

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

Registered number

722135

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

CONTENTS	Pages
Directors and other information	3 - 4
Directors' report	5 -7
Statement of Directors' responsibilities	8
Independent auditor's report	9 -12
Consolidated statement of financial position	13
Company statement of financial position	14
Consolidated statement of comprehensive income	15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19-35

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Paul Roddy
Stephen Kenny
Robert Blair Tamblyn
Tracy Johnston

COMPANY SECRETARY

Paul Roddy

REGISTERED OFFICE

19 Main Street
Blackrock
Co. Dublin
A94 X8W7
Ireland

ADMINISTRATOR

IQ EQ Corporate Services Limited
Suite 6
Rineanna House
Shannon Free Zone
Co. Clare
Ireland

INVESTMENT MANAGER

Timbercreek Asset Management (Ireland) Limited
19 Main Street
Blackrock
Co. Dublin
A94 X8W7
Ireland

TRUSTEE

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
Toronto, ON M5J 2Y1
Canada

INDEPENDENT AUDITORS

Grant Thornton
Chartered Accountants and Statutory Audit Firm
13-18 City Quay
Dublin 2
D02 ED70
Ireland

LEGAL ADVISOR

Beauchamps
Second Floor
Riverside Two
Sir John Rogerson's Quay
Dublin 2
Ireland

McCarthy Tétrault LLP
Suite 2400
745 Thurlow Street
Vancouver BC
V6E 0C5
Canada

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

DIRECTORS AND OTHER INFORMATION - (CONTINUED)

BANKERS

Allied Irish Bank
41 Westmoreland Street
Dublin 1
Ireland

LOAN SERVICER

IQ EQ Corporate Services Limited
Suite 6
Rineanna House
Shannon Free Zone
Co. Clare
Ireland

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements of Timbercreek Ireland Private Debt II Designated Activity Company (the "Company") and its subsidiary together (the "Group") for the financial year ended 30 September 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated in Ireland on 7 July 2022 with registration number 722135. The Group and Company are special purpose companies and qualify for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA, in respect of taxable profits. The Group and Company have raised finance by issuing debentures and have used these funds to invest in or originate senior ranking loans to third parties which are secured by real estate located principally in the Republic of Ireland.

On 14 March 2023 the Directors approved the creation and issue of up to €200,000,000 in unsecured subordinated debentures ("Debentures") pursuant to a trust deed entered into between the Company and Computershare Share Trust Company of Canada as trustee (the "Trustee") under which the Company would, inter alia, constitute the Debentures and would covenant to the Trustee for the benefit of the holders of the Debentures to make payments due on the Debentures in accordance with their terms.

As at 30 September 2025, the Company has €86,400,000 Debentures (2024: €34,500,000) in issue. There were no repayments made during the financial year ended 30 September 2025 (2024: €nil).

On 19 December 2022, the Group via Timbercreek Ireland Private Debt OPCO I DAC (the "Subsidiary") entered into a loan facility agreement with Allied Irish Banks, P.L.C. The Group can borrow an amount up to €135,000,000 and the loan is due to mature on 30 January 2028. As at 30 September 2025, the Group's loan balance was €58,443,239 (2024: €34,553,980). During the year, the Group drew €26,568,519 (2024: €3,868,000) and repaid €2,679,261 (2024: €926,542).

FUTURE DEVELOPMENT

Key performance indicators of the Group and Company are primarily based on income generated by loan investments and their ability to meet financial obligation. As at 30 September 2025, all loan investments are performing and there is adequate cash balance to meet financial obligations recognized in the Consolidated and Company Statement of Financial Position. The future performance of the Company depends on the performance of the loan portfolio.

In the forthcoming financial year, the Group and Company intend to issue further Debentures. No Debentures are due to mature in the forthcoming financial year at the date of signing of the Consolidated and Company Statement of Financial Position.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group and Company relate to the financial instruments held and issued by them. The disclosures in relation to the Group and Company's policies for financial risk management including market risk, credit risk and liquidity risk and the nature of financial instruments used during the financial year to mitigate exposure to these risks, are shown in note 20.

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the directors who were in office at any time during the financial year ended 30 September 2025 are set out below. They served as directors for the entire financial year unless otherwise indicated. Paul Roddy has interest in the debentures of the Company. Robert Blair Tamblyn has interest in Timbercreek Capital Holding LP which in turn has an interest in the debentures of the Group and Company. Paul Roddy was appointed company secretary on the 7 July 2022.

Paul Roddy holds debentures of the Company, Robert Blair Tamblyn, via wholly owned entities, hold limited partnership units in Timbercreek Capital Holding LP which in turn holds debentures in the Group and Company. The principal balance of the debentures as at 30 September 2025 was €2,596,000 (2024: €2,000,000).

Paul Roddy (appointed on 7 July 2022)

Stephen Kenny (appointed on 7 July 2022)

Robert Blair Tamblyn (Canadian - appointed on 15 August 2022)

Tracy Johnston (Canadian - appointed on 15 July 2024)

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT - (CONTINUED)

RESULTS AND DIVIDENDS

During the financial year the Group made a profit after tax of €1,500 (2024: €1,500). The Directors do not recommend the payment of a dividend for the financial year ended 30 September 2025.

GOING CONCERN

The Group and Company's financial statements for the financial year ended 30 September 2025 have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing these financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 21 of the financial statements.

POLITICAL DONATIONS

There were no political donations made by the Group and Company during the financial year ended 30 September 2025 (2024: €nil).

STATEMENT OF RELEVANT AUDIT INFORMATION

In preparing and approving this Director's report and financial statements and in accordance with Section 330 of the Companies Act, 2014 each of the current Directors of the Group and Company confirm that:

- (i) So far as the Directors are aware, there is no relevant audit information of which the statutory auditors are unaware; and
- (ii) The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

DIRECTORS COMPLIANCE STATEMENT

The Group and Company's turnover do not exceed the thresholds set out in section 225 of the Companies Act 2014 for the year ended 30 September 2025. Therefore, the provisions of section 225 of the Companies Act 2014 do not apply to the Group and Company and the Directors are not required to include a Compliance Statement in their statutory directors' report for the year ended 30 September 2025.

