



Amius Group Limited ('AGL')

Pillar 3 Disclosures as at 30 September 2021

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1) Introduction

The Capital Requirements Directive (CRD) of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital required to meet a firm's credit, market and operational risk;
- Pillar 2 requires a firm to establish an Internal Capital Adequacy Assessment Process ("ICAAP") to assess whether its Pillar 1 capital requirement is sufficient to cover the risks faced by the firm, and if not, to calculate the additional capital required; and
- Pillar 3 requires a firm to disclose specific information concerning its risk management policies and procedures and its regulatory capital position.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosures. This document is designed to meet our Pillar 3 obligations

The disclosures contained in this document have been approved by Amius' Board of Directors and Oversight Committee.

2) Disclosure Policy

In accordance with BIPRU 11.3.3 Amius has followed the disclosure requirements of Pillar 3 and has processes in place for assessing the appropriateness of its disclosures.

Amius has relied on BIPRU 11.3.5 and 11.3.6 to exclude information we consider to be immaterial, confidential or proprietary in nature and will make these non-disclosures clear.

In accordance with BIPRU 11.3.8, Amius publishes this disclosure annually on its website.

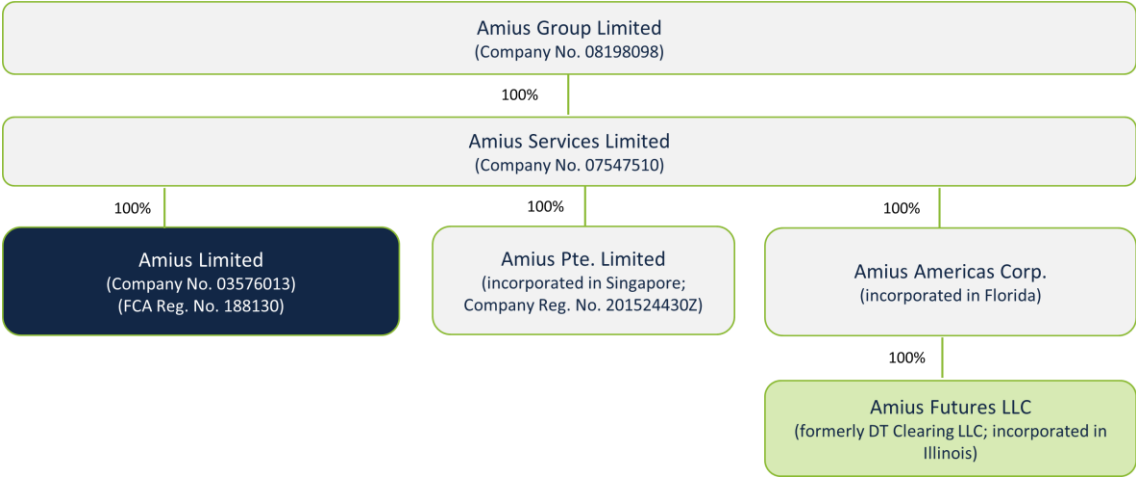
3) Scope of application

Amius Group Overview:

Amius Group Limited and subsidiaries ('AGL or Amius') key activity is the arranging of, and dealing in, bespoke risk management products for agricultural commodities (in the form of un-cleared over-the-counter ("OTC") financial derivative contracts). The Group also offers brokerage execution services for cleared commodity derivatives and foreign exchange ("FX") services. The Group's strategy is to serve its clients by using a boutique based approach, whilst striving to deliver shareholder return. The objective

of the risk management solutions employed by the Group’s clients is to manage FX and commodity price risk, meet budgets, stabilise price inputs and ultimately secure and enhance profit margins.

As at 30/09/2021 Amius comprises of the following entities:



- Amius Group Limited – a UK holding company which employs all of Amius’ UK based staff.
- Amius Services Limited – consolidation point for accounting purposes
- Amius Limited – an FCA regulated entity (FRN 188130) which specialise in providing Over-the-Counter (OTC) financial derivative risk management structures and brokerage execution services to the commodity sector. The entity is classified as a BIPRU €50k limited license firm.
- Amius Pte Limited – Asia sales representative office
- Amius Americas Corp – consolidation point for US tax purposes
- Amius Futures LLC – an entity approved as an introducing broker by the National Futures Association (‘NFA’) in the USA, which provides brokerage execution services. The entity is a \$45k firm.

