximates the carrying value.

Frontera Capital Group B.V. Serie 1

The Company entered into a Payment agreement with Frontera Capital Group B.V. for an amount of AZN 29,828,750 in March 30, 2017. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Zambezi B.V. for a total aggregate notional amount ("Principal amount") of AZN 29,828,750. Interest is paid semi-annually in arrears at the annual rate of 14%. The Principal amounts are repayable in full at maturity date, March 30, 2020.

The movement can be specified as follows:

Opening balance	17.546.324
Redemption	(16.828.157)
FX revaluation 2020	(718.166)
Ending balance	--

	12.31.2020	12.31.2019
	USD	USD
<u>Zambezi B.V.</u>		
Zambezi Serie 2	19.450.309	19.311.611
Zambezi Serie 5	14.857.734	15.857.695
Zambezi Serie 6	14.533.358	16.605.642
Zambezi Serie 7	17.000.000	17.000.000
Zambezi Serie 8	--	10.269.855
Zambezi Serie 11	--	10.645.933
	65.841.401	89.690.736

Zambezi Serie 2

The Company entered into a Payment agreement with Zambezi B.V. for an amount of USD 32,880,867 in 2015. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Zambezi B.V. for a total aggregate notional amount ("Principal amount") of USD 34,500,000. Interest is paid semi-annually in arrears at the annual rates of respectively 8,25% and 8,50%, which approximates the effective interest rate. The Principal amounts are repayable in full at maturity date.

The movement can be specified as follows:

Opening balance	19.311.611
Amortization	138.698
Ending balance	19.450.309

Zambezi Serie 5

The Company entered into a Payment agreement with Zambezi B.V. for an amount of PYG 102,520,000,000 in June 16, 2017. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Zambezi B.V. for a total aggregate notional amount ("Principal amount") of PYG 102,520,000,000. Interest is paid semi-annually at the annual rate of 11%, which approximates the effective interest rate. The Principal amount is repayable in three instalments on March 25, 2025, March 23, 2026 and March 23, 2027.

The movement can be specified as follows:

Opening balance	15.857.695
FX revaluation 2020	(999.961)
Ending balance	14.857.734

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Zambezi Serie 6 (continued)

The Company entered into a Payment agreement with Zambezi B.V. for an amount of GEL 47,620,000 in July 3, 2017. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Zambezi B.V. for a total aggregate notional amount ("Principal amount") of GEL 47,620,000. Interest is paid semi-annually at the annual rate of 9.5%, which is similar to the effective interest rate. The Principal amount is repayable in full on the maturity date, August 9, 2022.

The movement can be specified as follows:

Opening balance	16.605.642
FX revaluation 2020	<u>(2.072.284)</u>
Ending balance	<u><u>14.533.358</u></u>

Zambezi Serie 7 (continued)

The Company entered into a Payment agreement with Zambezi B.V. for an amount of USD 17,000,000 in July 31, 2017. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Zambezi B.V. for a total aggregate notional amount ("Principal amount") of USD 17,000,000. Interest is paid semi-annually at the annual rate of 6.75%, which is similar to the effective interest rate. The Principal amount is repayable in full on the maturity date, August 5, 2022.

The movement can be specified as follows:

Opening balance	17.000.000
Ending balance	<u><u>17.000.000</u></u>

Zambezi Serie 8

The Company entered into a Payment agreement with Zambezi B.V. for an amount of of GMD 1,218,758,041 in August 10, 2017. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Zambezi B.V. for a total aggregate notional amount ("Principal amount") of GMD 1,218,758,041. Interest is paid semi-annually according to the payment schedule. The Principal amount is repayable in full on the maturity date, August 29, 2020.

The movement can be specified as follows:

Opening balance	10.269.855
Redemption	(9.946.454)
FX revaluation 2020	<u>(323.401)</u>
Ending balance	<u><u>--</u></u>

Zambezi Serie 11

The Company entered into a Payment agreement with Zambezi B.V. for an amount of TZS 24,475,000,000 in April 9, 2018. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by the Company for a total aggregate notional amount ("Principal amount") of TZS 24,475,000,000. Interest is paid semi-annually according to the payment schedule, with an effective interest rate of 8,65%. The Principal amount is repayable in 3 instalments on April 23, 2020, October 23, 2020 and April 23, 2021.