AUDIT COMMITTEE

As at the date of these financial statements, the Group and Company are operating within the turnover threshold limits as set out under Section 167(1) of the Companies Act 2014 (the "Act") and, as such, the Group and Company do not meet the requirements to establish an audit committee for the current financial year ended 30 September 2025.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records by engaging a corporate service provider who employs accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. Adequate accounting records of the Group and Company are maintained at Suite 6, Rineanna House, Shannon Free Zone, Co. Clare, Ireland.

SUBSEQUENT EVENTS

Refer to note 24 of the financial statements for details of the subsequent events.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT - (CONTINUED)

INDEPENDENT AUDITORS

Grant Thornton, Chartered Accountants and Statutory Audit Firm have expressed their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

On behalf of the Board of Directors:



Stephen Kenny
Director



Paul Roddy
Director

Date: 22nd December 2025

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' report and the Consolidated and Company financial statements in accordance with applicable law and regulations.

Irish Company law requires the directors to prepare Consolidated and Company financial statements for each financial year giving a true and fair view of the Group and the Company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the Group for the financial year. Under that law they have elected to prepare the Group financial statements in accordance with IFRS Accounting Standards as adopted by the EU ("IFRS") and applicable law.

The directors have elected to prepare the Company financial statements in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of the Companies Act 2014.

Under Irish Company law the directors shall not approve the Consolidated and Company financial statements unless they are satisfied that they give a true and fair view of the Group and Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRS as adopted by the EU, Article 4 of the IAS Regulation and in accordance with Companies Act 2014;
- state whether the Company financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, as applied in accordance with the provisions of the Companies Act 2014; and
- prepare the consolidated and company financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board of Directors:



Stephen Kenny
Director



Paul Roddy
Director

Date: 22nd December 2025

Independent auditor's report to the members of Timbercreek Ireland Private Debt II Designated Activity Company

Opinion

We have audited the financial statements of Timbercreek Ireland Private Debt II Designated Activity Company (the "Company") and its subsidiary (the "Group"), which comprise the Consolidated statement of financial position, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company statement of financial position, and Company statement of changes in equity, for the financial year ended 30 September 2025, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union and in the preparation of the Company financial statements is Irish law and The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (Generally Accepted Accounting Practice in Ireland).

In our opinion, the consolidated financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group as at 30 September 2025 and of its profit or loss for the financial year then ended;
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

In our opinion, the Company's financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September 2025 and of its profit or loss for the financial year then ended;
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of Timbercreek Ireland Private Debt II Designated Activity Company

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Director's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on the matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which to the best of our knowledge and belief, we considered necessary for the purposes of our audit.

In our opinion:

- the accounting records of the Group and the Company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and income statement are in agreement with the accounting records and returns.

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' report for the financial year is consistent with the financial statements.

Independent auditor's report to the members of Timbercreek Ireland Private Debt II Designated Activity Company

- the Directors' report has been prepared in accordance with applicable legal requirements, excluding the requirements on sustainability reporting in Part 28.

Based on our knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of sections 305 to 312 of the Act, which relate to the disclosure of directors' remuneration and transactions with directors have not been complied with by the Group. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the Group financial statements in accordance with the applicable financial reporting framework that which give a true and fair view, and for such internal control as they determine 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 Group and 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 Group and Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

The objectives of an auditor 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 auditor's 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 (Ireland) 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 located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Independent auditor's report to the members of Timbercreek Ireland Private Debt II Designated Activity Company

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Group and Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Group and Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Company and the Group and Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shahnawaz Mirza

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Audit Firm

13 – 18 City Quay

Dublin 2

Ireland

Date: 22 December 2025

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Note	30-Sep-25 €	30-Sep-24 €
Assets			
Cash and cash equivalents	3	4,181,969	3,965,871
Interest receivable		2,887,394	1,713,583
Trade and other receivables	4	10,776	10,336
Loans receivable	5	140,689,128	64,165,850
Total assets		<u>147,769,267</u>	<u>69,855,640</u>
Liabilities			
Interest payable		1,465,870	743,660
Trade and other payables	7	1,613,345	518,938
Loan facility	8	57,976,632	34,200,818
Debentures	9	85,897,813	33,977,827
Profit participating note	10	811,730	412,020
Total liabilities		<u>147,765,390</u>	<u>69,853,263</u>
Equity			
Share capital presented as equity	12	2	2
Retained earnings		3,875	2,375
Total equity		<u>3,877</u>	<u>2,377</u>
Total liabilities and equity		<u>147,769,267</u>	<u>69,855,640</u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2025 and were signed on its behalf by:



Stephen Kenny
Director



Paul Roddy
Director

The notes on pages 19 to 35 form an integral part of these financial statements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025	Note	30-Sep-25	30-Sep-24
		€	€
Assets			
Cash and cash equivalents	3	25,580	1,058,395
Interest receivable		2,673,824	1,058,949
Trade and other receivables	4	9,152	12,019
Investment in subsidiary		2	2
Intercompany loan receivable	6	85,150,861	32,731,100
Total assets		87,859,419	34,860,465
Liabilities			
Interest payable		1,029,852	401,107
Trade and other payables	7	122,559	68,655
Debentures	9	85,897,813	33,977,827
Profit participating note	10	811,730	412,020
Total liabilities		87,861,954	34,859,609
Equity			
Share capital presented as equity	12	2	2
Retained earnings		1,354	854
Total equity		1,356	856
Total liabilities and equity		87,863,310	34,860,465

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2025 and were signed on its behalf by:



Stephen Kenny
Director



Paul Roddy
Director

The notes on pages 19 to 35 form an integral part of these financial statements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

	Note	30-Sep-25 €	30-Sep-24 €
Income			
Interest income	13	9,302,075	6,955,141
Other income	14	575,032	71,306
		<u>9,877,107</u>	<u>7,026,447</u>
Expenses			
Interest expense	15	(8,524,969)	(6,015,672)
Net loss on profit participating note	10	(399,710)	(411,020)
Operating expenses	16	(950,428)	(597,755)
		<u>(9,875,107)</u>	<u>(7,024,447)</u>
Operating profit before tax		2,000	2,000
Corporation tax	19	(500)	(500)
Profit after tax for the financial year		1,500	1,500
Other comprehensive income		-	-
Total comprehensive income for the financial year		<u>1,500</u>	<u>1,500</u>

The Group has no recognised gains and losses in the financial period other than those dealt with in the Consolidated Statement of Comprehensive Income. All amounts relate to continuing operations.

