

SYGNUS

CREDIT INVESTMENTS

AUDITED FINANCIAL STATEMENTS

Empowering Growth,
Fueling Regional Success.



FOR THE YEAR ENDED
JUNE 30, 2025



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INDEPENDENT AUDITORS' REPORT

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Sygnus Credit Investments Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (collectively, "the Group"), set out on pages 8 to 78, which comprise the Group's and Company's statements of financial position as at June 30, 2025, the Group's and Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and Company as at June 30, 2025, and the Group's and Company's financial performance and the Group's and Company's cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Saint Lucia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments – Level 3	
The key audit matter <i>[see notes 4(d), 10 and 28(d)]</i>	How the matter was addressed in our audit
The Group and the Company hold level 3 investments of \$62,400,244 and \$26,331,339 (2024: \$57,439,576 and \$27,148,453), respectively, measured at fair value which are instruments for which quoted prices are not available. Valuation of these investments requires the use of unobservable inputs which require significant estimation and the selection of an appropriate valuation method.	Our procedures in this area included the following: • Assessed the reasonableness and suitability of the valuation models used by the Group and the Company. • Involved our valuation specialists to determine the reasonableness of significant assumptions and independently obtain yields or prices of specific securities for comparison with those used by the Group and the Company. • Assessed the adequacy of the disclosures, including in determining fair values for these instruments.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Key Audit Matters (Continued)

Measurement of expected credit losses on financial assets	
The key audit matter <i>[see notes 4(c)(v) and 29(b)]</i>	How the matter was addressed in our audit
The determination of expected credit losses (ECL') on certain financial assets is highly subjective and requires significant judgement and estimation. The ECL for investments are \$3,437,946 (2024: \$1,435,744) for the Group and \$3,437,821 (2024: \$1,435,774) for the Company, respectively. The key areas requiring significant judgement include the identification of significant increases in credit risk ('SICR') and the application of forward-looking information (FLI). Significant judgement is used in determining the appropriate variables and assumptions used in the ECL calculations, which increases the risk of a material misstatement. Therefore, the impairment of investments at amortised cost has a high degree of estimation uncertainty.	Our procedures in this area included the following: • Obtained an understanding of the model used by the Group and Company for the calculation of expected credit losses including the governance processes over the determination and approval of key judgements and assumptions. • Tested, on a sample basis, the data used in the model by tracing selected significant data back to relevant source documents and to the underlying accounting records. • Involved our financial risk modelling specialists to assist in evaluating the appropriateness of the Group's impairment methodologies, including the SICR criteria used, and independently assessing the assumptions for forward-looking information. • Assessed the adequacy of the disclosures of the key assumptions and judgements in accordance with the requirements of the financial reporting framework.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's annual report but does not include the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 6-7, forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Damion D. Reid.

A handwritten signature of the KPMG firm, written in blue ink. The letters 'KPMG' are stylized and slanted to the right.

Chartered Accountants
Gros Islet, Saint Lucia

August 29, 2025



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Financial Position

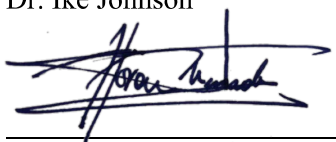
As at June 30, 2025

(Expressed in United States dollars)

	Notes	Group		Company	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		\$	\$	\$	\$
ASSETS					
Cash and cash equivalents	5	1,823,834	2,735,069	1,719,982	2,633,422
Certificates of deposit	6	449,405	15,168	449,405	15,168
Other receivables and prepayments	7	355,093	152,146	328,551	150,989
Due from related parties	8(a)	1,386,280	1,643,087	2,559,672	2,615,516
Interest receivable	9	6,707,996	4,746,067	6,707,004	4,742,438
Investments	10	209,766,257	188,050,769	173,672,598	157,778,314
Deferred tax asset	11	1,160,980	1,195,043	-	-
Investments in subsidiaries	12	-	-	27,589,552	27,589,552
Total Assets		<u>221,649,845</u>	<u>198,537,349</u>	<u>213,026,764</u>	<u>195,525,399</u>
LIABILITIES					
Accounts payable and accrued liabilities	13	2,289,683	6,605,748	2,192,746	6,505,467
Due to related parties	8(a)	821,798	743,155	821,798	743,155
Interest payable	14	400,539	973,194	400,539	973,194
Taxation payable		643,247	104,932	221,251	74,077
Deferred income	15	236,741	-	236,741	-
Notes payable	16	53,723,321	60,955,576	53,723,321	50,412,813
Preference shares	17	84,110,243	48,994,477	84,110,243	48,994,477
Loans and borrowings	18	6,254,836	8,062,646	6,254,836	18,204,877
Total Liabilities		<u>148,480,408</u>	<u>126,439,728</u>	<u>147,961,475</u>	<u>125,908,060</u>
EQUITY					
Share capital	19	60,883,532	60,883,532	60,883,532	60,883,532
Treasury shares	20	(829,726)	(829,726)	(829,726)	(829,726)
Retained earnings		<u>13,115,631</u>	<u>12,043,815</u>	<u>5,011,483</u>	<u>9,563,533</u>
Total Equity		<u>73,169,437</u>	<u>72,097,621</u>	<u>65,065,289</u>	<u>69,617,339</u>
Total Liabilities and Equity		<u>221,649,845</u>	<u>198,537,349</u>	<u>213,026,764</u>	<u>195,525,399</u>

The financial statements on pages 8 to 78 were approved by the Board of Directors on August 29, 2025.


 _____ Director
 Dr. Ike Johnson


 _____ Director
 Horace Messado

The accompanying notes form an integral part of the consolidated and separate financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

Year ended June 30, 2025

(Expressed in United States dollars)

		<u>Group</u>		<u>Company</u>	
	<u>Notes</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		\$	\$	\$	\$
Income					
Interest income calculated using the effective interest method	22	20,144,798	17,337,178	20,090,761	17,302,458
Other interest income	22	2,146,621	1,425,138	2,146,621	1,425,138
Interest expense	22	(13,425,203)	(10,286,916)	(13,367,540)	(10,037,751)
		8,866,216	8,475,400	8,869,842	8,689,845
Fair value gain/(loss) from financial instruments at FVTPL	28(d)	4,336,089	1,752,693	(2,093,912)	448,100
Other income	23	98,776	319,373	98,776	319,373
Net foreign exchange gain		<u>636,077</u>	<u>30,299</u>	<u>632,627</u>	<u>30,722</u>
		<u>13,937,158</u>	<u>10,577,765</u>	<u>7,507,333</u>	<u>9,488,040</u>
Expenses					
Management fees	8(b)	3,389,128	2,880,328	3,389,128	2,880,328
Performance fees	8(b)	249,790	207,720	249,790	207,720
Corporate service fees	8(b)	282,621	557,060	282,621	557,060
Impairment allowance on financial assets	29(b)(vii)	3,442,413	369,708	3,442,258	374,691
Other expenses	24	<u>1,454,722</u>	<u>1,170,440</u>	<u>1,227,866</u>	<u>1,014,563</u>
		<u>8,818,674</u>	<u>5,185,256</u>	<u>8,591,663</u>	<u>5,034,362</u>
Profit/(loss) before taxation		5,118,484	5,392,509	(1,084,330)	4,453,678
Taxation (charge)/credit	25(a)	(<u>841,966</u>)	<u>632,564</u>	(<u>263,018</u>)	(<u>164,733</u>)
Profit/(loss) for the year, being total comprehensive income		<u>4,276,518</u>	<u>6,025,073</u>	<u>(1,347,348)</u>	<u>4,288,945</u>
Earnings and diluted earnings per stock unit	26	<u>0.73¢</u>	<u>1.03¢</u>		

The accompanying notes form an integral part of the consolidated and separate financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED

Group Statement of Changes in Equity

Year ended June 30, 2025

(Expressed in United States dollars)

	Share capital (note 19) \$	Treasury shares (note 20) \$	Retained earnings \$	Total \$
Balances at June 30, 2023	60,883,532	(242,950)	9,166,471	69,807,053
Profit for the year, being total comprehensive income for the year	-	-	6,025,073	6,025,073
Transactions with owners				
Treasury shares acquired	-	(586,776)	-	(586,776)
Dividends declared (note 27)	<u>-</u>	<u>-</u>	(3,147,729)	(3,147,729)
Balances at June 30, 2024	60,883,532	(829,726)	12,043,815	72,097,621
Profit for the year, being total comprehensive income for the year	-	-	4,276,518	4,276,518
Transactions with owners				
Dividends declared (note 27)	<u>-</u>	<u>-</u>	(3,204,702)	(3,204,702)
Balances at June 30, 2025	<u>60,883,532</u>	<u>(829,726)</u>	<u>13,115,631</u>	<u>73,169,437</u>

The accompanying notes form an integral part of the consolidated and separate financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED

Company Statement of Changes in Equity
Year ended June 30, 2025

(Expressed in United States dollars)

	Share <u>capital</u> (note 19) \$	Treasury <u>shares</u> (note 20) \$	Retained <u>earnings</u> \$	<u>Total</u> \$
Balances at June 30, 2023	60,883,532	(242,950)	8,422,317	69,062,899
Profit for the year, being total comprehensive income for the year	-	-	4,288,945	4,288,945
Transactions with owners				
Treasury shares acquired	-	(586,776)	-	(586,776)
Dividends declared (note 27)	<u>-</u>	<u>-</u>	<u>(3,147,729)</u>	<u>(3,147,729)</u>
Balances at June 30, 2024	60,883,532	(829,726)	9,563,533	69,617,339
Loss for the year, being total comprehensive income for the year	-	-	(1,347,348)	(1,347,348)
Transactions with owners				
Dividends declared (note 27)	<u>-</u>	<u>-</u>	<u>(3,204,702)</u>	<u>(3,204,702)</u>
Balances at June 30, 2025	<u>60,883,532</u>	<u>(829,726)</u>	<u>5,011,483</u>	<u>65,065,289</u>

The accompanying notes form an integral part of the consolidated and separate financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED**Statement of Cash Flows****Year ended June 30, 2025***(Expressed in United States dollars)*

	<u>Notes</u>	<u>Group</u>		<u>Company</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		\$	\$	\$	\$
Cash flows from operating activities					
Interest received		18,182,869	17,790,815	18,126,195	17,505,565
Interest paid		(12,341,235)	(8,256,008)	(12,375,571)	(8,280,573)
Net interest received		5,841,634	9,534,807	5,750,624	9,224,992
Other income received		2,146,621	1,425,138	2,146,621	1,425,138
Purchase of investments		(47,125,319)	(86,408,300)	(47,119,413)	(81,900,121)
Encashment of investments		26,303,506	50,954,046	25,688,958	50,796,371
Proceeds from lease receivables		-	263,200	-	263,200
Purchase of certificates of deposit		(434,237)	(15,168)	(434,237)	(15,168)
Fair value loss/(gain) on investments		(4,336,089)	(1,752,693)	2,093,912	(448,100)
Impairment allowance on financial assets		3,442,413	369,708	3,442,258	374,691
Other operating costs paid		(8,173,048)	(3,366,690)	(14,551,697)	(4,927,851)
Income tax paid		(269,588)	(585,895)	(115,844)	(219,004)
Net cash used in operating activities		(22,604,107)	(29,581,847)	(23,098,818)	(25,425,852)
Cash flows from investing activity					
Investments in subsidiaries, being net cash used in investing activities		-	-	-	(4,500,000)
Cash flows from financing activities					
Dividends paid		(3,441,067)	(3,395,578)	(3,441,067)	(3,395,578)
Repurchase of treasury shares		-	(586,776)	-	(586,776)
Proceeds from preference shares	17(iii)	36,204,803	50,312,000	36,204,803	50,312,000
Transaction costs related to issue of preference shares	17(iii)	(1,463,639)	(1,636,417)	(1,463,639)	(1,636,417)
Proceeds from notes payable	16(v)	4,334,556	11,318,671	4,334,556	54,314
Repayment of notes payable	16(v)	(11,584,797)	(27,285,851)	(950,035)	(8,642,178)
Transaction costs related to notes payable	16(v)	(378,075)	(990,590)	(378,075)	(785,832)
Proceeds from loans and borrowings	18(iv)	33,486,787	8,674,013	33,486,787	8,774,013
Repayment of loans and borrowings	18(iv)	(35,265,884)	(8,524,172)	(45,408,115)	(15,907,716)
Transaction costs related to loans and borrowings	18(iv)	(173,855)	(55,631)	(173,855)	(55,631)
Net cash provided by financing activities		21,718,829	27,829,669	22,211,360	28,130,199
Net decrease in cash and cash equivalents		(885,278)	(1,752,178)	(887,458)	(1,795,653)
Cash and cash equivalents at beginning of year		2,735,069	4,464,694	2,633,422	4,406,522
Effect of exchange rate movements on cash and cash equivalents held		(25,957)	22,553	(25,982)	22,553
Cash and cash equivalents at end of year	5	<u>1,823,834</u>	<u>2,735,069</u>	<u>1,719,982</u>	<u>2,633,422</u>

The accompanying notes form an integral part of the consolidated and separate financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements

Year ended June 30, 2025

(Expressed in United States dollars)

1. The Company

Sygnus Credit Investments Limited ("the Company") was incorporated in Saint Lucia on January 13, 2017 as an International Business Company. The Company's registered office is located at McNamara Corporate Services Inc., 20 Micoud Street, Castries, Saint Lucia.

The Company is a specialty credit investment company, dedicated to providing non-traditional financing to medium-sized firms across the Caribbean region.

The Company has no employees. In respect of its general administration and investment activities, Sygnus Capital SL Limited ("SCLSL" or "the Asset Manager") incorporated in Saint Lucia provides oversight and gives direction to Sygnus Capital Limited ("SCL" or "the Investment Manager") incorporated in Jamaica. SCL is licensed and regulated by the Financial Services Commission.

The Company has interests in several subsidiaries, which are listed below. The Company and its subsidiaries are collectively referred to as "the Group".

