

Synopsis of Index Project's Note Structure Agreement

1) Parties Involved

- Party 1: Index Project FZ-LLC – Structuring coordinator and SPV administrator.
- Party 2: Issuer/investor seeking capital via note issuance.

2) Purpose & Legal Basis

- Issuance of EUR 25,000,000 in notes for strategic financing.
- Based on UAE Federal Law No. 2 of 2015, Federal Decree-Law No. 50/2022, DIFC regulations, and Cabinet Resolution No. 10 of 2019 (AML/CTF).

3) Nature of Index Project's Note

- Principal repaid at maturity, periodic interest.
- Non-transferable, non-tradable, non-listed.
- Private placement for non-UAE-based qualified investors only, via reverse solicitation.

4) Equity Contribution

- Party 2 contributes EUR 10–20 million as refundable equity via Party 1.
- Used exclusively to leverage note issuance and secure investor participation.
- Not a loan, not interest-bearing, not an investment return instrument.
- Refundable in full at note maturity.

5) Bookkeeping & Accounting Treatment

- Under IFRS 9 and UAE accounting standards, Party 2 shall record the contribution as:
- “Recoverable Structuring Contribution” or “Other Non-Current Financial Asset”.
- Classified as a non-interest-bearing financial receivable (not a loan or equity investment).
- Reclassified to Current Assets if expected to be returned within 12 months of reporting date.
- Full disclosure to be included in the notes to financial statements, citing the refund obligation and SPV structuring purpose.
- All parties (Party 2 and SPV) shall maintain cross-border financial statements in accordance with OECD, FATCA, CRS, and DIFC compliance frameworks.

6) Note Structure & SPV

- Notes issued by a DIFC-registered SPV managed by Party 1.
- SPV administers investor inflows, interest payments, principal redemption, and equity refund.
- Clear waterfall:
 - Investor → SPV → Project use + reserve for equity refund
 - SPV → Party 1 (fees) + Party 2 (refund) + Investors (interest & principal)

7) Use of Proceeds

- Exclusively for capex and operational development.
- Prohibited: speculative investments, dividends, intra-group transfers.

8) Investor Rights & Call Option

- Call Option granted to noteholders, exercisable upon default.
- Right to convert up to 100% of outstanding note value into equity in Party 2.
- Lock-in period of 60 days post-conversion.

9) Fees & Compensation

- Subscription Fee: 12.40% per tranche, paid to Party 1.
- Consultancy Fee: EUR 500,000, payable upon signing.
- Covers structuring, compliance, drafting, cross-border support, regulatory liaison.

10) Covenants & Restrictions

- No new debt, asset transfers, or corporate changes without prior consent.
- Mandatory cash flow and compliance reporting.
- Quarterly reporting and financial transparency required.

11) Compliance & Dispute Resolution

- Full compliance with UAE Federal Law No. 2 of 2015, Federal Decree-Law No. 50/2022, DIFC Law No. 5 of 2018, AML/CFT regulations
- All disputes resolved via DIAC arbitration, seated in Dubai.