The notes on pages 19 to 35 form an integral part of these financial statements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

	Note	Share Capital €	Retained earnings €	Total €
As at 01 October 2023		<u>2</u>	<u>875</u>	<u>877</u>
Total comprehensive income for the financial year		-	1,500	1,500
As at 30 September 2024		<u>2</u>	<u>2,375</u>	<u>2,377</u>
Total comprehensive income for the financial year		-	1,500	1,500
As at 30 September 2025		<u>2</u>	<u>3,875</u>	<u>3,877</u>

The notes on pages 19 to 35 form an integral part of these financial statements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

COMPANY STATEMENT OF CHANGES IN EQUITY**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025**

	Note	Share Capital €	Retained earnings €	Total €
As at 01 October 2023		2	354	356
Total comprehensive income for the financial year		-	500	500
As at 30 September 2024		2	854	856
Total comprehensive income for the financial year		-	500	500
As at 30 September 2025		2	1,354	1,356

The notes on pages 19 to 35 form an integral part of these financial statements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

	Note	30-Sep-25 €	30-Sep-24 €
Cash flows from operating activities			
Total comprehensive income for financial year/period		1,500	1,500
<i>Adjusted for:</i>			
Interest income	13	(9,302,075)	(6,955,141)
Interest expense	15	8,265,793	5,822,838
Net fair value loss on the profit participating note	10	399,710	411,020
Amortisation of capitalised issuance cost	15	259,177	192,834
<i>Changes in working capital:</i>			
Decrease in trade and other receivables	4	(440)	2,395
Increase in trade and other payables	7&10	1,094,407	176,995
Net cash (used in)/generated from operating activities		<u>718,072</u>	<u>(347,559)</u>
Cash flows from investing activities			
Interest received		6,825,662	5,437,207
Loan advanced	5	(80,897,922)	(7,665,000)
Loan repayments	5	<u>5,677,246</u>	<u>3,611,829</u>
Net cash generated from/(used in) investing activities		<u>(68,395,014)</u>	<u>1,384,036</u>
Cash flows from financing activities			
Interest paid on loan facility		(2,316,125)	(2,365,565)
Interest paid on debentures		(5,227,457)	(4,450,428)
Proceeds from loan facility net of issuance costs	8	26,303,964	3,829,320
Repayment of loan facility	8	(2,679,261)	(926,542)
Proceeds from issuance of debentures net of issuance costs	9	<u>51,811,919</u>	<u>5,626,238</u>
Net cash generated from financing activities		<u>67,893,040</u>	<u>1,713,023</u>
Net increase in cash and cash equivalents		216,098	2,749,500
Cash and cash equivalents at beginning of the financial year/period		3,965,871	1,216,371
Cash and cash equivalents at end of the financial year/period	3	<u><u>4,181,969</u></u>	<u><u>3,965,871</u></u>

The notes on pages 19 to 35 form an integral part of these financial statements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

1. BACKGROUND TO THE COMPANY

The Company was incorporated in Ireland on 7 July 2022 with registration number 722135. The registered address of the Group and Company is 19 Main Street, Blackrock, Co Dublin, A94 X8W7, Ireland. The Group and Company are special purpose companies and qualify for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA, in respect of taxable profits. The Group and Company have raised finance by issuing debentures and have used the funds to invest in or to originate senior ranking loans to third parties which are secured by real estate located principally in Ireland through Timbercreek Ireland Private Debt Opco I Designated Activity Company which is a wholly owned subsidiary of the Group.

On 14 March 2023 the Directors approved the creation and issue of up to €200,000,000 unsecured subordinated debentures ("Debentures") pursuant to a trust deed entered into between the Company and Computershare Trust Company of Canada as trustee (the "Trustee") under which the Company would, inter alia, constitute the Debentures and would covenant to the Trustee for the benefit of the holders of the Debentures to make payments due on the Debentures.

As at 30 September 2025, the Company has €86,400,000 Debentures (2024: €34,500,000) in issue. There were no repayments made during the financial year ended 30 September 2025 (2024: €nil).

On 19 December 2022, the Group via Timbercreek Ireland Private Debt OPCO I DAC (the "Subsidiary") entered into a loan facility agreement with Allied Irish Banks, P.L.C. The purpose of the loan facility is to fund commercial property development. The Group can borrow an amount up to €135,000,000 and the loan is due to mature on 30 January 2028. As at 30 September 2025, the Group's loan balance was €58,443,239 (2024: €34,553,980). During the year, the Group drew €26,568,519 (2024: €3,868,000) and repaid €2,679,261 (2024: €926,542).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Group consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU ("IFRS") and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The accounting policies set out below have been applied in preparing the consolidated financial statements for the financial year ended 30 September 2025.

The Company financial statements have been prepared in accordance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2014. The directors have considered the impact of consolidating IFRS and FRS 102 in these financial statements and consider no transition adjustments are required.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. As at 30 September 2025, the Directors believe that the Group and Company have adequate resources to continue in operational existence. Owing to the substance of the transaction undertaken by the Group and Company and the expected future business plans, the Directors concluded that the going concern basis to be appropriate in preparing these consolidated financial statements.

In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting the profit and loss account. The Company's results for the financial year ended 30 September 2025 was a profit after tax of €500 (2024: €500).

The Company's financial statements have adopted the exemption available under FRS 102 the requirements of statement of cash flows.

Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS, requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Following are the areas in which the Group and Company used estimates and judgements:

- Fair value of profit participating note (PPN).
- Impairment assessment of loans receivables.