<u>Subsidiaries</u>	<u>Country of Incorporation</u>	<u>Principal Activities</u>	<u>Percentage Ownership</u>
Sygnus Credit Investments Jamaica Limited (SCIJ)	Jamaica	Finance raising	100%
SCI PR Holdings Limited (SCIPRH)	Saint Lucia	Holding company	100%
Sygnus Credit Investments PR Inc (SCIPRI)	Puerto Rico	Holding company	100%

Sygnus Credit Investments Jamaica Limited ("SCIJ") was incorporated on May 7, 2019 and its business operations commenced in October 2019.

SCI PR Holdings Limited ("SCIPRH") was incorporated on July 1, 2021 under the International Business Companies Act. Business operations commenced on February 28, 2022.

Sygnus Credit Investments PR Inc ("SCIPRI"), was formerly SCI Puerto Rico Inc, with a name change occurring effective April 1, 2024. SCIPRI was incorporated on September 24, 2021 as a Domestic Corporation and is a wholly owned subsidiary of SCIPRH. Business operations commenced on February 28, 2022. SCIPRI currently holds a 95.58% membership interest in Sygnus Credit Investments Puerto Rico Fund LLC ("SCIPRF" or "Fund"). The membership interest held in SCIPRF is reflected as an equity investment at the end of the reporting period, as it was determined under IFRS 10 *Consolidated Financial Statements* that SCIPRI does not have power over the relevant activities of this Fund.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

1. The Company (continued)

SCIPRF is a Fund which was incorporated under the laws of Puerto Rico on January 10, 2022. The Fund acquired 100% of Acrecent Financial Corporation (“AFC”) on February 28, 2022. AFC filed a certificate of conversion on June 30, 2023 changing from a regular corporation to a limited liability company (LLC). For income tax purposes, the election to be taxed as a partnership was effective on July 1, 2023. See note 21 for details of investments in unconsolidated structured entities.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and their interpretations as issued by the International Accounting Standards Board (“IASB”).

New and amended standards and interpretations that became effective during the year:

Certain new and amended standards came into effect during the current financial year, none of which had any significant impact on these financial statements. The Group has assessed them and has adopted those which are relevant to its financial statements. These did not result in any significant changes to amounts recognised or disclosed in these financial statements.

New and amended standards and interpretations issued but not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

- IFRS 18 Presentation and Disclosure in Financial Statements, is effective for annual reporting periods beginning on or after July 1, 2027.

Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company’s main business activities.

All companies are required to report the newly defined ‘operating profit’ subtotal – an important measure for investors’ understanding of a company’s operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing’ category.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a ‘useful structured summary’ of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations issued but not yet effective (continued):

- **IFRS 18 Presentation and Disclosure in Financial Statements (continued)**

IFRS 18 requires some ‘non-GAAP’ measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management’s view of financial performance. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

Companies are discouraged from labelling items as ‘other’ and will now be required to disclose more information if they continue to do so.

The Group is assessing the impact that this amendment may have on its future financial statements.

- **Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*.** The amendments apply for reporting periods beginning on or after 1 January 2026. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system. The exception allows Companies to derecognise its financial liabilities before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- (i) no practical ability to withdraw, stop or cancel the payment instruction;
- (ii) no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- (iii) the settlement risk associated with the electronic payment system is insignificant.

The Group is assessing the impact that this amendment may have on its future financial statements.

(b) Basis of preparation

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value and/or amortised cost.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

2. Statement of compliance and basis of preparation (continued)

(c) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The Group's and Company's consolidated and separate financial statements are presented in United States dollars, which is the Company's functional currency.

(d) Use of estimates and judgement

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the reported amounts of income, expenses, gains and losses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

3. Critical accounting judgements and key sources of estimation uncertainty

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets [see note 29(b)]

Measurement of the expected credit loss (ECL) allowance:

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring expected credit loss (ECL) is further detailed in note 29(b), which also sets out key sensitivities of the ECL to changes in these elements.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following (continued):

(a) Key sources of estimation uncertainty (continued)

(ii) Fair value of financial instruments (see note 28)

There are no quoted market prices for a material portion of the Group's and Company's investments. Accordingly, fair values of these financial assets are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The fair values determined in this way are classified as Level 3 in the fair value hierarchy. [see notes 10 and 28(e)].

(iii) Deferred tax asset (see note 11)

The recognition of a deferred tax asset requires management to make assumptions concerning future taxable profits against which deferred tax asset can be recovered. Judgements are also made on the timing of the recognition of the deferred tax based on the finalisation of the transactions that gave rise to the temporary differences.

(b) Critical accounting judgements in applying the Group's accounting policies

The Group's and Company's accounting policies which require the use of judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements include the following:

Impairment of financial assets

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement [see note 29(b)(iii)].

4. Material accounting policies

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method at the date on which control is transferred to the Group.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***4. Material accounting policies (continued)****(a) Basis of consolidation (continued)****(i) Business combinations (continued)**

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the result is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The transfers of consideration by the acquirer in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Contingent consideration that is classified as a liability is remeasured to fair value at each reporting date, with changes included in the income statement in the post-combination period. Contingent consideration that is classified as equity is not remeasured in the post-combination period.

The accounting policies of the subsidiaries are consistent with those of the Group.

(ii) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the relevant activities of the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of a subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

4. Material accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Transactions eliminated on consolidation

Balances and transactions between companies within the Group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements.

(b) Cash and cash equivalents

Cash comprises cash at banks and cash equivalents which are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are classified and measured at amortised cost.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, certificates of deposit, investments, other receivables (excluding prepayments), interest receivable, and due from related parties. Financial liabilities include accounts payable and accrued liabilities, notes payable, interest payable, loans and borrowings, preference shares and due to related parties.

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*4. Material accounting policies (continued)**(c) Financial instruments (continued)**

Financial assets

(i) Classification and subsequent measurement

In applying IFRS 9, the Group classified its financial assets in the following measurement categories:

- (a) Fair value through profit or loss (FVTPL); or
- (b) Amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Business model assessment:

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed.

Solely payments of principal and interest (SPPI):

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test').

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*4. Material accounting policies (continued)**(c) Financial instruments (continued)**

Financial assets (continued)

(ii) Classification and subsequent measurement (continued)

Solely payments of principal and interest (SPPI) (continued):

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Financial assets are classified as FVTPL when they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Group does not have any instruments classified as fair value through other comprehensive income.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

(iv) Measurement of gains and losses on financial assets

Gains and losses on financial assets at amortised cost and FVTPL are included in the statement of profit or loss.

(v) Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on the financial instruments measured at amortised cost.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*4. Material accounting policies (continued)**(c) Financial instruments (continued)**

Financial assets (continued)

(v) Impairment of financial assets (continued)

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.
- A financial asset is credit impaired (‘Stage 3’) when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 and 3 have their ECL measured based on expected credit losses on a lifetime basis.

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired (referred to as ‘Stage 3 financial assets’). A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance on terms that the Group would not consider otherwise;

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*4. Material accounting policies (continued)**(c) Financial instruments (continued)**

Financial assets (continued)

(v) Impairment of financial assets (continued)

Credit-impaired financial assets (continued)

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Measurement of ECL

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

The ECL is determined by using the probability of default (PD), loss given default (LGD) and exposure at default (EAD). These three components are multiplied together and adjusted for forward-looking information and discount rates.

The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- other and lease receivables are measured at an amount equal to lifetime ECL.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, or that proceeds from collateral will not be sufficient to pay back the entire exposure. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

4. Material accounting policies (continued)

(c) Financial instruments (continued)

(vi) Financial liabilities

The Group classifies its non-derivative financial liabilities as measured at amortised cost.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously. No financial assets and financial liabilities have been offset and presented net in these financial statements.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***4. Material accounting policies (continued)****(e) Investment in subsidiaries**

The Company measures investment in subsidiaries in the financial statements at cost, less any impairment loss.

(f) Revenue recognition**(i) Interest income**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (b) Financial assets that are not POCI but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision).

(ii) Other interest income

Other interest income represents dividends on preference shares and is recognised when the right to receive payment is established.

(iii) Other income

Other income represents participation fees, commitment fees, extension fees and undrawn fees. Participation and undrawn fees are recognized on the accrual basis when the related services are performed. Commitment and extension fees are recognized over time as the services are provided.

(iv) Net income from financial instruments at FVTPL

Net income from financial instruments at FVTPL includes fair value changes, interest, dividends and foreign exchange differences.

(g) Foreign currency transactions and balances

Assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date.

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Realised and unrealised gains and losses arising from fluctuations in exchange rates are included in profit or loss.

(h) Other receivables and due from related parties

Other receivables and amounts due from related parties are measured at amortised cost, less any impairment loss.

(i) Taxation

Taxation on the profit or loss for the period comprises current and deferred taxes. Current and deferred taxes are recognised as tax expense or benefit in profit or loss.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***4. Material accounting policies (continued)****(i) Taxation (continued)****(i) Current taxation**

Current tax charges are based on the taxable profit for the period, which differs from the profit before tax reported because they exclude items that are taxable or deductible in other periods, and items that are never taxable or deductible. The current tax is calculated at tax rates that have been enacted at the reporting date.

(ii) Deferred tax

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods.

Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised. Deferred tax assets are reviewed at each reporting date to determine whether it is probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the assets will be realised or the liability will be settled based on enacted rates.

(j) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount.

The effective interest rate is established on initial recognition of the financial liability and not revised subsequently.

(k) Accounts payable, accrued liabilities and due to related parties

Accounts payable, accrued liabilities and due to related parties are measured at amortised cost.

(l) Share capital**(i) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds. Dividends on ordinary shares are recognised as distributions within equity. Dividends to ordinary shareholders are recorded in the financial statements in the period in which they are declared.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***4. Material accounting policies (continued)****(l) Share capital (continued)****(ii) Treasury shares**

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes direct attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within capital contribution.

(m) Preference shares

The Group's preference shares are redeemable on specific dates or are subject to call options after a certain period at the discretion of the issuer. The redeemable preference shares also bear entitlements to distributions that are cumulative and not at the discretion of the directors. Accordingly, they are presented as financial liabilities. Incremental costs directly attributable to the issue of preference shares are deducted from the initial measurement of the instrument. Dividends on preference shares are recognised as interest expense in the statement of profit or loss.

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between cost and redemption being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures*, as the "reporting entity", that is, the Group).

(A) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group of companies (which means that each parent, subsidiary and fellow subsidiary is related to the other).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of companies of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the Group.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***4. Material accounting policies (continued)****(o) Related parties (continued)**

(B) An entity is related to the Group if any of the following conditions applies (continued):

- (vi) The entity is controlled, or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of companies of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(p) Segment reporting

An operating segment is a component of an entity:

- (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (iii) for which discrete financial information is available.

The Group maintains an integrated operating structure and its operations are reviewed by management and directors as a whole and not in segments. Consequently, no segment disclosures are included in the financial statements.

During the period under review, the Group and Company generated interest income from three clients (2024: two) within the Infrastructure industry, which separately represented 10% or more of total interest earnings. The combined concentration of revenue from these clients was \$5,983,875 or 30% (2024: \$3,980,771 or 23%).

5. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Cash and bank balances	1,160,986	2,110,460	1,057,134	2,008,813
Certificates of deposit	<u>662,848</u>	<u>624,609</u>	<u>662,848</u>	<u>624,609</u>
	<u>1,823,834</u>	<u>2,735,069</u>	<u>1,719,982</u>	<u>2,633,422</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*6. Certificates of deposit

At the reporting date, the Group and the Company held term deposits totaling \$449,405 (2024: \$15,168) with interest rates ranging between 1.00% to 5.30% per annum. The term deposits mature between August 13, 2025 and October 28, 2025.

7. Other receivables and prepayments

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Prepaid expenses	71,759	42,329	71,759	41,172
Client receivables (i)	232,098	78,747	232,098	78,747
Other receivables	<u>51,236</u>	<u>31,070</u>	<u>24,694</u>	<u>31,070</u>
	<u>355,093</u>	<u>152,146</u>	<u>328,551</u>	<u>150,989</u>

The aging of client receivables is as follows:

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
61-90 days	153,440	89
Over 360 days	<u>78,658</u>	<u>78,658</u>
	<u>232,098</u>	<u>78,747</u>

(i) Client receivables include undrawn fees, commitment fees and profit share payments from preference shares due under existing client contract arrangements.

(ii) The expected credit losses on client and other receivables are immaterial.

8. Related party balances and transactions

The Group has related party relationships with its directors, shareholders and other related entities which includes the directors having significant influence or shareholders with common shareholdings in both entities.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*8. Related party balances and transactions (continued)

- (a) The statement of financial position includes balances with related parties, arising in the normal course of business as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Due from related parties (i)				
Subsidiaries:				
Sygnus Credit Investments				
Jamaica Limited	-	-	1,318,105	644,573
SCI PR Holdings Limited	-	-	10,608	8,793
Sygnus Credit Investments				
PR Inc	-	-	980,959	1,712,150
Other related party:				
SCI Puerto Rico Fund	<u>1,386,280</u>	<u>1,643,087</u>	<u>250,000</u>	<u>250,000</u>
	<u>1,386,280</u>	<u>1,643,087</u>	<u>2,559,672</u>	<u>2,615,516</u>
Due to related parties (i)				
Other related parties:				
Sygnus Capital SL Limited	38,030	-	38,030	-
Sygnus Capital Limited	<u>783,768</u>	<u>743,155</u>	<u>783,768</u>	<u>743,155</u>
	<u>821,798</u>	<u>743,155</u>	<u>821,798</u>	<u>743,155</u>
Interest receivable (note 9)				
Subsidiary:				
Sygnus Credit Investments				
Jamaica Limited	-	-	4,526	266,383
Other related parties:				
Sygnus Deneb Investments				
Limited	5,518	4,251	-	3,925
Sygnus Real Estate Finance				
Limited	<u>-</u>	<u>270,466</u>	<u>-</u>	<u>480</u>
	<u>5,518</u>	<u>274,717</u>	<u>4,526</u>	<u>270,788</u>
Investments [note 10(iv)]				
Subsidiary:				
Sygnus Credit Investments				
Jamaica Limited	-	-	4,761,643	9,228,062
Other related parties:				
Sygnus Deneb Investments				
Limited	4,786,522	5,769,825	-	-
Sygnus Real Estate Finance				
Limited	<u>-</u>	<u>3,431,004</u>	<u>-</u>	<u>-</u>
	<u>4,786,522</u>	<u>9,200,829</u>	<u>4,761,643</u>	<u>9,228,062</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

8. Related party balances and transactions (continued)

- (a) The statement of financial position includes balances with related parties, arising in the normal course of business as follows (continued):

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Loans and borrowings (note 18)				
Other related party:				
Acrecent Financial LLC	1,500,000	-	1,500,000	-
Subsidiary:				
Sygnus Credit Investments				
Jamaica Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,142,231</u>
	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>10,142,231</u>

- (i) These balances due to and from related parties represent reimbursable business expenses. The balances are unsecured, interest free and repayable on demand.