The movement can be specified as follows:

Opening balance	10.645.933
Redemption	(6.959.781)
Reclass ZS11 to current, note 15	(3.549.486)
FX revaluation 2020	<u>(136.665)</u>
Ending balance	<u><u>--</u></u>

15 Credit linked notes, current	12.31.2020	12.31.2019
	USD	USD
Serie 9	10.140.084	-
Serie 11	1.495.453	-
Serie 17	5.133.603	-
Serie 20	4.662.366	-
Serie 26	5.150.774	-
Serie 29	40.832.417	-
Serie 30	8.995.964	-
	<u><u>76.410.661</u></u>	<u><u>-</u></u>

The Company issued the above Credit Linked Notes (CLN) in multiple tranches under a combined Regulation S offering outside the United States and Rule 144A offering inside the United States. All CLN are issued under the limited recourse debt issuance programme. The details of the individual CLN are as follows:

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Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

Serie 9 (continued)

The Company issued Credit-Linked Notes on April 22, 2016 to professional investors for a total aggregate notional amount ("Principal amount") of GEL 33,225,000 as disclosed under the Note 11. The Balance represents the principal amount payable during 2021.

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>10.140.084</u>
Ending balance	<u><u>10.140.084</u></u>

Serie 11

The Company issued Credit-Linked Notes on July 21, 2016 for a total aggregate notional amount ("Principal amount") of GEL 22,900,000 as disclosed under the Note 11. The Balance represents the principal amount payable during 2021.

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>1.495.453</u>
Ending balance	<u><u>1.495.453</u></u>

Serie 17

The Company issued Credit-Linked Notes on October 12, 2016 for a total aggregate notional amount ("Principal amount") of AZN 43,635,625 as disclosed under the Note 11. The Balance represents the principal amount payable during 2021.

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>5.133.603</u>
Ending balance	<u><u>5.133.603</u></u>

Serie 20

The Company issued Credit-Linked Notes on March 1, 2018 for a total aggregate notional amount ("Principal amount") of KGS 386,450,570 as disclosed under the Note 11. The Balance represents the carrying amount payable during 2021.

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>4.662.366</u>
Ending balance	<u><u>4.662.366</u></u>

Serie 26

The Company issued Credit-Linked Notes on August 28, 2018 for a total aggregate notional amount ("Principal amount") of TJS 121,550,000 as disclosed under the Note 11. The Balance represents the principal amount payable

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>5.150.774</u>
Ending balance	<u><u>5.150.774</u></u>

Serie 29

The Company issued Credit-Linked Notes on September 23, 2019 for a total aggregate notional amount ("Principal amount") of USD 45,165,384 as disclosed under the Note 11. The Balance represents the principal amount payable during 2021.

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>40.832.417</u>
Ending balance	<u><u>40.832.417</u></u>

Serie 30

The Company issued Credit-Linked Notes on December 12, 2019 for a total aggregate notional amount ("Principal amount") of UZS 94,520,000,000 as disclosed under the Note 11. The Balance represents the principal amount payable during 2021.

The movement can be specified as follows:

Opening balance	--
Reclass of payable in 2021 from Note 11	<u>8.995.964</u>
Ending balance	<u><u>8.995.964</u></u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

16 Amounts due to third parties, current	12.31.2020	12.31.2019
	USD	USD
Frontier Markets Advisory	3.568.956	7.935.052
Zambezi B.V.	3.549.486	-
Frontera Capital Group Limited	15.120.757	120.757,00
C/A FCFMO	9.416.094	-
	31.655.293	8.055.809

Zambezi Serie 11

The movement can be specified as follows:

Opening balance	-
Reclass ZS11 from non-current, note 14	3.549.486
Ending balance	<u>3.549.486</u>

C/A FCFMO

The movement can be specified as follows:

Opening balance	-
Reclass C/A FCFMO due from third parties, note 7	9.416.094
	<u>9.416.094</u>

17 Creditors

ING Bank as paying and fiscal agent	66.269	15.509
DE koerier	121	54
Trustmoore Netherlands	10.499	16.790
Baker Tilly	-	-
Frontera Capital Limited	54.317	65.591
Warendorf	9.807	-
DLA Piper	10.461	-
Mazars	48.277	-
BDO Zambia	522	-
	200.273	97.944