Functional and presentation currency

These consolidated financial statements are presented in Euro denominated by the symbol "€" which is the Group and Company's functional currency and presentation currency. This reflects the fact that the majority of the Group and Company's transactions are denominated in this currency and the Directors have determined that this reflects the Group and Company's primary economic environment.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group and Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the consolidated statement of comprehensive income.

Standards, interpretations and amendments introduced during the financial year

The following new standards, amendments and interpretations issued became effective as of 1 January 2025. None of these had a material impact on the Group and Company's financial statements.

- Amendments to IAS 21 Lack of Exchangeability.

Accounting standards and interpretations that are not yet effective and not adopted early

- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7 – Annual Improvements to IFRS Accounting Standards (Volume 11) - effective 1 January 2026.
- Amendments to IFRS 7 and IFRS 9 – Classification and Measurement of Financial Instruments - effective 1 January 2026.
- Amendments to IFRS 7 and IFRS 9 – Contracts Referencing Non-Dispatchable Electricity - effective 1 January 2026.
- Amendments to IFRS 18 Presentation and Disclosure in Financial Statements - effective 1 January 2027.
- Amendments to IFRS 19 Subsidiaries without Public Accountability Disclosures - effective 1 January 2027.

Certain new standards and amendments to standards are effective for annual periods beginning on 1 October 2025 and have not been applied in preparing these consolidated financial statements. The Directors do not believe that these new and amended standard and interpretations will have any material effect on the Financial Statements moving forward.

Financial instruments

Classification

Financial assets are classified as measured at one of the following: (i) Fair Value through Profit or Loss ("FVTPL"); (ii) Fair Value through Other Comprehensive Income ("FVOCI") or; (iii) amortized cost. The classification of financial instruments is outlined below. The Group and Company have no financial assets measured at FVOCI and FVTPL. All financial assets and financial liabilities are measured at fair value on initial recognition plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

The following table outlines subsequent measurement and gains and losses of financial assets:

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	Measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial instruments measured at fair value through profit or loss

Financial assets and financial liabilities at FVTPL are financial instruments that are managed, and their performance is evaluated on a fair value. Financial instruments at FVTPL are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Financial assets and liabilities at FVTPL are measured at fair value with net gains and losses, including any interest income, recognised in the consolidated statement of comprehensive income. This includes the the Profit Participating Note issued by the Company, as presented in the Consolidated and Company statement of financial position.

Measured at amortized cost

Financial assets are measured on initial recognition at fair value. Under IFRS 9, the classification and subsequent measurement of financial assets is principally determined by the entity's business model and their contractual cash flow characteristics (where the cash flows represent 'solely payments of principal and interest').

The Group has assessed its business models in order to determine the appropriate IFRS 9 classification for its financial assets. The Company's intercompany loans receivable are measured at amortised cost in accordance with Sections 11 and 12 of FRS 102. Financial assets are held to collect contractual cash flows and therefore meet the criteria to be classified at amortized cost. In order to be accounted for at amortized cost, it is necessary for individual instruments to have contractual cash flows that are solely payments of principal and interest. These financial assets meet this criteria and are therefore subsequently measured at amortized cost.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial instruments - (continued)

Loans receivable and liabilities measured at amortized cost are accounted for under the effective interest rate ('EIR') method. This method of calculating the amortized cost of a financial asset or liability involves allocating interest income or expense over the relevant year. The EIR rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or, where appropriate, a shorter period, to the gross carrying amount on initial recognition. The financial assets are recorded at trade date.

The Group and Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the objectives for the portfolio and the operation of those policies in practice. These include whether management's 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 realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

The Group and Company also makes an assessment whether contractual cash flows are solely payments for principal and interest. 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group and Company's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Other financial assets and liabilities

Financial liabilities not classified as measured at FVTPL are classified as measured at amortized cost. Financial liabilities are measured at amortized cost using effective interest method with interest expense and foreign exchange gains and losses recognized in the statement of comprehensive income. Any gain or loss on derecognition is also recognized in profit or loss. These include the credit facility, debentures, accounts payable, accrued liabilities, and due to related parties with the exception of the Profit Participating Note, which is classified as FVTPL.

(i) Impairment

The Group and Company recognise loss allowances for Expected Credit Loss ("ECL") on financial assets measured at amortized cost and financial guarantee contracts. The Group and Company apply a three-stage approach to measure allowance for credit losses. The Group and Company measures loss allowance at an amount equal to 12 months of expected losses for performing loans if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses on performing loans that have experienced a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

The determination of a significant increase in credit risk takes into account different factors and varies by nature of investment. The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due on interest payment or maturity date, and borrower specific criteria as identified by the Investment Manager significantly deteriorates.

As is typical in shorter duration, structured financing, the Investment Manager does not solely believe there has been a significant deterioration in credit risk or an asset to be credit impaired if loan investments go into overhold position past the maturity date for a period greater than 30 days or 90 days, respectively. The Investment Manager actively monitors these loan investments and applies judgement in determining whether there has been significant increase in credit risk. The Group and Company considers a financial asset to be credit impaired when the borrower is more than 90 days past due and when there is objective evidence that there has been a deterioration of credit quality to the extent the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest or/and when the Group and Company has commenced enforcement remedies available to it under its contractual agreements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial instruments - (continued)

The assessment of significant increase in credit risk requires experienced credit judgement. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Group and Company rely on estimates and exercise judgement regarding matters for which the ultimate outcome is unknown. These judgements include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured 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 and Company expects to receive).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company is exposed to credit risk.

When determining the expected credit loss provision, the Group and Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The Group and Company consider past events, current market conditions and reasonable forward-looking supportable information about future economic conditions. In assessing information about possible future economic conditions, The Group and Company utilized multiple economic scenarios including our base case, which represents the most probable outcome and is consistent with our view of the portfolio. In considering the lifetime of a loan, the contractual period of the loan, including prepayment, extension and other options is generally used.