Amounts due from the related parties are considered low credit risk as these parties have intention and ability to settle these balances. \$Nil (2024: \$Nil) allowance for impairment was recognised.

- (b) The statement of profit or loss and other comprehensive income includes income earned and expenses incurred with related parties, arising in the normal course of business as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Income:				
Interest income (note 22)	726,277	1,190,212	672,240	1,155,492
Interest expense (note 22)	<u>(372,410)</u>	<u>-</u>	<u>(831,534)</u>	<u>(1,082,473)</u>
Operating expenses:				
Management fees (i)	3,389,128	2,880,328	3,389,128	2,880,328
Performance fees (ii)	249,790	207,720	249,790	207,720
Corporate service fees (iii)	<u>282,621</u>	<u>557,060</u>	<u>282,621</u>	<u>557,060</u>

- (i) The Group has engaged related parties Sygnus Capital SL Limited and Sygnus Capital Limited, to provide asset management and investment management services, respectively. Under the governing agreements, a combined fee is charged at 1.90% of the assets under management as at the end of each month.
- (ii) Performance fees are computed at 15% of the return on average equity above a hurdle rate of 6%, based on the average return on equity of the current and prior two years.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*8. Related party balances and transactions (continued)

(b) (Continued):

(iii) The Group has engaged a related party, Sygnus Capital Limited, to provide corporate services in relation to the operations of the Group. Corporate service fees are charged at tiered rates on the monthly assets under management as follows:

- 0.45% up to and including \$25,000,000 plus;
- 0.35% between \$25,000,000 and \$50,000,000 plus;
- 0.25% between \$50,000,000 and \$100,000,000 plus;
- 0.20% greater than \$100,000,000;

(iv) Transactions with key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the relevant activities of the Group, directly or indirectly. Such persons comprise the directors and executive officers employed to the Group's Investment Manager and related sub-committees.

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Directors' fees and related expenses	<u>204,187</u>	<u>151,507</u>	<u>204,187</u>	<u>151,507</u>

Key management personnel and their immediate relatives hold 2,289,480 (2024: 2,208,615) ordinary shares of the Company.

9. Interest receivable

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Certificates of deposit (note 6)	5,686	6,148	5,686	6,148
Intercompany short-term notes [note 8(a)]	5,518	274,717	4,526	270,788
Investments (note 10)	<u>6,696,792</u>	<u>4,465,202</u>	<u>6,696,792</u>	<u>4,465,502</u>
	<u>6,707,996</u>	<u>4,746,067</u>	<u>6,707,004</u>	<u>4,742,438</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

10. Investments

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Investments at FVTPL [note 28(d)]				
Preference shares - profit participation and conversion options (i)	26,331,339	27,148,453	26,331,339	27,148,453
Equity investments:				
Private credit fund (ii)	34,568,655	28,791,123	-	-
Business impact fund (iii)	<u>1,500,250</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
	<u>62,400,244</u>	<u>57,439,576</u>	<u>26,331,339</u>	<u>27,148,453</u>
Investments at amortised cost				
Short-term notes (iv)	77,993,480	72,597,895	77,968,601	72,616,593
Medium-term notes (v)	<u>72,810,479</u>	<u>59,449,042</u>	<u>72,810,479</u>	<u>59,449,042</u>
	150,803,959	132,046,937	150,779,080	132,065,635
Less: impairment allowance [note 29(b)(v)]	(<u>3,437,946</u>)	(<u>1,435,744</u>)	(<u>3,437,821</u>)	(<u>1,435,774</u>)
[note 29(b)]	<u>147,366,013</u>	<u>130,611,193</u>	<u>147,341,259</u>	<u>130,629,861</u>
	<u>209,766,257</u>	<u>188,050,769</u>	<u>173,672,598</u>	<u>157,778,314</u>

The maturity profile of investments as at the reporting date is as follows:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Fair value through profit or loss:				
Preference shares				
Within 3 months	3,281,991	3,638,657	3,281,991	3,638,657
From 3 months to 1 year	20,396,814	-	20,396,814	-
From 1 year to 5 years	<u>2,652,534</u>	<u>23,509,796</u>	<u>2,652,534</u>	<u>23,509,796</u>
	<u>26,331,339</u>	<u>27,148,453</u>	<u>26,331,339</u>	<u>27,148,453</u>
Other equity investments - no fixed maturity	<u>36,068,905</u>	<u>30,291,123</u>	<u>-</u>	<u>-</u>
Amortised cost:				
Within 3 months	55,978,037	39,338,768	55,978,037	39,338,768
From 3 months to 1 year	22,015,443	33,259,127	21,990,564	33,277,825
From 1 year to 5 years	<u>72,810,479</u>	<u>59,449,042</u>	<u>72,810,479</u>	<u>59,449,042</u>
	150,803,959	132,046,937	150,779,080	132,065,635
Less: impairment allowance [note 29(b)(v)]	(<u>3,437,946</u>)	(<u>1,435,744</u>)	(<u>3,437,821</u>)	(<u>1,435,774</u>)
	<u>147,366,013</u>	<u>130,611,193</u>	<u>147,341,259</u>	<u>130,629,861</u>
	<u>209,766,257</u>	<u>188,050,769</u>	<u>173,672,598</u>	<u>157,778,314</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*10. Investments (continued)

- (i) This represents convertible preference shares maturing within five years. These investments were carried out with companies in the betting and gaming, fast food, financial and manufacturing industries.

The terms and conditions of each preference share are as follows:

- (a) The Group and Company has an equity conversion option to convert all or part of the shares into common equity in the event of an Initial Public Offering or sale by the Issuer.
 - (b) The Group and Company is entitled to receive a percentage of reported net/gross profits of the Issuers.
 - (c) The Issuers have a redemption option whereby the preference shares can be redeemed prior to the maturity date by paying a premium to the Group and Company.
- (ii) On February 28, 2022, the Group acquired a 93.66% membership interest in SCIPRF, a private credit fund through its subsidiary Sygnus Credit Investments PR Inc. The Group has since increased its holdings to 95.58%. It has been determined that the Group does not control the activities of the Fund.

The Group has accounted for this equity investment applying a market valuation approach, detailed under Note 28(c).

- (iii) On June 28, 2024 the Group acquired a Class B membership interest in Sygnus Credit Investments Puerto Rico (Impact) Fund, a business impact fund based in Puerto Rico. This impact fund targets local opportunities in Puerto Rico that have a positive societal and environmental impact that is aligned with the United Nations sustainable development goals. The Group's holding in the Fund represented 6% (2024: 16%) at the end of the reporting period.

The Group has accounted for this equity investment applying a cost approach detailed under note 28(c).

- (iv) This represents short-term notes maturing within one year from the reporting date. Included in this balance for the Group are short-term notes with related parties of \$4,786,522 (2024: \$9,200,829) and \$4,761,643 (2024: \$9,228,062) for the Company.
 - (v) This represents medium-term notes maturing within two to five years. These notes can be repaid on or before the contracted periods.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

11. Deferred tax asset

The amount comprising the deferred income tax account and the movements therein is as follows:

	<u>Group</u>		
	<u>2025</u>		
	<u>Balance at</u>	<u>Recognised</u>	<u>Balance at</u>
	<u>July 1, 2024</u>	<u>in profit or loss</u>	<u>June 30, 2025</u>
		<u>[Note 25(a)]</u>	
	\$	\$	\$
Private capital special deduction	1,180,000	(19,020)	1,160,980
Net operating losses	<u>15,043</u>	<u>(15,043)</u>	<u>-</u>
	<u>1,195,043</u>	<u>(34,063)</u>	<u>1,160,980</u>

	<u>Group</u>		
	<u>2024</u>		
	<u>Balance at</u>	<u>Recognised</u>	<u>Balance at</u>
	<u>July 1, 2023</u>	<u>in profit or loss</u>	<u>June 30, 2024</u>
		<u>[Note 25(a)]</u>	
	\$	\$	\$
Expected credit losses	3,650	(3,650)	-
Private capital special deduction	-	1,180,000	1,180,000
Net operating losses	<u>-</u>	<u>15,043</u>	<u>15,043</u>
	<u>3,650</u>	<u>1,191,393</u>	<u>1,195,043</u>

	<u>Company</u>		
	<u>2024</u>		
	<u>Balance at</u>	<u>Recognised</u>	<u>Balance at</u>
	<u>July 1, 2023</u>	<u>in profit or loss</u>	<u>June 30, 2024</u>
		<u>[Note 25(a)]</u>	
	\$	\$	\$
Expected credit losses	<u>3,650</u>	<u>(3,650)</u>	<u>-</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*12. Investments in subsidiaries

Investments in subsidiaries represent shares at cost (see note 1). The Company does not have significant restrictions on the ability to access or use assets and settle its liabilities

	<u>Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Shares at cost:		
SCI PR Holdings Limited	27,589,476	27,589,476
Sygnus Credit Investments Jamaica Limited	<u>76</u>	<u>76</u>
	<u>27,589,552</u>	<u>27,589,552</u>

13. Accounts payable and accrued liabilities

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Accounts payable (i)	641,133	5,271,610	641,133	5,271,610
Audit fees	150,198	134,795	107,795	99,795
Directors' fees and related expenses	20,988	20,988	20,988	20,988
Dividend payable (note 27)	-	236,365	-	236,365
Security deposits (ii)	1,191,310	732,495	1,191,310	732,495
Advanced payment by client	-	52,180	-	52,180
Other payables and accrued expenses	<u>286,054</u>	<u>157,315</u>	<u>231,520</u>	<u>92,034</u>
	<u>2,289,683</u>	<u>6,605,748</u>	<u>2,192,746</u>	<u>6,505,467</u>

(i) Included in accounts payable in the prior period was an amount for \$4,983,162 which represented obligations in respect of matured preference share instruments. This balance was settled during the financial year.

(ii) These balances were withheld by the Company as part of investment transactions in the event of a default in payments.

14. Interest payable

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Notes payable (note 16)	398,962	402,173
Preference shares (note 17)	-	474,799
Revolving line of credit (note 18)	<u>1,577</u>	<u>96,222</u>
	<u>400,539</u>	<u>973,194</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

15. Deferred income

Deferred income is in respect of commitment and underwriting fees which have been identified as being integral to the effective interest rate of existing financial assets. These fees are being treated as adjustments to the effective interest rate and are deferred and applied to the income statement over the life of the applicable financial assets.

16. Notes payable

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Senior unsecured J\$ notes (i)	8,836,843	8,977,928	8,836,843	8,977,928
Senior unsecured US\$ notes (ii)	14,293,705	20,609,920	14,293,705	10,067,157
Unsecured US\$ indexed notes (iii)	27,209,773	27,967,728	27,209,773	27,967,728
Secured US\$ indexed note (iv)	<u>3,383,000</u>	<u>3,400,000</u>	<u>3,383,000</u>	<u>3,400,000</u>
	<u>53,723,321</u>	<u>60,955,576</u>	<u>53,723,321</u>	<u>50,412,813</u>
Due within 12 months	27,848,050	38,807,790	27,848,050	28,265,027
Over 12 months	<u>25,875,271</u>	<u>22,147,786</u>	<u>25,875,271</u>	<u>22,147,786</u>
	<u>53,723,321</u>	<u>60,955,576</u>	<u>53,723,321</u>	<u>50,412,813</u>

- (i) This represents fixed rate unsecured notes with interest rates ranging between 10.25% and 11.50% per annum, payable on a quarterly basis. These notes mature between July 31, 2025 and January 6, 2026.
- (ii) This represents fixed rate unsecured notes with interest rates ranging between 6.00% and 8.50% per annum, payable on a quarterly basis. The notes mature between April 2, 2026 and April 1, 2027.
- (iii) This represents fixed rate unsecured notes with interest rates ranging between 6.00% and 8.00% per annum, payable on a quarterly basis. The notes mature between February 6, 2026 and February 14, 2027.
- (iv) This represents a fixed rate secured note bearing an interest rate of 8.50% per annum payable at maturity. The note matures on November 22, 2025 and is secured by a deed of assignment over the receivables of a client in the manufacturing industry amounting to \$3,400,000 (2024: \$3,400,000).