18 Other liabilities

CIT Payable	6.612	2.920
	6.612	2.920

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

19 Accruals and deferred income	12.31.2020	12.31.2019
	USD	USD
Interest payable for CLN	11.728.704	8.682.014
CDS Premium payable	7.282.309	4.203.796
Accrued administration expenses	2.454	5.772
Accrued audit fee	17.306	21.234
Accrued FMA fee	369.272	369.272
Accrued FCGL fee	1.348.721	--
Deferred income Serie 24	-	--
	20.748.766	13.282.088
<u>The interest payable can be specified as follows:</u>		
FCGBV Serie 1	-	619.169
Zambezi Serie 2	557.379	562.036
Zambezi Serie 5	855.236	912.795
Zambezi Serie 6	544.703	622.371
Zambezi Serie 7	481.006	481.006
Zambezi Serie 8	-	354.899
Zambezi Serie 11	58.041	174.083
Serie 9	(125.192)	(56.963)
Serie 11	711.916	795.850
Serie 12	60.720	129.614
Serie 17	294.404	293.634
Serie 18	707.432	837.739
Serie 19	-	319.416
Serie 20	93.771	111.954
Serie 21	148.513	177.310
Serie 22	207.262	245.144
Serie 23	82.633	100.429
Serie 26	243.955	396.521
Serie 28	522.803	557.989
Serie 29	2.387.866	800.263
Serie 30	537.802	53.627
Serie 31	574.226	57.365
Serie 32	595.494	59.490
Serie 33	623.789	62.380
Serie 26 FX Swap	11.910	13.893
Serie 34	482.034	-
Serie 35	135.038	-
Serie 36	277.165	-
Serie 37	236.791	-
Serie 38	1.834	-
Serie 39	420.173	-
	11.728.704	8.682.014

These balances represent accrued interest expenses as calculated from the last interest payment dates till year end.

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

The CDS premium payable can be specified as follows:

Premium payable PYG 1 A	456.830	770.961
Premium payable PYG 2 A	83.278	238.336
Premium payable KGS 4 A	113.541	194.299
Premium payable KGS 5 A	-	626.708
Premium payable KGS 6 A	105.325	173.866
Premium payable KGS 7 A	28.825	52.464
Premium payable TZS 11A	4.159.159	1.836.809
Premium payable PYG 12 A	424.757	247.570
Premium payable UZS 21 A	168.019	16.026
Premium payable UZS 22 A	145.860	13.779
Premium payable UZS 23 A	169.012	15.967
Premium payable UZS 24 A	180.918	17.011
Premium payable PYG 25A	314.567	-
Premium payable PYG 26A	647.688	-
Premium payable KGS 27A	208.533	-
Premium payable KGS 28A	75.997	-
Premium payable KGS 29A	-	-
	<u>7.282.309</u>	<u>4.203.796</u>

Accrued FCGL fee (continued)

The movement can be specified as follows:

Opening balance	-
Reclass Accrued FCGL from Prepayment Accruals, note 8	<u>1.348.721</u>
Ending balance	<u>1.348.721</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	<u>2020</u>	<u>2019</u>
	USD	USD
20 Interest income		
FCGBV Serie 1	622.220	2.057.781
Zambezi Serie 2	1.838.699	2.149.394
Zambezi Serie 5	2.134.411	2.300.543
Zambezi Serie 6	771.857	873.428
Zambezi Serie 7	960.317	945.323
Zambezi Serie 8	773.678	1.198.822
Zambezi Serie 11	1.225.697	1.795.417
Serie 9	446.771	505.972
Serie 10	-	-
Serie 11	285.699	453.699
Serie 12	408.622	510.798
Serie 14	-	-
Serie 15	-	-
Serie 16	-	-
Serie 17	1.024.359	3.167.367
Serie 18	2.006.814	2.317.006
Serie 19	2.822.094	1.297.863
Serie 20	464.294	595.017
Serie 21	641.627	722.060
Serie 22	1.656.651	1.599.040
Serie 23	1.021.782	1.149.083
Serie 24	--	642.890
Serie 25	--	528.264
Serie 26	1.431.023	1.565.733
Serie 27	--	610.840
Serie 28	1.902.927	2.076.969
Serie 29	3.446.527	1.353.967
Serie 30	1.542.619	69.642
Serie 31	1.441.851	71.134
Serie 32	1.528.677	75.446
Serie 33	1.611.522	79.379
Serie 34	1.707.958	-
Serie 35	568.294	-
Serie 36	749.083	-
Serie 37	582.081	-
Serie 38	334.039	-
Serie 39	420.173	-
KazLoan	1.580	-
<i>Total interest income</i>	<u>36.373.946</u>	<u>30.712.877</u>