The calculation of expected credit losses includes the explicit incorporation of forecasts of future economic conditions. In determining expected credit losses, The Group and Company have considered key macroeconomic variables that are relevant to each investment type. Key economic variables include unemployment rate, housing price index and interest rates. The estimation of future cash flows also includes assumptions about local real estate market conditions, availability and terms of financing, underlying value of the security and various other factors. These assumptions are limited by the availability of reliable comparable market data, economic uncertainty and the uncertainty of future events. Accordingly, by their nature, estimates of impairment are subjective and may not necessarily be comparable to the actual outcome.

Should the underlying assumptions change, the estimated future cash flows could vary. The forecast is developed internally by the Investment Manager. The Group and Company exercise experienced credit judgement to incorporate multiple economic forecasts which are probability-weighted in the determination of the final expected credit loss. The allowance is sensitive to changes in both economic forecast and the probability-weight assigned to each forecast scenario.

The Group and Company's loans are reviewed on an ongoing basis to assess whether any loans carried at amortized cost should be classified as credit impaired and whether an allowance or write-off should be recorded.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the asset.

(ii) Recognition and derecognition

All the financial assets and liabilities are recognised when the Group and Company becomes party to the contractual provisions of the instrument.

Financial liabilities are derecognised when the Group and Company's contractual obligations are discharged or cancelled or expired. Net realised gains and losses on the sale, transfer, discharge, cancellation or expiry of positions are included in the consolidated statement of comprehensive income for the period in which they arise.

The Group and Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group and Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such transferred financial assets that does not qualify for derecognition that is created or retained by the Group and Company is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is included in the consolidated statement of comprehensive income for the period in which they arise.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group and Company have a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Cash and cash equivalents

For the purposes of these financial statements, cash comprises cash on hand and demand deposits while cash equivalents are short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. Cash and cash equivalents are recognised and held at amortised cost.

Interest income and interest expense

Interest income and expense are recognised in the consolidated statement of comprehensive income for all instruments measured at amortised cost using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group and Company estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Group and Company that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums or discounts.

Other income and expense

Other income and expense is recognised in the consolidated statement of comprehensive income on an accrual basis.

Trade and other receivables

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Given the nature of the receivables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

Trade and other payables

Payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Given the nature of the payables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

Taxation

Corporation tax is provided on taxable profits at current rates applicable to the Group and Company's activities. The Group and Company are Irish tax resident Section 110 qualifying companies and is therefore subject to corporation tax in Ireland at 25% of their income.

Tax on the profit or loss for the year comprises of current and deferred tax.

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year as calculated in accordance with Irish Tax Laws. Taxable profit may differ from profit before tax as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are not taxable or deductible. The Group and Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting year date.

Deferred tax is provided on all timing differences that have originated but not reversed at the consolidated statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the consolidated statement of financial position date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the consolidated financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for tax purposes. Deferred tax is measured at the tax rates that are expected to apply in the periods, in which the timing differences are expected to reverse based on tax rates and levies that have been enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax is not discounted.

Share capital presented as equity

Ordinary shares are not redeemable and are classified as equity in accordance with IAS 32. Ordinary shares entitle the holders to receive notice of, and vote at, any general meeting of the Group and Company, to ordinary dividends as may be declared by the Directors from time to time and to participate in the winding up of the Group and Company. No dividend shall exceed the amount recommended by the Directors. Dividends are recognised as a liability in the period in which they are approved. The shares forming the capital may be increased or reduced and be divided into such classes and issued with any special rights, privileges and conditions as set out in the Constitution.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

3. CASH AND CASH EQUIVALENTS

	30-Sep-25	30-Sep-24
	€	€
Group		
Cash at bank	4,181,969	3,965,871
Company		
Cash at bank	25,580	1,058,395

Cash and cash equivalents of the Group and Company are held by AIB Bank. As at 30 September 2025, the Moody's credit rating of AIB Bank was A1 (2024: A1).

Given the short term maturities and low risk of cash and cash equivalents, the Group and Company has measured the loss allowance for the financial year end presented on a 12 months expected loss basis. For the financial year presented in the financial statements, there is currently no ECL recorded as management considers the ECL provision to be immaterial.

4. TRADE AND OTHER RECEIVABLES

	30-Sep-25	30-Sep-24
	€	€
Group		
Prepayments	10,556	9,334
Share capital receivable	2	2
Taxes prepaid	218	-
Due from group undertakings	-	1,000
	<u>10,776</u>	<u>10,336</u>
Company		
Prepayments	7,932	11,017
Share capital receivable	2	2
Taxes prepaid	218	-
Due from group undertakings	1,000	1,000
	<u>9,152</u>	<u>12,019</u>

Trade and other receivables are short-term in nature and primarily relate to prepayments and fees recoverable from a borrower. Given the short term maturities, there is no ECL recorded as management considers the ECL provision to be immaterial (2024: €nil).

5. LOANS RECEIVABLES

	30-Sep-25	30-Sep-24
	€	€
Group		
Opening balance	64,165,850	58,775,965
Loans receivables advanced	80,897,922	7,665,000
Capitalised interest	1,302,602	1,336,714
Repayments of loans receivables	(5,677,246)	(3,611,829)
	<u>140,689,128</u>	<u>64,165,850</u>

As at 30 September 2025, the Group has concluded that there is no objective evidence of impairment on the loans receivables.

All the loan receivables are serviced against underlying properties with a weighted average loan to value ("LTV") of 60.93% (2024: 59.84%) as at year end.

The following table presents the gross carrying amounts of loan investments, subject to IFRS 9 impairment requirements by internal risk ratings used by the Group for credit risk management purposes.

Low risk: Loan investments that exceed the credit risk profile standard of the Group with a below average probability of default. Yields on these investments are expected to trend lower than the Group average portfolio.

Medium-Low: Loan investments that are typical for the Group risk appetite, credit standards and retain a below average probability of default. These loan investments are expected to have average yields and would represent a significant percentage of the overall portfolio.

Medium-High: Loan investments within the Group risk appetite and credit standards with an average probability of default. These loan investments typically carry attractive risk-return yield premiums.