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

16. Notes payable (continued)

- (v) Reconciliation of movements of notes payable to cash flows arising from financing activities:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Balance at July 1	<u>60,955,576</u>	<u>77,065,698</u>	<u>50,412,813</u>	<u>59,212,591</u>
Changes from financing cash flows:				
Proceeds received	4,334,556	11,318,671	4,334,556	54,314
Repayments made	(11,584,797)	(27,285,851)	(950,035)	(8,642,178)
Transaction costs incurred	(378,075)	(990,590)	(378,075)	(785,832)
	<u>(7,628,316)</u>	<u>(16,957,770)</u>	<u>3,006,446</u>	<u>(9,373,696)</u>
The effect of changes in foreign exchange rate	<u>(227,729)</u>	<u>(142,887)</u>	<u>(227,729)</u>	<u>(142,887)</u>
Other changes:				
Interest paid	(4,794,410)	(5,327,133)	(4,252,473)	(4,269,225)
Movement in interest payable	3,211	(26,722)	3,211	(26,722)
Interest expense	4,791,199	5,353,855	4,249,262	4,295,947
Amortisation of transaction costs	<u>623,790</u>	<u>990,535</u>	<u>531,791</u>	<u>716,805</u>
	<u>623,790</u>	<u>990,535</u>	<u>531,791</u>	<u>716,805</u>
Balance at June 30	<u>53,723,321</u>	<u>60,955,576</u>	<u>53,723,321</u>	<u>50,412,813</u>

17. Preference shares

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Non-Perpetual:		
11.75% JMD Cumulative redeemable preference shares (i)	1,520,851	-
8.50% USD Cumulative redeemable preference shares (i)	1,650,717	-
10.50% JMD Cumulative redeemable preference shares	9,934,986	10,019,016
8.00% USD Cumulative redeemable preference shares	16,645,788	16,377,028
8.50% USD Cumulative redeemable preference shares	<u>22,846,739</u>	<u>22,598,433</u>
	<u>52,599,081</u>	<u>39,994,477</u>
Perpetual:		
10.00% JMD Perpetual cumulative redeemable preference shares (ii)	10,283,578	-
8.00% USD Perpetual cumulative redeemable preference shares (ii)	<u>21,227,584</u>	<u>-</u>
	<u>31,511,165</u>	<u>-</u>
(Note 19)	<u>84,110,243</u>	<u>48,994,477</u>
Due within 12 months	26,580,774	-
Over 12 months	<u>57,529,469</u>	<u>48,994,477</u>
	<u>84,110,243</u>	<u>48,994,477</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*17. Preference shares (continued)

- (i) During the financial year, the Company executed a private subscription for the issue of fixed rate JMD and USD indexed cumulative redeemable preference shares at a price of J\$100 and US\$10 per share, respectively. The shares were redeemable within 2 to 3 years of the date of issue.
- (ii) During the financial year, the Company issued a public offering for the subscription of two classes of perpetual cumulative redeemable preference shares. These JMD and USD shares were issued at a price of J\$100 and US\$10 per share, respectively and have a redemption call date after 15 years.
- (iii) Reconciliation of movements of preference shares to cash flows arising from financing activities:

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at July 1	<u>48,994,477</u>	<u>4,925,057</u>
Changes from financing cash flows:		
Proceeds received	36,204,803	50,312,000
Matured but not yet settled	-	(4,983,162)
Transaction costs incurred	<u>(1,463,639)</u>	<u>(1,636,417)</u>
	<u>34,741,164</u>	<u>43,692,421</u>
The effect of changes in foreign exchange rate	<u>(484,375)</u>	<u>(50,290)</u>
Other changes:		
Interest paid	(6,535,557)	(2,484,764)
Movement in interest payable	474,798	(474,798)
Interest expense	6,060,758	2,959,562
Amortisation of transaction costs	<u>858,978</u>	<u>427,289</u>
	<u>858,978</u>	<u>427,289</u>
Balance at June 30	<u>84,110,243</u>	<u>48,994,477</u>

- (iv) The significant terms and conditions of the preference shares are as follows:

- The right to a cumulative dividend payable quarterly at the rate agreed for each class;
- The right, on winding up, to receive all dividends and repayment of capital in priority to the ordinary shareholders;
- The option to convert the preference shares and any accumulated dividend into common ordinary shares in the event of a public offering; and
- The right to a bonus dividend payment at redemption at the rate agreed for each class.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

18. Loans and borrowings

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Revolving lines of credit (i)	3,310,163	3,315,811	3,310,163	3,315,811
Revolving lines of credit (ii)	1,444,673	4,746,835	1,444,673	4,746,835
Loans from related parties				
[(iii), note 8(a)]	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>10,142,231</u>
	<u>6,254,836</u>	<u>8,062,646</u>	<u>6,254,836</u>	<u>18,204,877</u>

- (i) This represents an unsecured dual-currency facility of US\$790,000 and up to J\$575,000,000 (or US\$ equivalent). Interest is payable quarterly at 6.75% (JMD rate of 10.00%). The facility matures on December 31, 2025.
- (ii) This represents an unsecured dual-currency facility of up to J\$750,000,000 or US\$ equivalent. Interest is payable quarterly at 8.75% (JMD rate of 12.25%). The facility matures on August 30, 2025.
- (iii) This represents an unsecured loan in the Company from a related company at an interest rate of 12%. The loan matures on July 31, 2025 and was subsequently repaid.
- (iv) Reconciliation of movements of loans and borrowings to cash flows arising from financing activities:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Balance at July 1	<u>8,062,646</u>	<u>7,958,745</u>	<u>18,207,877</u>	<u>25,384,520</u>
Changes from financing cash flows:				
Proceeds received	33,486,787	8,674,013	33,486,787	8,774,013
Repayments made	(35,265,884)	(8,524,172)	(45,408,115)	(15,907,716)
Transaction costs incurred	<u>(173,855)</u>	<u>(55,631)</u>	<u>(173,855)</u>	<u>(55,631)</u>
	<u>(1,952,952)</u>	<u>94,210</u>	<u>(12,095,183)</u>	<u>(7,189,334)</u>
The effect of changes in foreign exchange rate	<u>(28,713)</u>	<u>(45,940)</u>	<u>(28,713)</u>	<u>(45,940)</u>
Other changes:				
Interest paid	(1,011,268)	(444,111)	(1,587,541)	(1,526,584)
Movement in interest payable	94,645	(55,933)	94,645	(55,933)
Interest expense	916,623	500,044	1,492,896	1,582,517
Amortisation of transaction costs	<u>173,855</u>	<u>55,631</u>	<u>173,855</u>	<u>55,631</u>
	<u>173,855</u>	<u>55,631</u>	<u>173,855</u>	<u>55,631</u>
Balance at June 30	<u>6,254,836</u>	<u>8,062,646</u>	<u>6,257,836</u>	<u>18,204,877</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*19. Share capital

Authorised capital:

- (i) Unlimited ordinary shares, no par value
- (ii) 22,616,083 (2024: 20,000,000) Fixed rate cumulative redeemable preference shares
- (iii) 19,328,080 (2024: Nil) Perpetual cumulative redeemable preference shares
- (iv) One (1) special rights redeemable share of US\$1

	<u>2025</u>	<u>2024</u>
	\$	\$
Issued and fully paid:		
580,564,096 (2024: 580,564,096) ordinary stock units and one (1) special rights redeemable share	60,883,532	60,883,532
2,450,000 (2024: Nil) 11.75% cumulative redeemable	1,520,851	-
166,083 (2024: Nil) 8.5% cumulative redeemable preference shares	1,650,717	-
16,000,000 (2024: 16,000,000) 10.5% cumulative redeemable preference shares	9,934,986	10,019,016
1,678,080 (2024: 1,678,080) 8.0% cumulative redeemable preference shares	16,645,788	16,377,028
2,321,920 (2024: 2,321,920) 8.5% cumulative redeemable preference shares	22,846,739	22,598,433
17,123,000 (2024: Nil) 10.0% perpetual cumulative redeemable preference shares	10,283,578	-
2,205,080 (2024: Nil) 8.0% perpetual cumulative redeemable preference shares	<u>21,227,584</u>	<u>-</u>
	144,993,775	109,878,009
Less: preference shares classified as liability (note 17)	(<u>84,110,243</u>)	(<u>48,994,477</u>)
	<u>60,883,532</u>	<u>60,883,532</u>

At the reporting date, one (1) special right redeemable share and 6,581,100 ordinary stock units were held by Sygnus Capital Group Limited, a related entity. The special share can be issued only to a member of the Group's and Company's affiliates. At the annual general meeting, and meetings of the holders of any class of shareholders of the Company, the holder of the special share carries 101% of the aggregate votes, vested in all ordinary shares issued by the Company. Dividend may be paid on the special share, as agreed between the Company and the holder of the special share in the Investment Management Agreement.

The remaining ordinary stock units are held by public and private investors.

The holders of ordinary stock units are entitled to dividends as declared from time to time and are entitled to one vote per stock at general meetings of the Company. The Company has two classes of shares, namely the JMD and USD share classes and combined they have rights to the residual assets of the entity.

The rights and entitlements of the holders of the preference shares that are classified as liabilities are detailed at note 17.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***20. Treasury shares**

Treasury shares represent the cost of the Company's shares repurchased and held by the Company. At the reporting date, the Company held 10,411,367 (2024: 10,411,367) of its own shares. The right to vote and dividend entitlements are suspended for these shares.

21. Involvement with unconsolidated structured entities

The Group has concluded that the unlisted closed-end investment fund in which it holds an interest, but does not consolidate, meets the definition of a structured entity because:

- Control is not primarily determined by voting rights, but rather by contractual arrangements which dictate how the fund operates and who has power over it;
- The fund's activities are restricted by its operating agreement and are subject to compliance with the Office of the Commissioner of Financial Institutions "OCIF"); and
- The fund has well-defined objectives to provide investment opportunities to investors.

The table below describes the type of structured entity that the Group does not consolidate but in which it holds an interest:

Type of structured entity	Nature and purpose	Interest held by the Group
Investment Fund - a limited liability company, comprising of separately managed pools of assets, each of which is a series of the Fund.	A private equity fund intended to generate risk adjusted returns by generating current income and capital appreciation through equity or debt investments in privately-held middle market entities.	A membership interest representing subscription to the capital of the Fund.

The table below sets out interests held by the Group in the unconsolidated structured entity. The maximum exposure to loss is the carrying amount of the financial assets held.

		<u>Group</u>	
		<u>2025</u>	
	Number of Investee funds	Total Net Assets \$	Carrying Amount \$
Investment in unlisted closed-end investment fund:			
Private credit (Series I)	1	21,612,465	34,568,655
Business impact (Series II)	1	24,803,675	<u>1,500,250</u>
			<u>36,068,905</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

21. Involvement with unconsolidated structured entities (continued)

The table below sets out interests held by the Group in the unconsolidated structured entity. The maximum exposure to loss is the carrying amount of the financial assets held (continued).

	Group		
	2024		
	Number of Investee funds	Total Net Assets \$	Carrying Amount \$
Investment in unlisted closed-end investment fund:			
Private credit (Series I)	1	17,525,445	28,791,123
Business impact (Series II)	1	9,185,297	<u>1,500,000</u>
			<u>30,291,123</u>

During the year ended June 30, 2025, the Group provided no financial support (2024: Nil) to the unconsolidated structured fund.

22. Net interest income

	Group		Company	
	2025 \$	2024 \$	2025 \$	2024 \$
Interest income, calculated using the effective interest method				
Cash and cash equivalents	2,901	2,696	2,901	2,696
Certificates of deposit	20,702	12,509	20,702	12,509
Resale agreements	29,915	254,069	29,915	254,069
Lease receivables	-	6,720	-	6,720
Notes with related entities	726,277	1,190,212	672,240	1,155,492
Investments	<u>19,365,003</u>	<u>15,870,972</u>	<u>19,365,003</u>	<u>15,870,972</u>
	<u>20,144,798</u>	<u>17,337,178</u>	<u>20,090,761</u>	<u>17,302,458</u>
Other interest income (i)	<u>2,146,621</u>	<u>1,425,138</u>	<u>2,146,621</u>	<u>1,425,138</u>
Interest expense, calculated using the effective interest method				
Notes payable	4,791,200	5,353,855	4,249,263	4,295,947
Preference shares	6,060,758	2,959,562	6,060,758	2,959,562
Loans and borrowings	661,361	500,044	661,361	500,044
Loans with related parties	255,261	-	831,534	1,082,473
Finance costs	<u>1,656,623</u>	<u>1,473,455</u>	<u>1,564,624</u>	<u>1,199,725</u>
	<u>13,425,203</u>	<u>10,286,916</u>	<u>13,367,540</u>	<u>10,037,751</u>
Net interest income	<u>8,866,216</u>	<u>8,475,400</u>	<u>8,869,842</u>	<u>8,689,845</u>

- (i) Other interest income represents accrued dividends on cumulative preference shares which are carried at fair value through profit or loss.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*23. Other income

Other income includes participation fees, commitment fees, extension fees and undrawn fees on investment notes issued to clients.

24. Other expenses

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Advertising	77,669	74,822	77,669	74,822
Audit fees and expenses	179,127	173,116	131,131	119,205
Bank charges	33,033	28,261	31,935	24,870
Directors' fees and related expenses	204,187	151,507	204,187	151,507
Insurance	40,886	32,172	40,886	32,172
Irrecoverable tax	401,749	301,181	227,961	230,682
Listing fees	55,357	34,895	55,357	34,895
Professional fees	247,811	141,476	245,328	136,683
Registrar fees	177,413	176,877	176,307	154,587
Software subscription	19,690	43,053	19,690	43,053
Other	17,800	13,080	17,415	12,087
	<u>1,454,722</u>	<u>1,170,440</u>	<u>1,227,866</u>	<u>1,014,563</u>

25. Taxation

- (a) Depending on the jurisdiction and nature of business, income tax for the Group is computed at 25%, 30% and 37.5% of profit before tax for the year, adjusted for tax purposes and is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
(i) Income tax:				
Current tax charge	810,252	532,442	265,367	134,696
Prior year (over)/under provision	(2,349)	<u>26,387</u>	(2,349)	<u>26,387</u>
	807,903	558,829	263,018	161,083
(ii) Deferred tax:				
Origination and reversal of temporary differences (note 11)	<u>34,063</u>	<u>(1,191,393)</u>	<u>-</u>	<u>3,650</u>
	<u>841,966</u>	<u>(632,564)</u>	<u>263,018</u>	<u>164,733</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*25. Taxation (continued)

(b) Reconciliation of applicable tax charge to effective tax charge

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Profit/(loss) before taxation	<u>5,118,484</u>	<u>5,392,509</u>	<u>(1,084,330)</u>	<u>4,453,678</u>
Tax computed at 30%	(325,844)	1,335,648	(325,299)	1,336,103
Tax computed at 37.50%	2,392,870	467,373	-	-
Tax computed at 25%	(43,378)	(78,637)	-	-
	<u>2,023,648</u>	<u>1,724,384</u>	<u>(325,299)</u>	<u>1,336,103</u>
Adjusted for the effects of:				
CARICOM income not subject to tax	(6,168,311)	(5,820,490)	(5,842,673)	(5,260,901)
Net foreign exchange	(165,482)	(9,217)	(165,482)	(9,217)
Fair value loss/(gain) from investments in CARICOM member states	628,174	(134,430)	628,174	(134,430)
Private capital special deduction (i)	19,020	(1,180,000)	-	-
Prior year (over)/under provision	(2,349)	26,387	(2,349)	26,387
Expenses not deductible for tax (ii)	<u>4,507,266</u>	<u>4,760,802</u>	<u>5,970,647</u>	<u>4,206,791</u>
Actual tax charge/(credit)	<u>841,966</u>	<u>(632,564)</u>	<u>263,018</u>	<u>164,733</u>
Effective tax rate	<u>16.44%</u>	<u>(11.73%)</u>	<u>(24.25%)</u>	<u>3.70%</u>

- (i) SCIPRI, is entitled to take a deduction of up to a maximum of 60% of its private equity investment as such basis is determined under the Puerto Rico internal revenue code. This deduction is available for use over fifteen years. In assessing the recognition of the deferred tax asset, Management considered whether it is more likely than not, that some portion or all of the deferred tax asset will not be realised.