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	2020 USD	2019 USD
21 Interest expense		
FCGBV Serie 1	(605.709)	(2.456.485)
Zambezi Serie 2	(1.838.699)	(2.149.394)
Zambezi Serie 5	(1.660.012)	(1.789.219)
Zambezi Serie 6	(1.407.383)	(1.589.686)
Zambezi Serie 7	(1.150.644)	(1.147.500)
Zambezi Serie 8	(689.868)	(1.068.957)
Zambezi Serie 11	(654.656)	(924.863)
Serie 9	(1.236.897)	(1.550.386)
Serie 10	-	-
Serie 11	(419.004)	(474.574)
Serie 12	(274.850)	(362.436)
Serie 14	-	-
Serie 15	-	-
Serie 16	-	-
Serie 17	(693.806)	(2.502.212)
Serie 18	(1.879.771)	(2.122.707)
Serie 19	(56.224)	(671.155)
Serie 20	(370.855)	(421.151)
Serie 21	(612.737)	(669.596)
Serie 22	(1.568.522)	(1.599.040)
Serie 23	(1.021.782)	(1.149.083)
Serie 24	-	(446.889)
Serie 25	-	(528.264)
Serie 26	(1.431.023)	(1.565.733)
Serie 27	-	(610.840)
Serie 28	(1.457.287)	(1.443.694)
Serie 29	(1.587.603)	(800.263)
Serie 30	(1.086.688)	(53.617)
Serie 31	(1.167.187)	(57.355)
Serie 32	(1.210.417)	(59.479)
Serie 33	(1.271.743)	(62.368)
Serie 34	(1.076.721)	-
Serie 35	(313.707)	-
Serie 36	(663.845)	-
Serie 37	(579.476)	-
Serie 38	(333.540)	-
Serie 39	(420.173)	-
<i>Total interest expenses</i>	<u>(28.740.829)</u>	<u>(28.276.946)</u>

22 CDS Premium

CDS Series PYG 1 A Premium	(217.220)	(798.129)
CDS Series PYG 2 A Premium	266.979	(247.617)
CDS Series KGS 4 A Premium	(72.989)	(192.537)
CDS Series KGS 5 A Premium	4.522.246	(621.160)
CDS Series KGS 6 A Premium	(71.952)	(172.422)
CDS Series KGS 7 A Premium	(18.563)	(52.028)
CDS Series TZS 10L Premium	2.872.862	1.099.694
CDS Series TZS 11A Premium	(3.213.540)	(1.831.606)
CDS Series PYG 12 A Premium	(224.368)	(205.418)
CDS Series UZS 21 A Premium	(157.350)	(16.026)
CDS Series UZS 22 A Premium	(136.731)	(13.779)
CDS Series UZS 23 A Premium	(158.434)	(15.967)
CDS Series UZS 24 A Premium	(169.676)	(17.011)
CDS Series PYG 25 A Premium	(310.967)	-
CDS Series PYG 26 Premium	(470.186)	-
CDS Series KGS 27 Premium	38.503	-
CDS Series KGS 28 Premium	42.958	-
CDS Series KGS 29A Premium	(82.076)	-
CDS Series KGS 30L Premium	127.461	-
CDS Series TZS 41L Premium	149.320	-
CDS Series TZS 42L Premium	149.320	-
	<u>2.865.597</u>	<u>(10.406)</u>



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Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

	2020 USD	2019 USD
23 Other net result on financial instruments		
Result on restructuring Series	-	(6.575.604)
Derivatives	(972.070)	(461.952)
MTM Structured Swap FCGL	102.872	-
Result on termination 3y IA FCGBV S1	165.882	-
Result on Serie 24	-	2.857.292
Result on termination 3y IA S17	49.765	-
Result on termination 2y IA S17	-	16.588
Result on termination 3y Swap S17	-	(908.824)
Result on termination 3y Forward S9	-	305.250
Result on S28	-	280.980
Result on S29	-	200.000
Result on termination Zimbabwe series	-	(62.265)
Result maturity 4Y FX Forward	151.804	-
Result on S11	(27.500)	-
CDS Fair Value	(5.720.837)	(651.279)
	<u>(6.250.084)</u>	<u>(4.999.814)</u>