For the purpose of BIPRU 11.5.2 all of the above entities are fully consolidated for reporting purposes and are disclosed at the Group Level in the Pillar 3 disclosure. They will collectively be referred to as “Amius” in this report.

There are no current or foreseen material practical or legal impediments to the prompt transfer of capital resources or repayment of liabilities between any of the Amius entities.

4) Risk Management Objectives and Policies

Strategies and Processes

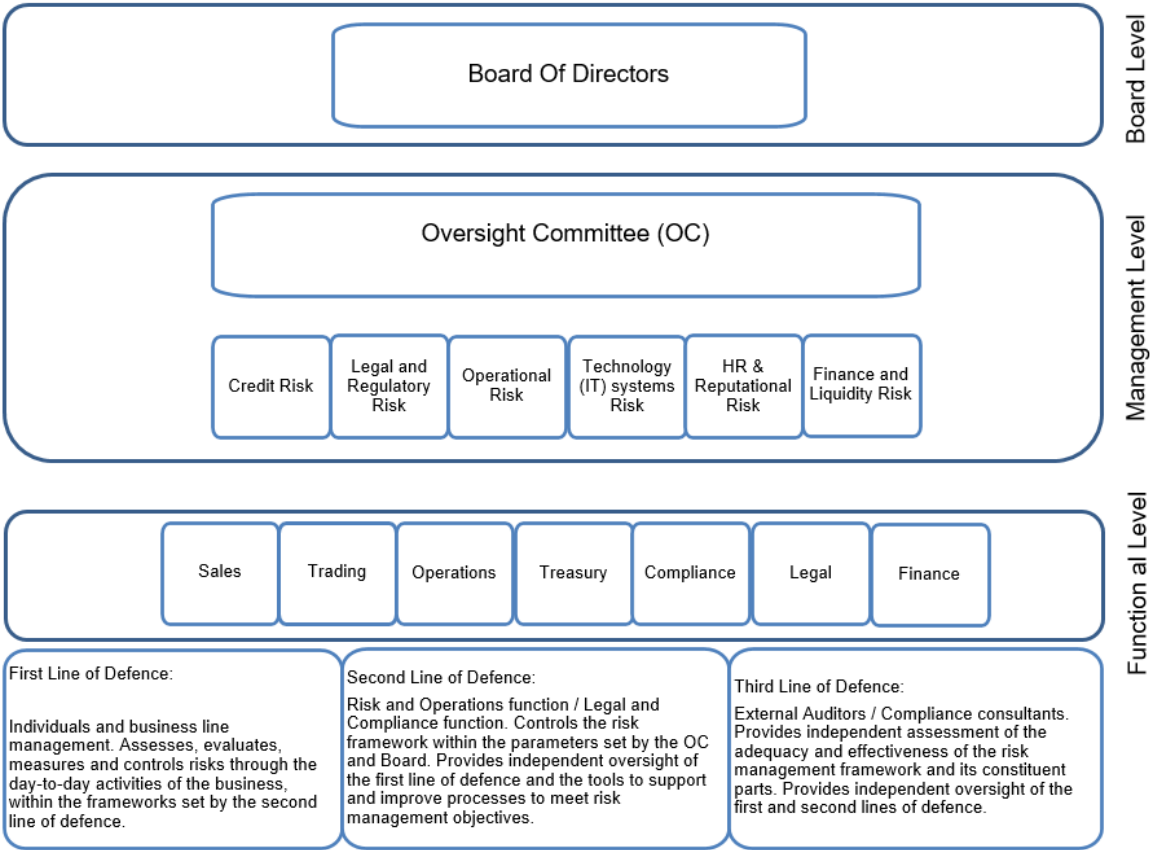
Amius’ Risk Framework has been designed to ensure risks are being appropriately identified and managed in line with Amius’ risk strategy, appetite and objectives. The Framework also provides a

formal structure from which controls such as policies, reporting and monitoring, can develop. The Framework incorporates five components:

- Risk identification which allows Amius to consider the risks to which it is exposed and give them appropriate weighting;
- Risk measurement which provides information on the quantum of a specific risk exposure or risk exposures in aggregate;
- Risk mitigation which allows Amius to apply controls to various identified risks and consider their effectiveness;
- Risk reporting which provides information on specific or aggregate risks on a periodic basis; and
- Risk governance which ensures that Amius employees have clearly defined roles which allow them to monitor for risks and perform their duties in accordance with the Framework.