The available deduction was assessed and an amount of \$1,160,980 (2024: \$1,180,000) was considered realisable as at June 30, 2025.

The amount considered recoverable could change if estimates of future projected taxable income are revised. The majority of the amount of the deferred tax will be utilised over future periods greater than one year.

- (ii) These non-deductible expenses were incurred in earning the CARICOM income not subject to tax.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*26. Earnings and diluted earnings per stock unit

Earnings and diluted earnings per stock unit are computed by dividing the profit attributable to stockholders of the Group by the weighted average number of ordinary stock units in issue during the year. The Group did not have any instruments that had a dilutive effect on its basic earnings per share at the end of the reporting period.

	<u>2025</u>	<u>2024</u>
Net profit attributable to stockholders of the Group (\$)	4,276,518	6,025,073
Weighted average number of ordinary stock units in issue (#)	580,564,096	587,539,545
Basic earnings and diluted earnings per stock unit (¢)	<u>0.73</u>	<u>1.03</u>

27. Dividends

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Final dividend in respect of 2024 @ 0.00276 \$ per share	1,602,356	-
Interim dividend in respect of 2025 @ 0.00276 \$ per share	1,602,346	-
Final dividend in respect of 2023 @ 0.0026 \$ per share	-	1,547,388
Interim dividend in respect of 2024 @ 0.0027 \$ per share	<u>-</u>	<u>1,600,341</u>
	<u>3,204,702</u>	<u>3,147,729</u>

As at the reporting date, dividends of \$Nil (2024: \$236,365) were unpaid.

28. Fair value of financial instruments

(a) Definition and measurement of fair values

The definition of fair value is described in note 4(d).

Fair values are categorised into three different levels in a fair value hierarchy, based on the extent to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

Level 1: fair value measured based on quoted market prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: fair value measured for assets and liabilities based on all significant inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: fair value measured for assets and liabilities based on inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not based on observable data and these inputs have a significant effect on the instrument valuation.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

28. Fair value of financial instruments (continued)

(a) Definition and measurement of fair values (continued)

The Group's financial assets are classified at level 2 and level 3 in the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. There were no transfers between levels during the reporting period.

(b) Valuation techniques for financial instruments classified at level 2

- (i) The fair value of cash and cash equivalents, certificates of deposit, other receivables (excluding prepayments), interest receivable/payable, accounts payable, and accrued liabilities and due to/from related parties are considered to approximate their carrying amount because of the short-term maturity of these instruments.
- (ii) The fair value of variable rate investment notes is considered to approximate their carrying amounts as the rates readjust in line with market rates.
- (iii) The fair value of fixed rate short-term and medium-term investment notes are estimated by using discounted cash flow techniques. Changes in the credit quality of the investment notes are not taken into account in determining gross fair values as the impact of credit risk is recognised separately by deducting the allowance for credit losses.

(c) Valuation techniques for financial instruments classified at level 3

Instrument	Valuation techniques	Significant unobservable inputs	Range of estimates for unobservable inputs	Sensitivity between key unobservable inputs and fair value measurement
Preference shares	Discounted cash flow method	• Adjusted profit of the issuer(s) based on probability of achievement (applicable for 2024) • Risk-adjusted discount rates	• Probability of achievement of 30% (applicable for 2024) • Fixed income discount rate of 9.39% to 10.39% (2024: 10.78% to 11.77%) and equity discount rate of 18.76% to 52.34% (2024: 19.61% to 40.45%)	The estimated fair value would increase/(decrease) if: • Adjusted profit was higher/(lower) (applicable for 2024) • The cost of debt was (higher)/lower • Interest rates changed

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

28. Fair value of financial instruments (continued)

(c) Valuation techniques for financial instruments classified at level 3 (continued)

Instrument	Valuation techniques	Significant unobservable inputs	Range of estimates for unobservable inputs	Sensitivity between key unobservable inputs and fair value measurement
Equity interest in private credit fund	Market approach, specifically the guideline public company method, using an average of market price/book value multiples	- Market comparable price/book value multiples - Adjustments to the average market multiple for: (i) control premium and (ii) discount for lack of size and marketability	- Control premium of 10.7% (2024:10.4%) - Discount for lack of marketability and size of 11.3% (2024:12.0%)	The estimated fair value would increase/(decrease) if: - The book value of the investment in private credit fund was higher/(lower) - Comparable market price/book value multiple was higher/(lower) - Control premium was higher/(lower) - Discount for lack of marketability and size was lower/(higher)
Equity interest in business impact fund	Cost approach, specifically the net adjusted asset value (NAV) method, based on the value identified for fixed, financial and other assets, netted against the estimated value of all existing and potential liabilities.	Membership distribution based on the declared return of capital in respect of the class of shares or membership status.	- Membership distributions for Class A members ranging between 0.01% to 7.10%. - Membership distributions for Class B members ranging between 6.49% to 7.16%.	The estimated fair value would increase/(decrease) if: The membership distribution or return of capital was lower/(higher).

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

28. Fair value of financial instruments (continued)

- (d) The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	<u>Group</u>		<u>Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
At beginning of the year	57,439,576	47,512,684	27,148,453	22,628,408
Acquisitions	-	8,172,473	-	3,672,473
Interest capitalised and other adjustments	624,579	1,726	1,276,798	399,472
Fair value gains/(losses)	<u>4,336,089</u>	<u>1,752,693</u>	<u>(2,093,912)</u>	<u>448,100</u>
At end of the year	<u>62,400,244</u>	<u>57,439,576</u>	<u>26,331,339</u>	<u>27,148,453</u>

- (e) Accounting classifications and fair values

	<u>Group</u>					
	<u>2025</u>					
	<u>Carrying value</u>			<u>Fair value</u>		
	<u>Amortised cost</u>	<u>FVTPL</u>	<u>Total</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
Financial assets measured at fair value						
Preference shares	-	26,331,339	26,331,339	-	26,331,339	26,331,339
Interest in private credit fund	-	34,568,655	34,568,655	-	34,568,655	34,568,655
Interest in business impact fund	-	1,500,250	1,500,250	-	1,500,250	1,500,250
	<u>-</u>	<u>62,400,244</u>	<u>62,400,244</u>	<u>-</u>	<u>62,400,244</u>	<u>62,400,244</u>
Financial assets not measured at fair value						
Cash and cash equivalents	1,823,824	-	1,823,824	1,823,824	-	1,823,824
Certificates of deposit	449,405	-	449,405	449,405	-	449,405
Interest receivable	6,707,996	-	6,707,996	6,707,996	-	6,707,996
Other receivables (excluding prepayments)	283,334	-	283,334	283,334	-	283,334
Due from related parties	1,386,280	-	1,386,280	1,386,280	-	1,386,280
Short term investment notes	77,993,480	-	77,993,480	78,345,214	-	78,345,214
Medium term investment notes	<u>72,810,479</u>	<u>-</u>	<u>72,810,479</u>	<u>70,049,798</u>	<u>-</u>	<u>70,049,798</u>
	<u>161,454,798</u>	<u>-</u>	<u>161,454,798</u>	<u>159,045,851</u>	<u>-</u>	<u>159,045,851</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

28. Fair value of financial instruments (continued)

(e) Accounting classifications and fair values (continued)

	Company					
	2025					
	Carrying value			Fair value		
	Amortised cost	FVTPL	Total	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
measured at fair value						
Preference shares	-	26,331,339	26,331,339	-	26,331,339	26,331,339
Financial assets not						
measured at fair value						
Cash and cash equivalents	1,719,982	-	1,719,982	1,719,982	-	1,719,982
Certificates of deposit	449,405	-	449,405	449,405	-	449,405
Interest receivable	6,707,004	-	6,707,004	6,707,004	-	6,707,004
Other receivables						
(excluding prepayments)	256,792	-	256,792	256,792	-	256,792
Due from related parties	2,559,672	-	2,559,672	2,559,672	-	2,559,672
Short term investment notes	77,968,601	-	77,968,601	78,319,101	-	78,319,101
Medium term investment notes	72,810,479	-	72,810,479	70,049,798	-	70,049,798
	162,471,935	-	162,471,935	160,061,754	-	160,061,754
	Group					
	2024					
	Carrying value			Fair value		
	Amortised cost	FVTPL	Total	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
measured at fair value						
Preference shares	-	27,148,453	27,148,453	-	27,148,453	27,148,453
Interest in private credit fund	-	28,791,123	28,791,123	-	28,791,123	28,791,123
Interest in business impact fund	-	1,500,000	1,500,000	-	1,500,000	1,500,000
	-	57,439,576	57,439,576	-	57,439,576	57,439,576
Financial assets not						
measured at fair value						
Cash and cash equivalents	2,735,069	-	2,735,069	2,735,069	-	2,735,069
Certificates of deposit	15,168	-	15,168	15,168	-	15,168
Interest receivable	4,746,067	-	4,746,067	4,746,067	-	4,746,067
Other receivables						
(excluding prepayments)	109,817	-	109,817	109,817	-	109,817
Due from related parties	1,643,087	-	1,643,087	1,643,087	-	1,643,087
Short term investment notes	72,597,895	-	72,597,895	73,194,089	-	73,194,089
Medium term investment notes	59,449,042	-	59,449,042	61,347,544	-	61,347,544
	141,296,145	-	141,296,145	143,790,841	-	143,790,841

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

28. Fair value of financial instruments (continued)

(e) Accounting classifications and fair values (continued)

	Company					
	2024					
	Carrying value			Fair value		
	Amortised cost	FVTPL	Total	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$
Financial assets measured at fair value						
Preference shares	-	27,148,453	27,148,453	-	27,148,453	27,148,453
Financial assets not measured at fair value						
Cash and cash equivalents	2,633,422	-	2,633,422	2,633,422	-	2,633,422
Certificates of deposit	15,168	-	15,168	15,168	-	15,168
Interest receivable	4,742,438	-	4,742,438	4,742,438	-	4,742,438
Other receivables (excluding prepayments)	109,817	-	109,817	109,817	-	109,817
Due from related parties	2,615,516	-	2,615,516	2,615,516	-	2,615,516
Short term investment notes	72,616,593	-	72,616,593	73,207,755	-	73,207,755
Medium term investment notes	59,449,042	-	59,449,042	61,347,544	-	61,347,544
	142,181,996	-	142,181,996	144,671,660	-	144,671,660

29. Financial risk management

The Group has exposure to the following financial risks from its operations and the use of financial instruments:

(a) Overview

The Group has developed and implemented a credit risk policy for the private credit asset class that surrounds the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group's risk management policies are established to identify and analyse the risks faced by the Group in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The risk management policy of the Group also adopts best practice measures to address perceived or real conflicts of interest that may arise in the operations and management of the business.

The Board of Directors is ultimately responsible for the risk management policies of the Group. The Board's risk management mandate is carried out through the following committees:

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(a) Overview (continued)****(i) Audit and Governance Committee**

The primary purpose of this Committee is to assist the Board in fulfilling its oversight responsibilities. In performing its duties, the Committee maintains effective working relationships with the Board, the Enterprise Risk Committee and the Group's external auditors.

The Committee plays a key role in corporate governance and internal controls. The Committee is also responsible for assisting the Board of Directors in its compliance with regulatory requirements.

(ii) Investment and Risk Management Committee

The Group has delegated the management of credit risk to the Investment and Risk Management Committee ("IRMC"), a sub-committee of the Board of the Asset Manager, Sygnus Capital St. Lucia Limited. The committee is responsible for the overall risk management function of the Group and is responsible for all credit and investment decisions relating to the Group's investment portfolio.

This committee consists of up to seven members with a minimum of three members, the majority of whom are independent of the Company, including the Chairman, appointed by the Investment Manager's Board of Directors.

The Committee reviews and approves all investment recommendations and also determines the level conditions that will be attached to each investment.

(iii) Enterprise Risk Committee

In addition to the IRMC, the Group has also established an Enterprise Risk Committee, a sub-committee of the Board.

This Committee assists the Board in providing leadership, direction, and oversight pertaining to the Company's risk governance and framework, including the Company's risk limits and tolerances. The Committee also assists the Board to foster a culture within the Company that demonstrates the benefits of a risk-based approach to risk management and internal controls. The Committee works closely with the Audit and Governance Committee.

(iv) Investment Advisory Committee

The Investment Manager, through an Investment Advisory Committee (the "IAC"), is responsible for analysing and recommending all investment and credit proposals to the Investment and Risk Management Committee.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(b) Credit risk**

Credit risk is the risk of a financial loss arising from a counterparty to a financial contract failing to discharge its obligations. The Group manages this risk by establishing policies for granting credit and entering into financial contracts. The Group's credit risk is concentrated, primarily, in securities purchased under resale agreements, lease receivables and investments.