High Risk: Loan investments within the Group risk appetite and credit standards that have an additional element of credit risk that could result in an above average probability of default. These loan investments carry a yield premium in return for their incremental credit risk. These mortgage and loan investments are expected to represent a small percentage of the overall portfolio.

Default: Loan investments that are 90 days past due with objective evidence that there has been a deterioration of credit quality to the extent the Group no longer has reasonable assurance as to the timely collection of the full amount of principal and interest and/or when the Group has commenced enforcement remedies available to it under its contractual agreements.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

5. LOANS RECEIVABLES - (CONTINUED)

Group

30-Sep-25	Stage 1	Stage 2	Stage 3	Total
Low risk	62,029,961	-	-	62,029,961
Medium - Low risk	52,906,330	14,043,592	-	66,949,922
Medium - High risk	11,709,245	-	-	11,709,245
High Risk	-	-	-	-
Default	-	-	-	-
Net	<u>126,645,536</u>	<u>14,043,592</u>	<u>-</u>	<u>140,689,128</u>
Allowance for expected credit losses	-	-	-	-
Loans receivable, net of allowance	<u>126,645,536</u>	<u>14,043,592</u>	<u>-</u>	<u>140,689,128</u>

Group

30-Sep-24	Stage 1	Stage 2	Stage 3	Total
Low risk	44,190,523	-	-	44,190,523
Medium - Low risk	19,975,327	-	-	19,975,327
Medium - High risk	-	-	-	-
High Risk	-	-	-	-
Default	-	-	-	-
Net	<u>64,165,850</u>	<u>-</u>	<u>-</u>	<u>64,165,850</u>
Allowance for expected credit losses	-	-	-	-
Loans receivable, net of allowance	<u>64,165,850</u>	<u>-</u>	<u>-</u>	<u>64,165,850</u>

There were no ECLs recorded as of 30 September 2025 (2024: €nil) as the management considers ECL provision to be immaterial due to low probability of default and/or sufficient collateral being available to cover shortfalls.

6. INTERCOMPANY LOAN RECEIVABLE

Company	30-Sep-25	30-Sep-24
	€	€
Opening balance	32,731,100	28,049,100
Intercompany loan issuances	<u>52,419,761</u>	<u>4,682,000</u>
	<u>85,150,861</u>	<u>32,731,100</u>

On the 20 March 2023, the Company entered an intercompany loan. The loan interest is calculated on 100% of the accumulated net profits of the borrower less an annual profit reserve of €1,000. The interest is paid subject to sufficient cash resources being available. The intercompany loan issued have a maturity of 7 years from the date of issuance.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

7. TRADE AND OTHER PAYABLES

Group	30-Sep-25	30-Sep-24
	€	€
Accrued audit fee	52,830	51,291
Accrued tax advisory fee	16,752	16,660
Accrued servicing fee	1,125	-
Accrued investment management fee	88,767	35,348
Accounts payable other	853	-
Mortgage funding holdbacks*	1,452,000	415,000
Taxes payable	-	639
Due from group undertakings	1,018	-
	<u>1,613,345</u>	<u>518,938</u>

*Mortgage funding holdbacks represent cash withheld at the time of loan funding, to be released at a later date.

Company

Accrued audit fee	23,436	22,755
Accrued tax advisory fee	10,356	10,074
Accrued investment management fee	88,767	35,346
Taxes payable	-	480
	<u>122,559</u>	<u>68,655</u>

8. LOAN FACILITY

Group	30-Sep-25	30-Sep-24
	€	€
Opening principal balance	34,553,979	31,612,521
Drawdowns	26,568,519	3,868,000
Repayments	(2,679,261)	(926,542)
Closing principal balance	58,443,237	34,553,979
Unamortized transaction costs	(466,605)	(353,161)
Closing balance	<u>57,976,632</u>	<u>34,200,818</u>
Loan facility issuance cost		
Opening balance	(353,161)	(417,728)
Capitalised issuance cost	(264,554)	(38,680)
Amortisation of issuance cost	151,110	103,247
Closing balance	<u>(466,605)</u>	<u>(353,161)</u>

The Allied Irish Bank P.L.C. loan facility has a maturity of 5 years and an interest rate of EURIBOR plus a margin.

9. DEBENTURES

Group	30-Sep-25	30-Sep-24
	€	€
Opening principal balance	34,500,000	28,786,000
Debentures issued during the financial year/ period	51,900,000	5,714,000
Closing principal balance	86,400,000	34,500,000
Unamortised issuance cost	(502,187)	(522,173)
Debentures	<u>85,897,813</u>	<u>33,977,827</u>
Opening balance	(522,173)	(524,000)
Capitalised issuance cost	(88,081)	(87,762)
Amortisation of issuance cost	108,067	89,589
Closing balance	<u>(502,187)</u>	<u>(522,173)</u>
Company		
Opening principal balance	34,500,000	28,786,000
Debentures issued during the financial year/ period	51,900,000	5,714,000
Closing principal balance	86,400,000	34,500,000
Unamortised issuance cost	(502,187)	(522,173)
Debentures	<u>85,897,813</u>	<u>33,977,827</u>
Opening balance	(522,173)	(524,000)
Capitalised issuance cost	(88,081)	(87,762)
Amortisation of issuance cost	108,067	89,589
Closing balance	<u>(502,187)</u>	<u>(522,173)</u>

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

9. DEBENTURES - (CONTINUED)

The debentures issued have a maturity of 7 years from the date of issuance. The debentures earn a fixed interest of 4% per annum and variable interest based on income earned less fund expenses, fixed interest, and profit participating note carried interest for the year ended.

The nominal value of debentures are €86,400,000 as at 30 September 2025 (2024: €34,500,000).

10. PROFIT PARTICIPATING NOTE

On 14 March 2023, the Group and the Company issued a profit participating note to Timbercreek Capital Inc. (TCAP) in the amount of €1,000. The profit participating note entitles TCAP to receive a distribution equal to 20% of the amount of total interest payments on Debentures since date of issuance in excess of the payments to achieve a levered IRR of 7%. Carried interest is payable upon full repayment of the Series 1 Debentures.