The CDS fair value can be specified as follows:

CDS Fair Value PYG 1 A	157.232	136.052
CDS Fair Value PYG 2 A	(251.358)	109.522
CDS Fair Value KGS 4 A	(114.496)	(77.141)
CDS Fair Value KGS 5 A	(5.072.886)	(682.321)
CDS Fair Value KGS 6 A	(192.945)	(189.149)
CDS Fair Value KGS 7 A	(14.156)	(19.021)
CDS Fair Value TZS 10 L	(3.564.831)	387.128
CDS Fair Value TZS 11A	3.513.454	(16.236)
CDS Fair Value PYG 12 A	185.130	(270.629)
CDS Fair Value UZS 21 A	126.810	(2.638)
CDS Fair Value UZS 22 A	47.656	(5.540)
CDS Fair Value UZS 23 A	(241)	(9.093)
CDS Fair Value UZS 24 A	(51.302)	(12.213)
CDS Fair Value PYG 25 A	(201.227)	-
CDS Fair Value PYG 26	951.867	-
CDS Fair Value KGS 27	(599.732)	-
CDS Fair Value KGS 28	(131.830)	-
CDS Fair Value KGS 29 A	(100.969)	-
CDS Fair Value KGS 30 L	18.622	-
CDS Fair Value TZS 41 L	(120.410)	-
CDS Fair Value TZS 42 L	(142.581)	-
CDS Fair Value AZN 43A	(139.802)	-
CDS Fair Value KZT 50A	(22.842)	-
	<u>(5.720.837)</u>	<u>(651.279)</u>

24 Other operating income and expenses

Arrangement and calculating fees	(7.726.665)	(9.329.114)
Management, corporate secretarial and administration fee	(351.449)	(205.839)
Commission fee	(92.910)	(339.971)
Issuer, paying and fiscal agent fee	(187.713)	(204.638)
Listing fees	(50.688)	-
Audit fee	(80.144)	(42.260)
Legal fee	(47.498)	(25.727)
Other expenses	(6.745)	(33.757)
Service fee FCGL	(1.889.421)	540.700
	<u>(10.433.233)</u>	<u>(9.640.606)</u>



Mazars Accountants N.V.
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identification purposes only
LZ | 26-04-2021

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

25 Other financial income and expenses

Other financial income	543.220	33.927
Bank charges	(283.899)	(291.570)
Foreign exchange differences	5.467.993	14.894.705
FCGL interest	600.390	672.017,00
Other financial expenses	(107.956)	-
	<u>6.219.748</u>	<u>15.309.079</u>
	2020	2019
	USD	USD

26 Income tax expense

Corporate Income Tax	(5.799)	(4.117)
	<u>(5.799)</u>	<u>(4.117)</u>

Management believes that the income tax expense have been calculated taken into account the corporate income tax situation of the company on balance sheet date.

The company has not entered into ruling with Dutch Tax Authorities regarding the method of determination of the taxable amount. The effective interest rate of the corporate income tax of 16.5% is equal to the prevailing tax rates for 2020 in the Netherlands (25% over profits up to and including Eur 200,0000).

27 Contingent Obligations

On September 28, 2015, the Company has issued Series 7 for a total amount of USD 2,000,000,000 due in 2022 and took a short position. On the same date Zambezi B.V. has issued Series 4 for a total amount of USD 2,000,000,000 due in 2022, and took a long position. These 2 Series form a so-called "FILM Notes" – Currency basket: The main reason for the currency basket is to give investors the opportunity to go long or short on a basket for currencies rather than single currency exposure. This issuance creates a contingent obligation of a Company towards Zambezi B.V., once an investor decides to take an opportunity to invest in the basket of currencies.

28 Number of employees

The Company has not employed any employees during the current financial year (previous year: none).