Exposure to credit risk:

The maximum credit exposure, the total amount of loss the Group would suffer if every counterparty to the Group's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position.

Cash and cash equivalents are held with financial institutions and collateral is not required for such accounts, as management regards the institutions as strong. The strength of these financial institutions is continually reviewed by the IRMC and the Enterprise Risk Committee.

The Group manages credit risk related to other receivables by limiting exposure to specific counterparties and by monitoring settlements.

Investments expose the Group and the Company to credit losses as there is a risk that the counterparty will fail to fulfill its contractual obligations. Exposure to credit risk is managed in part by obtaining collateral including guarantees for approximately 54% (2024: 19%), of its investment portfolio for the Group and Company, respectively. The Group and Company also manages this risk by contracting only with counterparties that management considers to be financially sound.

The estimation of expected credit losses for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring the associated loss ratios, and default correlations between counterparties. The Company measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(b) Credit risk (continued)***Exposure to credit risk (continued):*

The following table summarises credit risk exposure for investments and at their carrying amounts as categorised by industry sectors. No resale agreements were held at the reporting date. These facilities are diversified across industry sectors, and are extended to customers within Jamaica, other Caribbean territories, United States of America and Central America:

	<u>Group</u>	
	<u>Investments</u>	<u>Investments</u>
	<u>2025</u>	<u>2024</u>
	\$	\$
Distribution	1,416,050	1,945,464
Energy	13,780,500	20,930,500
Energy storage	13,972,376	-
Fast food	2,226,979	2,832,145
Financial	18,915,026	27,051,616
Health and fitness	7,480,944	-
Hospitality	6,627,445	7,553,728
Infrastructure	57,581,893	46,405,510
Janitorial	52,448	316,937
Manufacturing	11,225,000	7,500,000
Marketing	1,249,822	-
Mining and quarrying	-	1,261,729
Telecommunications	14,273,371	14,247,203
Transport	<u>2,002,105</u>	<u>2,002,105</u>
	150,803,959	132,046,937
Less: Impairment allowance [note 29(b)(vii)]	<u>(3,437,946)</u>	<u>(1,435,744)</u>
(Note 10)	<u>147,366,013</u>	<u>130,611,193</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***29. Financial risk management (continued)****(b) Credit risk (continued)***Exposure to credit risk (continued):*

The following table summarises credit risk exposure for investments at their carrying amounts as categorised by industry sectors. No resale agreements were held at the reporting date. These facilities are diversified across industry sectors, and are extended to customers within Jamaica, other Caribbean territories, United States of America and Central America (continued):

	<u>Company</u>	
	<u>Investments</u>	<u>Investments</u>
	<u>2025</u>	<u>2024</u>
	\$	\$
Distribution	1,416,050	1,945,464
Energy	13,780,500	20,930,500
Energy storage	13,972,376	-
Fast food	2,226,979	2,832,145
Financial	18,890,147	27,070,314
Health and fitness	7,480,944	-
Hospitality	6,627,445	7,553,728
Infrastructure	57,581,893	46,405,510
Janitorial	52,448	316,937
Manufacturing	11,225,000	7,500,000
Marketing	1,249,822	-
Mining and quarrying	-	1,261,729
Telecommunications	14,273,371	14,247,203
Transport	<u>2,002,105</u>	<u>2,002,105</u>
	150,779,080	132,065,635
Less: Impairment allowance [note 29(b)(vii)]	<u>(3,437,821)</u>	<u>(1,435,774)</u>
(Note 10)	<u>147,341,259</u>	<u>130,629,861</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement:

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition.

(i) *Significant increase in credit risk (SICR)*

Change in credit quality since initial recognition

<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>
Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired assets
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and third-party policies including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses the following criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators;
- backstop of 30 days past due; and
- a movement of two notches from the credit risk rating at origination.

A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Group.

If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.

Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(i) Significant increase in credit risk (SICR) (continued)

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward- looking information.

(ii) Definition of default

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. the counterparty is more than 90 days past due on its contractual payments; and
- quantitative: e.g. the counterparty meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

(iii) Incorporation of forward-looking information (FLI)

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument.

The Group uses a forward-looking score card model to estimate the potential effect of future economic conditions.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities across Caribbean territories, supranational organisations and selected private-sector forecasters.

The Group concluded that three scenarios (Central, Upside and Downside) appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of [see note 29(b)(viii)].

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(b) Credit risk (continued)***Expected credit loss measurement (continued):***(iii) Incorporation of forward-looking information (FLI) (continued)**

For the economic scenarios used as at June 30, 2025 and 2024, the following key indicators represent scores used to adjust the forward-looking information for the years 2024 to 2025. The scores are derived by assigning a weight and multiplier for each macroeconomic variable. The weight reflects the significance of the impact that an indicator has on the portfolio performance. A multiplier which reflects the ECL impact on the portfolio is then applied to the weight assigned to the variable to determine score. The scores are then tallied to derive the FLI which is then applied to the exposure to determine the ECL.

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
Interest rates		
Average Probability Weighted	0.6	0.6
Central	0.5	0.5
Upside	0.4	0.4
Downside	0.6	0.6
GDP growth		
Average Probability Weighted	0.3	0.3
Central	0.3	0.3
Upside	0.2	0.2
Downside	0.4	0.4
Inflation rates		
Average Probability Weighted	0.2	0.2
Central	0.2	0.2
Upside	0.2	0.2
Downside	<u>0.3</u>	<u>0.3</u>

Each scenario considers the expected impact of inflation rates, interest rates and gross domestic product (GDP).

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors.

(iv) Credit risk grading

The Group and Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default primarily using Moody's Credit Lens Essential ("Moody's") platform with rating modules and supplemented by applying experienced credit judgement.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(iv) Credit risk grading (continued)

Moody's enables a credit risk grade that incorporates a blend of qualitative and quantitative factors that are indicative of risk of default based on a risk rating module used for emerging markets under its risk rating module ("RiskCalc") which is utilized by the Group and Company. These factors vary depending on the nature of the exposure and the type of borrower.

The Group assesses the probability of default using internally defined credit risk grades that are mapped to probability of default data generated by the Moody's reports on studies of sovereign and corporate defaults and recoveries released yearly. These are segmented into rating classes. The Group's rating scale is shown below.

Rating	Definition	Monitoring Level Description	Average PD %
1	Portfolio company is judged to be of the highest quality, subject to the lowest level of credit risk.	Standard monitoring (Stage 1)	0.01
2	Portfolio company is judged to be upper-medium grade, subject to low credit risk.		0.02
3	Portfolio company is judged to be medium grade, subject to medium credit risk.		0.05
4	Portfolio company is judged to be lower-medium grade and as such may possess certain speculative characteristics.		0.16
5	Portfolio company is judged to be lowest-medium grade and as such is more likely to possess certain speculative characteristics.	No significant deterioration in credit quality; speculative grade which may require early warning. Watchlist and enhanced monitoring (Stage 1)	0.86
6	Portfolio company is judged to be speculative and subject to high credit risk. There is material risk to recouping the initial cost basis of investments since origination or acquisition.	Enhanced monitoring with a likelihood of restructuring (Stage 2)	2.96
7	Portfolio company is judged to be the lowest credit rating. There is material declining performance and initial cost basis of investment is not expected to be recouped upon exit.	Restructured or Default (Stage 3)	6.47 - 100

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(iv) *Credit risk grading (continued)*

Risk ratings are subject to regular revision, which may result in an exposure being moved to a different credit risk grade. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

(v) *Credit quality analysis*

The following table contains information about the credit quality of financial assets measured at amortised cost and represents their carrying amounts at the reporting date.

Investments at amortised cost

	Group			
	2025			
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Credit grade:				
Standard monitoring	122,735,879	-	-	122,735,879
Enhanced monitoring	-	27,068,080	-	27,068,080
Restructured/default	-	-	1,000,000	1,000,000
	122,735,879	27,068,080	1,000,000	150,803,959
Impairment allowance investments (note 10)	(431,289)	(3,006,657)	(-)	(3,437,946)
	<u>122,304,590</u>	<u>24,061,423</u>	<u>1,000,000</u>	<u>147,366,013</u>
	Company			
	2025			
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Credit grade:				
Standard monitoring	122,711,000	-	-	122,711,000
Enhanced monitoring	-	27,068,080	-	27,068,080
Restructured/default	-	-	1,000,000	1,000,000
	122,711,000	27,068,080	1,000,000	150,779,080
Impairment allowance investments (note 10)	(431,164)	(3,006,657)	(-)	(3,437,821)
	<u>122,279,836</u>	<u>24,061,423</u>	<u>1,000,000</u>	<u>147,341,259</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(v) *Credit quality analysis (continued)*

Investments at amortised cost (continued)

	Group			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Credit grade:				
Standard monitoring	128,440,538	-	-	128,440,538
Enhanced monitoring	-	1,344,670	-	1,344,670
Restructured/default	-	-	2,261,729	2,261,729
	128,440,538	1,344,670	2,261,729	132,046,937
Impairment allowance				
investments (note 10)	(623,668)	(15,166)	(796,910)	(1,435,744)
	<u>127,816,870</u>	<u>1,329,504</u>	<u>1,464,819</u>	<u>130,611,193</u>

	Company			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	\$	\$	\$	\$
Credit grade:				
Standard monitoring	128,459,236	-	-	128,459,236
Enhanced monitoring	-	1,344,670	-	1,344,670
Restructured/default	-	-	2,261,729	2,261,729
	128,459,236	1,344,670	2,261,729	132,065,635
Impairment allowance				
investments (note 10)	(623,698)	(15,166)	(796,910)	(1,435,774)
	<u>127,835,538</u>	<u>1,329,504</u>	<u>1,464,819</u>	<u>130,629,861</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(b) Credit risk (continued)***Expected credit loss measurement (continued):**(vi) Collateral and other credit enhancements held against financial assets*

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

<u>Principal type of collateral held</u>	<u>Percentage of exposure that is subject to collateral</u>	
	<u>2025</u> %	<u>2024</u> %
Investments:		
Real Estate	97	100
Inventory	100	100
Equipment	70	50
Securites	<u>100</u>	<u>100</u>

The table below sets out the carrying amount and the fair value of the identifiable collateral held against investments with Corporations measured at amortised cost. For each investment, the value of disclosed collateral is capped at the nominal amount of the investment that it is held against. All other investments are unsecured.

	<u>Group and Company</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Carrying amount</u> \$	<u>Collateral</u> \$	<u>Carrying amount</u> \$	<u>Collateral</u> \$
Stage 1 and 2	17,126,250	14,619,746	11,739,134	10,658,245
Stage 3	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,261,757</u>	<u>1,582,004</u>
	<u>18,126,250</u>	<u>15,619,746</u>	<u>14,000,891</u>	<u>12,240,249</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(vii) Impairment allowance

The following tables show a reconciliation of the opening to the closing impairment allowance.

Investments at amortised cost

	Group			
	2025			
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$	\$	\$	\$
Balance at July 1, 2024	623,668	15,166	796,910	1,435,744
Transfer from stage 1 to stage 2	(465,630)	465,630	-	-
Financial assets derecognised during the year	(9,080)	(15,166)	(992,769)	(1,017,015)
New financial assets originated during the year	36,482	-	-	36,482
Net remeasurement of loss allowance	(219,781)	<u>3,006,657</u>	<u>195,859</u>	<u>2,982,735</u>
Balance at June 30, 2025	(<u>34,341</u>)	<u>3,472,287</u>	<u>-</u>	<u>3,437,946</u>
	Company			
	2025			
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	\$	\$	\$	\$
Balance at July 1, 2024	623,698	15,166	796,910	1,435,744
Transfer from stage 1 to stage 2	(465,630)	465,630	-	-
Financial assets derecognised during the year	(9,080)	(15,166)	(992,769)	(1,017,015)
New financial assets originated during the year	36,482	-	-	36,482
Net remeasurement of loss allowance	(219,936)	<u>3,006,657</u>	<u>195,859</u>	<u>2,982,580</u>
Balance at June 30, 2025	(<u>34,466</u>)	<u>3,472,287</u>	<u>-</u>	<u>3,437,821</u>

There were no originations of stage 3 investments during the financial year.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(vii) Impairment allowance (continued)

The following tables show a reconciliation of the opening to the closing impairment allowance (continued)

Investments at amortised cost (continued)

	Group			
	2024			
	Stage 1	Stage 2	Stage 3	
	12-Month	Lifetime	Lifetime	
	ECL	ECL	ECL	Total
	\$	\$	\$	\$
Balance at July 1, 2023	488,516	37,574	539,818	1,065,908
Financial assets derecognised during the year	(16,368)	(35,311)	-	(51,679)
New financial assets originated during the year	101,457	-	-	101,457
Net remeasurement of loss allowance	<u>50,063</u>	<u>12,903</u>	<u>257,092</u>	<u>320,058</u>
Balance at June 30, 2024	<u>623,668</u>	<u>15,166</u>	<u>796,910</u>	<u>1,435,744</u>
	Company			
	2024			
	Stage 1	Stage 2	Stage 3	
	12-Month	Lifetime	Lifetime	
	ECL	ECL	ECL	Total
	\$	\$	\$	\$
Balance at July 1, 2023	483,563	37,574	539,818	1,060,955
Financial assets derecognised during the year	(16,368)	(35,311)	-	(51,679)
New financial assets originated during the year	101,457	-	-	101,457
Net remeasurement of impairment allowance	<u>55,046</u>	<u>12,903</u>	<u>257,092</u>	<u>325,041</u>
Balance at June 30, 2024	<u>623,698</u>	<u>15,166</u>	<u>796,910</u>	<u>1,435,774</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(b) Credit risk (continued)***Expected credit loss measurement (continued):**(vii) Impairment allowance (continued)***Lease receivables at amortised cost**

	Group and Company	
	<u>2025</u>	<u>2024</u>
	Stage 1	Stage 1
	12 month	12 month
	ECL	ECL
	\$	\$
Balance at July 1	-	128
Net remeasurement of impairment allowance	<u>-</u>	<u>(128)</u>
Balance at June 30	<u>-</u>	<u>-</u>

	Group	
	<u>2025</u>	<u>2024</u>
	\$	\$
Total impairment allowance as at June 30	<u>3,437,946</u>	<u>1,435,744</u>

	Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
Total impairment allowance as at June 30	<u>3,437,821</u>	<u>1,435,774</u>

Total impairment loss recognised in profit or loss during the current year by the Group and the Company amounted to \$3,442,413 (2024: \$369,708) and \$3,442,258, (2024: \$ 374,691) respectively. These include the write offs of stage 3 financial assets totaling \$1,440,211 (2024: \$Nil) for the Group and the Company.