Structure and organisation of the risk management function

Amius operate a “Three Lines of Defence” model which ensures risk accountability at all levels of the risk management structure.



Board of Directors

Amius' Board of Directors is comprised of:

- Chief Executive Officer;

- Chief Information Officer; and
- Chief Financial Officer

The Board is collectively responsible for:

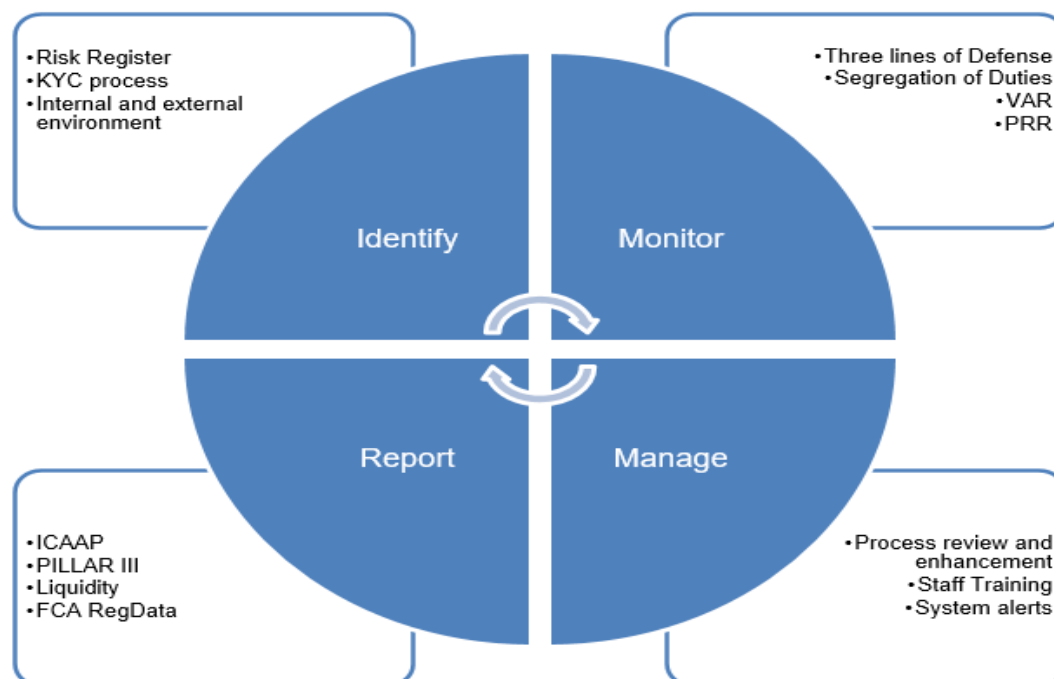
- setting an appropriate risk strategy and appetite;
- promoting a comprehensive risk culture and awareness;
- monitoring the implementation of the risk strategy;
- ensuring the independence of the control functions such as Compliance and Risk; and
- verifying that independent control functions operate correctly and effectively.

The Board has delegated the implementation and oversight of all risk matters to the Oversight Committee (“OC”).

Oversight Committee (“OC”)

Amius’ OC play a lead role in the integration of the risk management framework and risk culture of the organisation. The Committee is led by the CEO and attended by the CTO, CFO, and Heads of Sales, Operations and Compliance.

Risk Reporting and Measurement



Amius employs comprehensive processes to ensure the monitoring and reporting of risks within its Risk Framework.

Control Environment: clearly articulated risk appetite, objectives and management philosophy which is affirmed by management and staff through a robust governance structure with clear accountability at each stage.