The determination of the year end carried interest accrual is calculated with reference to the sum of payments on Debentures since inception to the year end date and the interest payments to achieve a levered IRR of 7% as at the year end date. If the calculation results in a negative number, there will not be any accrued profit participating note interest for the year ended. The net loss on profit participating note as at 30 September 2025 is €399,710 (2024: €411,020).

	30-Sep-25	30-Sep-24
	€	€
Group		
Opening balance	412,020	1,000
Issuance of profit participating note	-	-
Net loss on profit participating note	399,710	411,020
Ending balance	<u>811,730</u>	<u>412,020</u>
Company		
Opening balance	412,020	1,000
Issuance of profit participating note	-	-
Net loss on profit participating note	399,710	411,020
Ending balance	<u>811,730</u>	<u>412,020</u>

11. NET DEBT RECONCILIATION

The changes in the Group and Company's liabilities arising from financing activities can be classified as follows:

Group	Debentures		Profit participating note		Loan facility	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	€	€	€	€	€	€
Opening balance	33,977,827	28,262,000	412,020	1,000	34,200,818	31,194,793
Cash movements						
Issuance	51,900,000	5,714,000	-	-	26,568,519	3,868,000
Principal repayments	-	-	-	-	(2,679,261)	(926,542)
Capitalised issuance cost	(88,081)	(87,762)	-	-	(264,554)	(38,680)
Non-cash movements						
Issue cost amortisation	108,067	89,589	-	-	151,110	103,247
Fair value movement	-	-	399,710	411,020	-	-
Closing balance	<u>85,897,813</u>	<u>33,977,827</u>	<u>811,730</u>	<u>412,020</u>	<u>57,976,632</u>	<u>34,200,818</u>
Company						
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24		
	€	€	€	€		
Opening balance	33,977,827	28,262,000	412,020	1,000		
Cash movements						
Issuance	51,900,000	5,714,000	-	-		
Capitalised issuance cost	(88,081)	(87,762)	-	-		
Non-cash movements						
Issue cost amortisation	108,067	89,589	-	-		
Fair value movement	-	-	399,710	411,020		
Closing balance	<u>85,897,813</u>	<u>33,977,827</u>	<u>811,730</u>	<u>412,020</u>		

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

12. SHARE CAPITAL PRESENTED AS EQUITY

Group and Company	30-Sep-25	30-Sep-24
	€	€
Authorised:		
1,000,000 Ordinary Shares of €1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and unpaid		
2 ordinary shares issued at €1 each	<u>2</u>	<u>2</u>

13. INTEREST INCOME

	30-Sep-25	30-Sep-24
	€	€
Interest income	<u>9,302,075</u>	<u>6,955,141</u>

Interest income calculated ranges from 7.11% to 15.00% (2023: 9.42% to 15.00%) on the loans drawn down for each interest period.

14. OTHER INCOME

	30-Sep-25	30-Sep-24
	€	€
Arrangement fee income	547,146	53,229
Exit fee income	<u>27,886</u>	<u>18,077</u>
	<u>575,032</u>	<u>71,306</u>

The arrangement fee and exit fee income is calculated based on amount(s) or rate(s) specified in the loan facility agreement(s).

15. INTEREST EXPENSE

	30-Sep-25	30-Sep-24
	€	€
Interest expense - loan facility	2,409,590	2,293,715
Interest expense - debentures	5,856,202	3,529,123
Amortization of issuance costs	<u>259,177</u>	<u>192,834</u>
	<u>8,524,969</u>	<u>6,015,672</u>

Interest expense is calculated at EURIBOR plus a margin, per annum on the AIB loan facility at each interest payment date.

Debenture interest expense relates to interest paid to Debentures holders. The interest is calculated on 100% of the accumulated net profits of the issuer less an annual reserve profit of €1,000, including a fixed portion of 4% per annum. The interest is paid subject to sufficient cash resources being available.

16. OTHER EXPENSES

	30-Sep-25	30-Sep-24
	€	€
Professional & advisory fees	100,061	100,976
Management fees	729,994	485,805
Operating expenses	<u>120,373</u>	<u>10,974</u>
	<u>950,428</u>	<u>597,755</u>

Auditor's remuneration (excluding VAT)	30-Sep-25	30-Sep-24
	€	€
Statutory audit	41,700	41,700
Tax advisory services	<u>10,200</u>	<u>10,200</u>
	<u>51,900</u>	<u>51,900</u>

17. EMPLOYEES

The Group and Company had no employees during the financial year ended 30 September 2025 (2024: nil).

18. DIRECTORS' FEES

The Directors' remuneration in respect of the financial year ended 30 September 2025 was nil (2024: nil).

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

19. CORPORATION TAX

	30-Sep-25	30-Sep-24
	€	€
Corporation tax based on profit for the financial year	500	500

A reconciliation between the total tax charge and the tax charge that would result from applying the standard rate of Irish corporation tax to the profit on ordinary activities is provided below:

	30-Sep-25	30-Sep-24
	€	€
Profit on ordinary activities before taxation	2,000	2,000
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax of 12.5%	250	250
Higher rate tax applicable under Section 110	250	250
Total tax charge for the financial year	500	500

The Group and Company are qualifying companies within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such, profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D.

20. FINANCIAL RISK MANAGEMENT

Financial risks are risks arising from financial instruments to which the Group and Company are exposed during or at the end of the reporting year. Financial risk comprises of market risk (including interest rate risk, foreign currency risk and other price risk), credit risk, liquidity risk, concentration risk and operational risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The main risks arising from the Group and Company's financial instruments are market risk, credit risk and liquidity risk.

Capital risk management

The Group and Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders.

The Group and Company do not have any externally imposed capital requirements.