(viii) Sensitivity of ECL

The ECL computation is sensitive to judgements and assumptions made on forward looking scenarios and how such scenarios are incorporated into the calculations. Management has performed a sensitivity analysis on the ECL recognised for assets at amortised cost in its private credit portfolio by recalibrating estimated recovery rates ranging from best (upside) to worse (downside) scenarios using a weighted 100 percent instead of applying scenario probability weights across the three scenarios. This resulted in an FLI of 0.8 for the upside, 1 for central and 1.5 for the downside. The average FLI for the probability weighted was 1.0.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(b) Credit risk (continued)

*Expected credit loss measurement (continued):**(viii) Sensitivity of ECL (continued)*

The table below shows the loss allowance on the investment balance assuming each forward-looking scenario [central, upside and downside (note 28(b)(iii))] were weighted 100 percent instead of applying scenario probability weights across the three scenarios. The table also includes the probability-weighted amounts that are reflected in the financial statements.

	Group			
	2025			
	Upside \$	Central \$	Downside \$	Probability weighted \$
Gross exposure	150,803,959	150,803,959	150,803,959	150,803,959
Loss allowance	(2,183,121)	(2,728,902)	(4,093,171)	(3,437,946)
Proportion of assets in stage 2	<u>18%</u>	<u>18%</u>	<u>18%</u>	<u>18%</u>
	Company			
	2025			
	Upside \$	Central \$	Downside \$	Probability weighted \$
Gross exposure	150,779,080	150,779,080	150,779,080	150,779,080
Loss allowance	(2,183,024)	(2,728,781)	(4,093,171)	(3,437,821)
Proportion of assets in stage 2	<u>18%</u>	<u>18%</u>	<u>18%</u>	<u>18%</u>
	Group			
	2024			
	Upside \$	Central \$	Downside \$	Probability weighted \$
Gross exposure	132,046,937	132,046,937	132,046,937	132,046,937
Loss allowance	(921,767)	(1,152,209)	(1,440,261)	(1,435,744)
Proportion of assets in stage 2	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)***29. Financial risk management (continued)****(b) Credit risk (continued)***Expected credit loss measurement (continued):**(viii) Sensitivity of ECL (continued)*

	Company			
	2024			
	Upside \$	Central \$	Downside \$	Probability weighted \$
Gross exposure	132,065,635	132,065,635	132,065,635	132,065,635
Loss allowance	(915,138)	(1,143,923)	(1,429,903)	(1,435,774)
Proportion of assets in stage 2	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>

(c) Liquidity risk

Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The Group generally makes investments in financial instruments issued by private companies, substantially all of which are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for the Group to sell or dispose of such investments in a timely manner at or close to fair value, if the need arises.

In addition, the Group faces liquidity risk in the form of funding risk. This is the risk that the Group may encounter difficulty in raising funds to meet commitments associated with its investments and obligations as they fall due.

Maturities of assets and liabilities, and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates. The Group is not subject to any externally imposed liquidity requirements.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(c) Liquidity risk (continued)

The Group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

An analysis of the undiscounted cash flows required to settle the Group's financial liabilities on the basis of their earliest possible contractual maturity is presented below. The Group does not expect that all its lenders will demand the payment of funds at the earliest date possible.

	Group 2025						Total contractual cashflows	Total carrying amounts
	Within 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	Over 5 years \$	No specific maturity date \$	\$	\$
<u>Financial assets</u>								
Cash and cash equivalents	1,823,834	-	-	-	-	-	1,823,834	1,823,834
Certificates of deposit	-	449,405	-	-	-	-	449,405	449,405
Interest receivable	6,707,996	-	-	-	-	-	6,707,996	6,707,996
Other receivables (excluding prepayments)	283,334	-	-	-	-	-	283,334	283,334
Due from related parties	1,386,280	-	-	-	-	-	1,386,280	1,386,280
Investments	<u>64,936,449</u>	<u>48,762,472</u>	<u>33,954,651</u>	<u>51,720,714</u>	<u>-</u>	<u>36,068,905</u>	<u>235,443,191</u>	<u>209,766,257</u>
	<u>75,137,893</u>	<u>49,211,877</u>	<u>33,954,651</u>	<u>51,720,714</u>	<u>-</u>	<u>36,068,905</u>	<u>246,094,040</u>	<u>220,417,106</u>
<u>Financial liabilities</u>								
Accounts payable and accrued liabilities	2,289,683	-	-	-	-	-	2,289,683	2,289,683
Due to related parties	821,798	-	-	-	-	-	821,798	821,798
Interest payable	400,539	-	-	-	-	-	400,539	400,539
Note payable	2,329,174	33,585,646	22,392,441	-	-	-	58,307,261	53,723,321
Preference shares	1,884,960	32,916,053	28,724,349	8,528,439	59,923,981	-	131,977,782	84,110,243
Loans and borrowings	<u>1,616,115</u>	<u>3,500,062</u>	<u>1,481,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,597,470</u>	<u>6,254,836</u>
	<u>9,342,269</u>	<u>70,001,761</u>	<u>52,598,083</u>	<u>8,528,439</u>	<u>59,923,981</u>	<u>-</u>	<u>200,394,533</u>	<u>147,600,420</u>
Total liquidity gap	<u>65,795,624</u>	<u>(20,789,884)</u>	<u>(18,643,432)</u>	<u>43,192,275</u>	<u>(59,923,981)</u>	<u>36,068,905</u>	<u>45,699,507</u>	<u>72,816,686</u>
Cumulative gap	<u>65,795,624</u>	<u>45,005,740</u>	<u>26,362,308</u>	<u>69,554,583</u>	<u>9,630,602</u>	<u>45,699,507</u>		

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(c) Liquidity risk (continued)

	Company						
	2025						
	Within 3 months	3-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cashflows	Total carrying amounts
	\$	\$	\$	\$	\$	\$	\$
<u>Financial assets</u>							
Cash and cash equivalents	1,719,982	-	-	-	-	1,719,982	1,719,982
Certificates of deposit	-	449,405	-	-	-	449,405	449,405
Interest receivable	6,707,004	-	-	-	-	6,707,004	6,707,004
Other receivables (excluding prepayments)	256,792	-	-	-	-	256,792	256,792
Due from related parties	2,559,672	-	-	-	-	2,559,672	2,559,672
Investments	64,923,690	48,725,117	33,954,651	51,720,714	-	199,324,172	173,672,598
	76,167,140	49,174,522	33,954,651	51,720,714	-	211,017,027	185,365,453
<u>Financial liabilities</u>							
Accounts payable and accrued liabilities	2,192,746	-	-	-	-	2,192,746	2,192,746
Due to related parties	821,798	-	-	-	-	821,798	821,798
Interest payable	400,539	-	-	-	-	400,539	400,539
Note payable	2,329,174	33,585,646	22,392,441	-	-	58,307,261	53,723,321
Preference shares	1,884,960	32,916,053	28,724,349	8,528,439	59,923,981	131,977,782	84,110,243
Loans and borrowings	1,616,115	3,500,062	1,481,293	-	-	6,597,470	6,254,836
	9,245,332	70,001,761	52,598,083	8,528,439	59,923,981	200,297,596	147,503,483
Total liquidity gap	66,921,808	(20,827,239)	(18,643,432)	43,192,275	(59,923,981)	10,719,431	37,861,970
Cumulative gap	66,921,808	46,094,569	27,451,137	70,643,412	10,719,431		
	Group						
	2024						
	Within 3 months	3-12 months	1-2 years	2-5 years	No specific maturity date	Total contractual cashflows	Total carrying amounts
	\$	\$	\$	\$	\$	\$	\$
<u>Financial assets</u>							
Cash and cash equivalents	2,735,069	-	-	-	-	2,735,069	2,735,069
Certificates of deposit	-	15,168	-	-	-	15,168	15,168
Interest receivable	4,746,067	-	-	-	-	4,746,067	4,746,067
Other receivables (excluding prepayments)	109,817	-	-	-	-	109,817	109,817
Due from related parties	1,643,087	-	-	-	-	1,643,087	1,643,087
Investments	48,158,542	40,854,119	36,304,906	54,586,810	30,291,123	210,195,500	188,050,769
	57,392,582	40,869,287	36,304,906	54,586,810	30,291,123	219,444,708	197,299,977
<u>Financial liabilities</u>							
Accounts payable and accrued liabilities	6,369,383	-	-	-	-	6,369,383	6,369,383
Due to related parties	743,155	-	-	-	-	743,155	743,155
Interest payable	973,194	-	-	-	-	973,194	973,194
Note payable	1,317,895	41,525,877	14,148,724	9,750,053	-	66,742,549	60,955,576
Preference shares	1,098,964	3,296,892	30,195,148	24,162,158	-	58,753,162	48,994,477
Loans and borrowings	180,733	5,592,908	2,901,675	-	-	8,675,316	8,062,646
	10,683,324	50,415,677	47,245,547	33,912,211	-	142,256,759	126,098,431
Total liquidity gap	46,709,258	(9,546,390)	(10,940,641)	20,674,599	30,291,123	77,187,949	71,201,546
Cumulative gap	46,709,258	37,162,868	26,222,227	46,896,826	77,187,949		

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(c) Liquidity risk (continued)

	Company					
	2024					
	Within 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	Total contractual cashflows \$	Total carrying amounts \$
<u>Financial assets</u>						
Cash and cash equivalents	2,633,422	-	-	-	2,633,422	2,633,422
Certificates of deposit	-	15,168	-	-	15,168	15,168
Interest receivable	4,742,438	-	-	-	4,742,438	4,742,438
Other receivables (excluding prepayments)	109,817	-	-	-	109,817	109,817
Due from related parties	2,615,516	-	-	-	2,615,516	2,615,516
Investments	<u>48,141,001</u>	<u>40,858,395</u>	<u>36,304,906</u>	<u>54,586,810</u>	<u>179,891,112</u>	<u>157,778,314</u>
	<u>58,242,194</u>	<u>40,873,563</u>	<u>36,304,906</u>	<u>54,586,810</u>	<u>190,007,473</u>	<u>167,894,675</u>
<u>Financial liabilities</u>						
Accounts payable and accrued liabilities	6,269,102	-	-	-	6,269,102	6,269,102
Due to related parties	743,155	-	-	-	743,155	743,155
Interest payable	973,194	-	-	-	973,194	973,194
Note payable	1,116,679	30,676,485	14,148,724	9,750,053	55,691,941	50,412,813
Preference shares	1,098,964	3,296,892	30,195,148	24,162,158	58,753,162	48,994,477
Loans and borrowings	<u>396,255</u>	<u>15,965,029</u>	<u>2,901,675</u>	<u>-</u>	<u>19,262,959</u>	<u>18,207,877</u>
	<u>10,597,349</u>	<u>49,938,406</u>	<u>47,245,547</u>	<u>33,912,211</u>	<u>141,693,513</u>	<u>125,597,618</u>
Total liquidity gap	<u>47,644,845</u>	<u>(9,064,843)</u>	<u>(10,940,641)</u>	<u>20,674,599</u>	<u>48,313,960</u>	<u>42,297,057</u>
Cumulative gap	<u>47,644,845</u>	<u>38,580,002</u>	<u>27,639,361</u>	<u>48,313,960</u>		

(d) Market risk

Market risk is the risk that the value or cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

Such risks arise from open positions in interest rates and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices, such as foreign exchange and interest rates.

The market risk arising from investment activities is reviewed and assessed by the Asset and Liability Committee, the Investment Manager and the Investment and Risk Management Committee of the Asset Manager. Investment transactions are monitored by the Investment Manager.