Risk Assessment: identifying risks and link between risks, analysing their likelihood and impact which allows for implementation of suitable controls.

Controls: which include policies and procedures, training, operational review, reporting, verification and reconciliations, segregation of duties, system, and data control notifications.

Information and Communication: use of both internal and external information relating to the assessment of risks and their controls which is communicated both formally and informally in a timely manner.

Monitoring: of the effectiveness of the risk framework, improving practices and aligning with best practices.

5) Risk Categories

Credit risk

Credit risk is the risk of loss that Amius will incur if a client or counterparty fails to perform its contractual obligations. Amius' credit risk exposure with clients is mitigated against through a rigorous credit risk assessment and review process.

Market risk

Market risk is the risk of losses Amius may incur in respect of its positions arising from adverse movements in market prices of underlying contracts traded. Amius utilise a number of reports to assess its live market risk exposures and mitigate against this risk through extensive stress testing and, where necessary, the imposition of risk reduction strategies when limits (both internal and external) are deemed to be close to an agreed risk tolerance limit.

Liquidity Risk

Liquidity risk is the risk that Amius may not be able to meet its obligations when they fall due. Liquidity risk is monitored through a daily cash report setting out the current liquidity position, major cash events, and short and medium term commitments. Liquidity risk is mitigated against through the use of a number of key indicators which assess actual and projected cash usage, including client position exposure, expected margin exposure, and short and medium term commitments. Transactional liquidity stress analysis is also carried out to determine the level of cash reserves Amius should maintain.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. This excludes business, strategic and reputational risks. Amius seeks to minimise operational risks through internal risk management process and business controls, segregation of duties and system controls ensures that ensure a secure operational environment.

Legal & Regulatory Risk

Legal and Regulatory risk is the risk of not complying with existing laws and regulations or the adverse or material impact of a change in laws or regulations on the business. Legal & Regulatory risks are

mitigated against through use of in house and external counsel who closely monitor and advise on regulatory developments, updating the business through regular training and procedures.

Strategic & Business Risk

Strategic and business risks are those arising from Amius’ business strategy and strategic objectives including the risk of failing to meet these objectives or execute the strategy successfully. Amius seek to mitigate against this through regular Business and Strategy meetings during which the OC discuss strategy, new products and ventures and the latest competitor, technological, market and regulatory developments and how these may affect the strategy.

Foreign exchange risk

Amius is exposed to foreign currency risk that arises through its revenue generation. Revenue is principally earned in USD and to a lesser degree in other currencies. Foreign currency risk is analysed and managed by the monitoring of all material foreign currency exposures, and hedges are undertaken on a forward and spot basis where necessary by the Treasury Team.

Concentration risk

Concentration risk is the risk of loss arising from a concentration in or exposure to a particular commodity or commodities.

Amius has reduced underlying concentration risk by increasing its product offerings across multiple asset classes. By offering products on diverse sectors, income is generated in a more balanced manner and thus profitability and adequate liquidity are maintained.

6) Total Capital Resources

Amius’ Tier 1 capital consists of ordinary share capital and retained earnings. Amius’ total capital resources as at 30 September 2021 is \$35,163,000.

Capital Resources (\$/000)	30/09/2020	30/09/2021
Share Capital	1,723	1,723
Share Premium	3,480	3,480
Profit and Loss account	20,149	*30,129
Total Tier 1	25,352	35,332
Tier 1 deductions		
Intangibles	0	-169
Tier 1 Capital after deductions	25,352	35,163
Total Tier 2	0	0
Total Tier 3	0	0
Total Capital Resources	25,352	35,163

*=Includes non-audited profit which have since been confirmed, Audit sign off was received on 15 December 2021.

In accordance with BIPRU 11.5.3, Amius does not hold hybrid capital and capital instruments.

7) Total Capital Requirement

Amius is a BIPRU €50k limited license firm and strictly operates on a Matched Principal basis (no longer applicable from 01.01.2022). Amius calculates its Pillar 1 capital in accordance with GENPRU 2.1.41 and 2.1.45 and considers additional capital requirements under Pillar 2, which include credit risk and market risk.