29 Subsequent events

The Company issued the following Credit Linked Notes (CLN) under a combined Regulation S offering outside the United States and Rule 144A offering inside the United States. The CLN can be specified as follows:

Serie 40

The Company issued Credit Linked Notes for a total aggregate notional amount ("Principal amount") of MWK 3,380,000,000 on April 14, 2021. Interest is paid semi-annually at the rate of 14.00%, with an effective interest rate of 18.68%. The Principal amount is repayable in full on the maturity date, August 15, 2026.

The Company entered into the following Swap Agreements . The Swap Agreements can be specified as follows:

FCGBV Serie 12

The Company entered into a Swap Payment agreement with Frontera Capital Group B.V. for an amount of USD 40,832,417 on February 25, 2021. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Frontera Capital Group B.V. for a total aggregate notional amount ("Principal amount") of USD 40,832,417. The Credit Lined Notes does not bear interest. The Principal amount is repayable every month-end until maturity date, July 31, 2025.

FCGBV Serie 13

The Company entered into a Swap Payment agreement with Frontera Capital Group B.V. for an amount of USD 9,024,372 on February 11, 2021. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Frontera Capital Group B.V. for a total aggregate notional amount ("Principal amount") of PYG 61,650,000,000. Interest is paid annually in arrears at the annual rate of 9%. The Principal amount is repaid in full on the Final Exchange Date, February 11, 2026.

FRONTERA CAPITAL

Notes to the Balance Sheet and Profit and Loss Account as at december 31, 2020

FCGBV Serie 14 (continued)

The Company entered into a Swap Payment agreement with Frontera Capital Group B.V. for an amount of USD 9,368,367 on February 11, 2021. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Frontera Capital Group B.V. for a total aggregate notional amount ("Principal amount") of PYG 64,000,000,000. Interest is paid annually in arrears at the annual rate of 9.50%. The Principal amount is repaid in full on the Final Exchange Date, February 09, 2029.

FCGBV Serie 15

The Company entered into a Swap Payment agreement with Frontera Capital Group B.V. for an amount of USD 14,638,074 on February 11, 2021. The Company is held to the issuing terms of the CLN under the limited recourse debt insurance programme as issued by Frontera Capital Group B.V. for a total aggregate notional amount ("Principal amount") of PYG 100,000,000,000. Interest is paid annually in arrears at the annual rate of 9.85%. The Principal amount is repaid in full on the Final Exchange Date, February 12, 2031.

The Company purchased the following bonds from The Municipality of Asuncion, Paraguay:

Investment FCGBV Serie 13

Bonds with series number PYMUA03F1286 for a nominal amount of PYG 50,000,000,000 with an annual interest rate of 14.65%, which approximates the effective interest rate and maturity date on January 19, 2029.

Investment FCGBV Serie 14

Bonds with series number PYMUA02F1279 for a nominal amount of PYG 50,000,000,000 with an annual interest rate of 14.3%, which approximates the effective interest rate and maturity date on February 02, 2032.

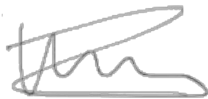
Investment FCGBV Serie 15

Bonds with series number PYMUA01F1262 for a nominal amount of PYG 100,000,000,000 with an annual interest rate of 14.00%, which approximates the effective interest rate and maturity date on February 03, 2031.

No other major post balance sheet events affecting the financial statements have occurred to date.

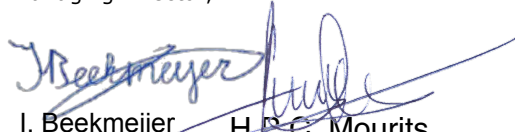
Amsterdam
April 23, 2021

Managing Director,



Steven Melkman

Managing Director,



I. Beekmeijer H.P.C. Mourits
Trustmoore Netherlands B.V.

FRONTERA CAPITAL B.V.

Other information

Statutory rules concerning appropriation of the reserves

According to Article of the Company's Articles of Association, the net reserve for the year shall be at disposal of the General meeting of Shareholders.

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been cleared.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the Shareholder's Equity exceeds the amount of the issued capital and the legal reserves.

Proposed appropriation of result for the Financial Year 2020

The Board of Directors proposes to add the net profit for the year to the other reserves. This proposed allocation of result has been incorporated in the financial statements, and is subject to the approval of the General Meeting of Shareholders.

Independent auditor's report

Independent auditor's report