The elements of market risk that affect the Group are as follows:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, financial instruments will vary because of exchange rate fluctuations. The Group incurs foreign currency risk on transactions that are denominated in currencies other than the United States dollar. The currency giving rise to this risk is the Jamaica dollar.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025

(Expressed in United States dollars)

29. Financial risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

The exposure to foreign currency risk at the reporting date was as follows:

	Group			
	2025		2024	
	J\$	US\$ equivalent	J\$	US\$ equivalent
Foreign currency assets:				
Cash and cash equivalents	2,805,715	17,572	40,492,797	260,253
Interest receivable	3,234,386	20,257	56,386,056	362,401
Other receivables	2,925,779	18,324	5,014,238	32,227
Investments	<u>111,874,192</u>	<u>700,668</u>	<u>367,122,127</u>	<u>2,359,547</u>
	<u>120,840,072</u>	<u>756,821</u>	<u>469,015,218</u>	<u>3,014,428</u>
Foreign currency liabilities:				
Accounts payable and accrued liabilities	19,955,708	124,983	367,707,792	2,363,311
Interest payable	3,513,306	22,004	44,559,097	286,388
Notes payable	1,410,959,977	8,836,842	1,396,876,712	8,977,928
Preference shares	3,471,086,531	21,739,415	1,558,859,684	10,019,016
Loans and borrowings	<u>372,000,000</u>	<u>2,329,836</u>	<u>392,991,186</u>	<u>2,525,811</u>
	<u>5,277,515,522</u>	<u>33,053,080</u>	<u>3,760,994,471</u>	<u>24,172,454</u>
Net exposure	<u>(5,156,675,450)</u>	<u>(32,296,259)</u>	<u>(3,291,979,253)</u>	<u>(21,158,026)</u>
	Company			
	2025		2024	
	J\$	US\$ equivalent	J\$	US\$ equivalent
Foreign currency assets:				
Cash and cash equivalents	2,592,208	16,235	40,485,303	260,205
Interest receivable	3,234,386	20,257	56,386,056	362,401
Other receivables	2,925,779	18,324	4,834,242	31,070
Due from related parties	29,962,181	187,653	1,034,978	6,652
Investments	<u>111,874,192</u>	<u>700,668</u>	<u>367,122,127</u>	<u>2,359,547</u>
	<u>150,588,746</u>	<u>943,137</u>	<u>469,862,706</u>	<u>3,019,875</u>
Foreign currency liabilities:				
Accounts payable and accrued liabilities	19,955,708	124,983	357,550,749	2,298,030
Interest payable	3,513,306	22,004	44,559,097	286,388
Notes payable	1,410,959,977	8,836,842	1,396,876,712	8,977,928
Preference shares	3,471,086,531	21,739,415	1,558,859,684	10,019,016
Loans and borrowings	<u>372,000,000</u>	<u>2,329,836</u>	<u>392,991,186</u>	<u>2,525,811</u>
	<u>5,277,515,522</u>	<u>33,053,080</u>	<u>3,750,837,428</u>	<u>24,107,173</u>
Net exposure	<u>(5,126,926,776)</u>	<u>(32,109,943)</u>	<u>(3,280,974,722)</u>	<u>(21,087,298)</u>

Exchange rate for the US dollar to the Jamaica dollar was US\$1 to J\$159.66 (2024: J\$155.59)

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(d) Market risk (continued)**

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange movements

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis represents outstanding Jamaica dollar denominated assets and liabilities as at the year-end, and the analysis is done on the same basis as 2024.

	Group			
	2025		2024	
	<u>% change in currency rate</u>	Effect on <u>profit</u> \$	<u>% change in currency rate</u>	Effect on <u>profit</u> \$
JMD	-3.5%	1,092,178	-4.0%	813,770
JMD	<u>+1.0%</u>	<u>(326,235)</u>	<u>+1.0%</u>	<u>(213,717)</u>

	Company			
	2025		2024	
	<u>% change in currency rate</u>	Effect on <u>loss</u> \$	<u>% change in currency rate</u>	Effect on <u>profit</u> \$
JMD	-3.5%	(1,085,877)	-4.0%	811,050
JMD	<u>+1.0%</u>	<u>324,353</u>	<u>+1.0%</u>	<u>(213,003)</u>

(ii) Interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group manages this risk by monitoring interest rates regularly. Even though there are no formally predetermined gap limits, to the extent judged appropriate, the maturity profile of the financial assets is matched with that of the financial liabilities. Where gaps occur, management expects that its monitoring will, on a timely basis, identify the need to take quick action to close a gap, if it becomes necessary.

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis. Interest rate risk is managed by maintaining an appropriate mix of variable and fixed rate instruments.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(d) Market risk (continued)**

(ii) Interest rate risk (continued)

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Variable rate instruments	<u>75,898</u>	<u>1,229,875</u>
Fixed rate instruments	<u>174,809,605</u>	<u>157,759,646</u>

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates. These are substantially the interest sensitive instruments impacting the Group's financial results. For floating rate assets, the analysis assumes the amount of the asset outstanding at the reporting date was outstanding for the whole period.

For instruments denominated in Jamaica dollars, a 25 (2024: 50) basis point increase or a 100 (2024: 25) basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

For instruments denominated in United States dollars, a 25 (2024: 50) basis point increase or a 75 (2024: 25) basis points decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If all other variables were held constant, the effect on the Group's and the Company's profit would have been as follows:

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
<i>Denominated in JMD</i>		
Effect on profit or loss		
Increase 25 (2024: 50) basis points	<u>24</u>	<u>232</u>
Effect on profit or loss		
Decrease 100 (2024: 25) basis points	<u>(95)</u>	<u>(116)</u>
<i>Denominated in USD</i>		
Effect on profit or loss		
Increase 25 (2024: 50) basis points	<u>166</u>	<u>5,917</u>
Effect on profit or loss		
Decrease 75 (2024: 25) basis points	<u>(498)</u>	<u>(2,959)</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(d) Market risk (continued)**

(ii) Interest rate risk (continued)

The following table summarises the carrying amounts of recognised financial assets and financial liabilities to arrive at the Group's and the Company's interest rate gap based on the earlier of contractual repricing and maturity dates. There were no off-balance-sheet financial instruments giving rise to interest rate risk.

	Group					
	2025					
	Within 3 <u>months</u>	3-12 <u>months</u>	Over 1 <u>year</u>	Non-rate <u>sensitive</u>	<u>Total</u>	Weighted avg <u>interest rate</u>
	\$	\$	\$	\$	\$	%
<u>Financial assets</u>						
Cash and cash equivalents	738,746	-	-	1,085,088	1,823,834	0.51
Certificates of deposit	-	449,405	-	-	449,405	4.77
Interest receivable	-	-	-	6,707,996	6,707,996	-
Other receivables (excluding prepayments)	-	-	-	283,334	283,334	-
Due from related parties	-	-	-	1,386,280	1,386,280	-
Investments	<u>59,197,585</u>	<u>42,213,814</u>	<u>72,285,953</u>	<u>36,068,905</u>	<u>209,766,257</u>	15.38
	<u>59,936,331</u>	<u>42,663,219</u>	<u>72,285,953</u>	<u>45,531,603</u>	<u>220,417,106</u>	
<u>Financial liabilities</u>						
Accounts payable and accrued liabilities	-	-	-	2,289,683	2,289,683	-
Due to related parties	-	-	-	821,798	821,798	-
Interest payable	-	-	-	400,539	400,539	-
Note payable	-	27,848,050	25,875,271	-	53,723,321	8.20
Preference shares	-	26,502,890	57,607,353	-	84,110,243	8.75
Loans and borrowings	<u>1,500,000</u>	<u>4,754,836</u>	<u>-</u>	<u>-</u>	<u>6,254,836</u>	9.70
	<u>1,500,000</u>	<u>59,105,776</u>	<u>83,482,624</u>	<u>3,512,020</u>	<u>147,600,420</u>	
Total interest rate sensitivity gap	<u>58,436,331</u>	<u>(16,442,557)</u>	<u>(11,196,671)</u>	<u>42,019,583</u>	<u>72,816,686</u>	
Cumulative interest rate sensitivity gap	<u>58,436,331</u>	<u>41,993,774</u>	<u>30,797,103</u>	<u>72,816,686</u>		

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(d) Market risk (continued)**

(ii) Interest rate risk (continued)

	Company					
	2025					
	<u>Within 3</u>	<u>3-12</u>	<u>Over 1</u>	<u>Non-rate</u>	<u>Total</u>	<u>Weighted avg</u>
	<u>months</u>	<u>months</u>	<u>year</u>	<u>sensitive</u>		<u>interest rate</u>
	\$	\$	\$	\$	\$	%
<u>Financial assets</u>						
Cash and cash equivalents	738,746	-	-	981,236	1,719,982	0.51
Certificates of deposit	-	449,405	-	-	449,405	4.77
Interest receivable	-	-	-	6,707,004	6,707,004	-
Other receivables (excluding prepayments)	-	-	-	256,792	256,792	-
Due from related parties	-	-	-	2,559,672	2,559,672	-
Investments	<u>59,197,585</u>	<u>42,189,060</u>	<u>72,285,953</u>	<u>-</u>	<u>173,672,598</u>	15.38
	<u>59,936,331</u>	<u>42,638,465</u>	<u>72,285,953</u>	<u>10,504,704</u>	<u>185,365,453</u>	
<u>Financial liabilities</u>						
Accounts payable and accrued liabilities	-	-	-	2,192,746	2,192,746	-
Due to related parties	-	-	-	821,798	821,798	-
Interest payable	-	-	-	400,539	400,539	-
Note payable	-	27,848,050	25,875,271	-	53,723,321	8.20
Preference shares	-	26,502,890	57,607,353	-	84,110,243	8.75
Loans and borrowings	<u>1,500,000</u>	<u>4,754,836</u>	<u>-</u>	<u>-</u>	<u>6,254,836</u>	9.70
	<u>1,500,000</u>	<u>59,105,776</u>	<u>83,482,624</u>	<u>3,415,083</u>	<u>147,503,483</u>	
Total interest rate sensitivity gap	<u>58,436,331</u>	<u>(16,467,311)</u>	<u>(11,196,671)</u>	<u>7,089,621</u>	<u>37,861,970</u>	
Cumulative interest rate sensitivity gap	<u>58,436,331</u>	<u>41,969,020</u>	<u>30,772,349</u>	<u>37,861,970</u>		

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(d) Market risk (continued)**

(ii) Interest rate risk (continued)

	Group 2024					
	<u>Within 3 months</u>	<u>3-12 months</u>	<u>Over 1 year</u>	<u>Non-rate sensitive</u>	<u>Total</u>	<u>Weighted avg interest rate</u>
	\$	\$	\$	\$	\$	%
<u>Financial assets</u>						
Cash and cash equivalents	1,229,875	-	-	1,505,194	2,735,069	0.02
Certificates of deposit	-	15,168	-	-	15,168	4.50
Interest receivable	-	-	-	4,746,067	4,746,067	-
Other receivables (excluding prepayments)	-	-	-	109,817	109,817	-
Due from related parties	-	-	-	1,643,087	1,643,087	-
Investments	<u>42,158,274</u>	<u>33,216,132</u>	<u>82,385,240</u>	<u>30,291,123</u>	<u>188,050,769</u>	15.05
	<u>43,388,149</u>	<u>33,231,300</u>	<u>82,385,240</u>	<u>38,295,288</u>	<u>197,299,977</u>	
<u>Financial liabilities</u>						
Accounts payable and accrued liabilities	-	-	-	6,605,748	6,605,748	-
Due to related parties	-	-	-	743,155	743,155	-
Interest payable	-	-	-	973,194	973,194	-
Note payable	-	28,215,028	32,740,548	-	60,955,576	8.37
Preference shares	-	-	48,994,477	-	48,994,477	8.59
Loans and borrowings	-	<u>5,195,811</u>	<u>2,866,835</u>	-	<u>8,062,646</u>	8.77
	-	<u>33,410,839</u>	<u>84,601,860</u>	<u>8,322,097</u>	<u>126,334,796</u>	
Total interest rate sensitivity gap	<u>43,388,149</u>	<u>(179,539)</u>	<u>(2,216,620)</u>	<u>29,973,191</u>	<u>70,965,181</u>	
Cumulative interest rate sensitivity gap	<u>43,388,149</u>	<u>43,208,810</u>	<u>40,991,990</u>	<u>70,965,181</u>		

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*29. Financial risk management (continued)**(d) Market risk (continued)**

(ii) Interest rate risk (continued)

	Company					
	2024					
	<u>Within 3</u>	<u>3-12</u>	<u>Over 1</u>	<u>Non-rate</u>	<u>Total</u>	<u>Weighted avg</u>
	<u>months</u>	<u>months</u>	<u>year</u>	<u>sensitive</u>		<u>interest rate</u>
	\$	\$	\$	\$	\$	%
<u>Financial assets</u>						
Cash and cash equivalents	1,229,875	-	-	1,403,547	2,633,422	0.02
Certificates of deposit	-	15,168	-	-	15,168	4.50
Interest receivable	-	-	-	4,742,438	4,742,438	-
Other receivables (excluding prepayments)	-	-	-	109,817	109,817	-
Due from related parties	-	-	-	2,615,516	2,615,516	-
Investments	<u>42,158,275</u>	<u>33,234,799</u>	<u>82,385,240</u>	<u>-</u>	<u>157,778,314</u>	15.05
	<u>43,388,150</u>	<u>33,249,967</u>	<u>82,385,240</u>	<u>8,871,318</u>	<u>167,894,675</u>	
<u>Financial liabilities</u>						
Accounts payable and accrued liabilities	-	-	-	6,505,467	6,505,467	-
Due to related parties	-	-	-	743,155	743,155	-
Interest payable	-	-	-	973,194	973,194	-
Note payable	-	28,215,028	22,197,785	-	50,412,813	8.34
Preference shares	-	-	48,994,477	-	48,994,477	8.59
Loans and borrowings	<u>-</u>	<u>15,338,042</u>	<u>2,866,835</u>	<u>-</u>	<u>18,204,877</u>	8.62
	<u>-</u>	<u>43,553,070</u>	<u>74,059,097</u>	<u>8,221,816</u>	<u>125,833,983</u>	
Total interest rate Sensitivity gap	<u>43,388,150</u>	<u>(10,303,103)</u>	<u>8,326,143</u>	<u>649,502</u>	<u>42,060,692</u>	
Cumulative interest rate sensitivity gap	<u>43,388,150</u>	<u>33,085,047</u>	<u>41,411,190</u>	<u>42,060,692</u>		

(iii) Equity price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. Non-trading equity price risk exposure arises from the Group's investment in a private credit fund and a business import fund. As at the end of the reporting period, a 2.5% (2024: 6%) increase in the value of the Group's equity investment at FVTPL would have increased equity by \$901,723 (2024: \$1,817,467). A decrease of 2.5% (2024: 3%) in the value of the Group's equity investment at FVTPL would have reduced equity by \$901,723 (2024: \$908,734).

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Year ended June 30, 2025*(Expressed in United States dollars)*30. Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to enable investments with additional companies. The Company may utilise leverage and may borrow up to 50% of its total assets to fund investments in additional portfolio companies. There are no externally imposed capital requirements.

The Group's approach to capital management is monitored by the Investment Manager and the Company's Board of Directors including its sub-committees.

31. Commitments

As at June 30, 2025, the Group and Company had investment commitments, already approved but not yet disbursed amounting to approximately \$5,321,000 (2024: \$14,568,000).