Total Capital Requirement / (\$/000)	30/09/2021
Total Capital Resources	35,163
Base requirement	0.058
Credit risk capital requirement A*	8,759
Market risk capital requirement B	1,644
Fixed Overhead Requirement (FOR) C	1,701
Pillar 1 Capital requirement [Higher of (A+B) or C]	10,403
Pillar 2 Results	
Credit Risk	2,729
Market Risk	9,772
Pillar 2 Ongoing Requirements	12,501
ICAAP Capital Requirement (Pillar 1 add Pillar 2)	22,904
Surplus	12,259

* Includes \$7,133k of Counterparty Credit Risk

In accordance with BIPRU 11.5.4, Amius monitors the adequacy of its internal and regulatory capital as part of its monthly management information. This regular review process, combined with stress testing of liquidity balances, ensures that Amius has sufficient resources to support current and future activities.

Credit Risk Capital Requirement

Amius has adopted the simplified approach (BIPRU 3.5) to the calculation of Credit Risk.

A detailed credit risk assessment is carried out for all clients and trading counterparties as well as for banks and brokers used by Amius. Counterparties are analysed and scored and credit limits are approved after careful consideration only. Exposures are being managed and mitigated against on a case-by-case basis, stress tests on exposures are carried out daily, and risk mitigation measures include margining of positions and the use of collateral.

The analysis of Risk Weighted Assets (RWA) and Capital Requirements is detailed below:

RWA and Capital Requirement by exposure class as at 30/09/2021 (\$/000)		
Exposure Class	Risk Weighted Assets	Capital requirement
Institutions	15,900	1,272
Corporates	3,213	257
Others	638	51
Off Balance Sheet	0	0
Past due	575	46
Total	20,326	1,626

RWA and Capital Requirement by Exposure class as at 30/09/2020 (\$/000)		
Exposure Class	Risk Weighted Assets	Capital requirement
Institutions	3,463	277
Corporates	17,650	1,412
Others	0	0
Off Balance Sheet	0	0
Past due	1,013	81
Total	22,125	1,770

Capital Requirement – Analysed by Geographical region as at 30/09/2021 (\$/000)					
Exposure Class	Americas	Asia	EMEA	Oceania	Total
Institutions	0	0	1,272	0	1,272
Corporates	257	0	0	0	257
Others	0	0	51	0	51
Off Balance Sheet	0	0	0	0	0
Past due	46	0	0	0	46

Capital Requirement – Analysed by Geographical region as at 30/09/2020 (\$/000)					
Exposure Class	Americas	Asia	EMEA	Oceania	Total
Institutions	0	0	277		277
Corporates	113	226	1,073	0	1,412
Others	0	0	0	0	0
Off Balance Sheet	0	0	0	0	0
Past due	81	0	0	0	81

Capital Requirement - Analysed by Industry as at 30/09/2021 (\$/000)					
Exposure Class	Financial	Commercial	Consumer	PA	Total
Institutions	1,272	0	0	0	1,272
Corporates	0	257	0	0	257
Others	0	51	0	0	51
Off Balance Sheet	0	0	0	0	0
Past due	0	46	0	0	46

Capital Requirement - Analysed by Industry as at 30/09/2020 (\$/000)					
Exposure Class	Financial	Commercial	Consumer	PA	Total
Institutions	277	0	0	0	277
Corporates	0	1,412	0	0	1,412
Others	0	0	0	0	0
Off Balance Sheet	0	0	0	0	0
Past due	0	81	0	0	81

Counterparty Credit Risk

In accordance with BIPRU 11.5.7(5), Amius is able to rely on netting benefits, as documented in its Terms of Business or other relevant industry standard legal documentation (ISDA) governing client and counterparty relationships, which allow Amius to calculate net derivative credit exposure and apply collateral held, thereby further mitigating counterparty credit risk.

The analysis of Risk Weighted Assets (RWA) and Capital Requirements is detailed below:

RWA and Capital Requirements by Exposure class as at 30/09/2021 (\$/000)		
Exposure Class	Risk Weighted Assets	Capital requirement
Institutions	1,945	156
Corporates	87,213	6,977
Total	89,158	7,133

RWA and Capital Requirements by Exposure class as at 30/09/2020 (\$/000)		
Exposure Class	Risk Weighted Assets	Capital requirement
Institutions	23,938	1,915
Corporates	25,850	2,068
Total	49,788	3,982

Market Risk Capital Requirement

As Matched Principal, Amius is required to calculate a Market Risk Capital Requirement on its trading positions to ensure it remains within the scope of its permissions. In accordance with BIPRU11.5.12 Amius calculates and monitors its PRR under the 'maturity ladder approach' (BIPRU 7.4.25 and monitors its commodity. Amius does not deem it necessary to calculate Interest rate PRR or Option PRR given the current nature of trading book activities undertaken in its business activities.

Amius carries limited foreign exchange exposure, largely as a result of income earned in currencies other than its functional and reporting currency, and overheads being incurred in a range of different currencies. Consequently, Amius calculates the relevant Foreign Currency Position Risk Requirement for its Pillar 1 capital requirement.

Market risk as at 30/09/2021 (\$/000)	PRR
Commodities risk	1,593
Foreign exchange risk	51
Total	1,644

Market risk as at 30/09/2020 (\$/000)	PRR
Commodities risk	568
Foreign exchange risk	54
Total	605

FIXED OVERHEAD REQUIREMENT (FOR)

As a limited license firm, Amius is required to hold one quarter of its previous year relevant fixed overhead costs as Fixed Overhead Requirement.

FOR as at 30/09/2021 (\$/000)	Capital requirement
Requirement	1,701

FOR as at 30/09/2020 (\$/000)	Capital requirement
Requirement	1,995

Interest Rate risk

Although the Firm carries significant cash balances on its Balance Sheet, there is currently no significant exposure to Interest Rate fluctuations.

8) Internal Capital Adequacy Assessment Process ('ICAAP')

The purpose of the ICAAP is to independently inform the Board of Directors and OC of the risks that Amius capital base is exposed to, including how Amius intends to mitigate against a wide variety of risks and perceived future risks and 'tail' risk events. The process is reviewed on an ongoing basis and the capital requirements current and the projections are calculated over the following three year period from a business as usual and also stressed scenario basis. The ICAAP is owned by the Board of Directors although all senior management provide input into the scope and breadth of factors considered.

COVID-19

The Global Covid 19 pandemic saw Amius adopt several risk mitigation measures. As a result of these measures, Amius has been able to maintain a healthy revenue streams and has minimised any process disruption. Amius continues to adhere to government policies and recommendations.

9) Remuneration

As a BIPRU firm, Amius is subject to the FCA rules on remuneration set out in SYSC 19C. These rules aim to ensure greater alignment between risk and individual reward, discourage excessive risk taking and support positive behaviours and a strong and appropriate conduct culture within firms.

Remuneration is both fixed (e.g. salary) and variable (e.g. bonus) and is provided to attract, motivate, and maintain high-calibre employees whilst at the same time promoting sound and effective risk management.

Fixed remuneration is relative to the individual's knowledge and competency and is generally benchmarked to industry standards. Variable remuneration aims to recognise individual performance and overall contribution to the firm whilst still applying strong risk management and appropriate conduct. This is assessed at a minimum, on a quarterly basis through an appraisal process.

Amius are a Level 3 firm and therefore adopt a proportionate approach in respect of the Remuneration Code Principles to the extent it is permitted to do so. Amius do not therefore consider it proportionate to adopt a formal Remuneration Committee given the size of its business. Remuneration is therefore determined by Amius' Board of Directors. Factors they consider when making their assessment include profit, conduct, risk and compliance metrics.

FYE ending 30 September 2021

- No sign on bonuses were paid to Code Staff

Category	Number of Code Staff	Remuneration (\$) / 000
Total	10	2,783

10) Non - Applicable disclosures

The following disclosures specified in BIPRU 11.5 are not applicable to Amius:

- BIPRU 11.5.10: The firm is subject to Standardised (simplified) Approach and not IRB Approach
- BIPRU 11.5.13: The firm does not use Internal Model to calculate its market risk exposures
- BIPRU 11.5.17: The firm does not securitise its assets.