(i) Market risk

Market risk is the risk that the market price of a financial instrument will fluctuate due to changes in foreign exchange rates, market factors specific to the particular instrument or its issuer or factors affecting all instruments traded in the market. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 30 September 2025, the interest rate profile of the Group and Company's financial assets and liabilities is as follows:

	Fixed rate	Floating rate	Non-interest bearing	Total
30 September 2025				
Group				
Assets	€	€	€	€
Loans receivables	23,406,520	117,282,608	-	140,689,128
Interest receivable	-	-	2,887,394	2,887,394
Trade and other receivables	-	-	10,776	10,776
Cash and cash equivalents	-	-	4,181,969	4,181,969
	<u>23,406,520</u>	<u>117,282,608</u>	<u>7,080,139</u>	<u>147,769,267</u>
Liabilities				
Debentures	-	85,897,813	-	85,897,813
Profit participating note	-	811,730	-	811,730
Loan facility	-	57,976,632	-	57,976,632
Interest payable	-	-	1,465,870	1,465,870
Trade and other payables	-	-	1,613,345	1,613,345
	<u>-</u>	<u>144,686,175</u>	<u>3,079,215</u>	<u>147,765,390</u>

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

20. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(i) Market risk - (continued)

(a) Interest rate risk - (continued)

	Fixed rate	Floating rate	Non-interest bearing	Total
30 September 2025				
Company				
Assets	€	€	€	€
Investment in subsidiary	-	-	2	2
Intercompany loan receivables	-	85,150,861	-	85,150,861
Interest receivable	-	-	2,673,824	2,673,824
Trade and other receivables	-	-	9,152	9,152
Cash and cash equivalents	-	-	25,580	25,580
	-	85,150,861	2,708,558	87,859,419
Liabilities				
Debentures	-	85,897,813	-	85,897,813
Profit participating note	-	811,730	-	811,730
Interest payable	-	-	1,029,852	1,029,852
Trade and other payables	-	-	122,559	122,559
	-	86,709,543	1,152,411	87,861,954
	Fixed rate	Floating rate	Non-interest bearing	Total
30 September 2024				
Group				
Assets	€	€	€	€
Loans receivables	8,060,327	56,105,523	-	64,165,850
Interest receivable	-	-	1,713,583	1,713,583
Trade and other receivables	-	-	1,002	1,002
Cash and cash equivalents	-	-	3,965,871	3,965,871
	8,060,327	56,105,523	5,680,456	69,846,306
Liabilities				
Debentures	-	33,977,827	-	33,977,827
Profit participating note	-	412,020	-	412,020
Loan facility	-	34,200,818	-	34,200,818
Interest payable	-	-	743,660	743,660
Trade and other payables	-	-	518,938	518,938
	-	68,590,665	1,262,598	69,853,263
	Fixed rate	Floating rate	Non-interest bearing	Total
30 September 2024				
Company				
Assets	€	€	€	€
Investment in subsidiary	-	-	2	2
Intercompany loan receivables	-	32,731,100	-	32,731,100
Interest receivable	-	-	1,058,949	1,058,949
Trade and other receivables	-	-	1,002	1,002
Cash and cash equivalents	-	-	1,058,395	1,058,395
	-	32,731,100	2,118,348	34,849,448
Liabilities				
Debentures	-	33,977,827	-	33,977,827
Profit participating note	-	412,020	-	412,020
Interest payable	-	-	401,107	401,107
Trade and other payables	-	-	68,655	68,655
	-	34,389,847	469,762	34,859,609

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

20. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(i) Market risk - (continued)

(a) Interest rate risk - (continued)

Sensitivity analysis

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. The following is an interest rate risk sensitivity analysis showing the impact on variable interest of debentures due to a reasonable change in interest rates on net assets, excluding cash and cash equivalents and profit participating note, which are under a floating interest rate regime:

Net assets on floating interest rate:

	30-Sep-25	30-Sep-24
Group	€	€
Loans receivables	117,282,608	56,105,523
Debenture	(85,897,813)	(33,977,827)
Loan facility	(57,976,632)	(34,200,818)
Net assets	<u>(26,591,837)</u>	<u>(12,073,122)</u>
1% increase in interest rate	(265,918)	(120,731)
1% decrease in interest rate	265,918	120,731
	30-Sep-25	30-Sep-24
Company	€	€
Intercompany loans	85,150,861	32,731,100
Debenture	(85,897,813)	(33,977,827)
Loan facility	-	-
Net assets	<u>(746,952)</u>	<u>(1,246,727)</u>
1% increase in interest rate	(7,470)	(12,467)
1% decrease in interest rate	7,470	12,467

(b) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The majority of the assets acquired are matched as to principal and currency with the corresponding Debentures. All the assets and liabilities are denominated in Euro. Any interest receivable on the loans receivables and any interest payable on the Debentures are also matched as to currency. The Group and Company has no material exposure to foreign currency risk as at 30 September 2025.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group and Company is not exposed to changes in the market price of the portfolio of loans receivables which it holds as the Group and Company does not engage in the trading and disposal of these receivables in the ordinary course of its business, nor does the Group and Company measure its portfolio of trade receivables at fair value through the profit and loss.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash, thus the Group and Company will not be able to meet its financial obligations as they fall due. The ability of the Group and Company to meet its obligations under the Debentures and loan facility is dependent on the receipt of interest and principal from its loans receivables. There have been no liquidity issues experienced by the Group and Company in respect of meeting its obligations to the Debenture holders and to the loan facility provider. The Group and Company did not default on any of its contractual commitments during the financial year. The contracted undiscounted cash flows of all financial liabilities by remaining contractual maturities as at 30 September 2025 and 2024 are as follows:

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

20. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(ii) Liquidity risk - (continued)

Group

	Carrying amount	Gross contractual	Within 1 year	1 to 5 years	Over 5 years	Total
30 September 2025	€	€	€	€	€	€
Debentures	85,897,813	101,298,232	3,435,913	6,881,238	90,981,081	101,298,232
Profit participating note	811,730	811,730	-	-	811,730	811,730
Loan facility	57,976,632	64,392,710	2,748,672	61,644,038	-	64,392,710
Interest payable	1,465,870	1,465,870	1,465,870	-	-	1,465,870
Trade and other payables	1,613,345	1,613,345	1,613,345	-	-	1,613,345
	<u>147,765,390</u>	<u>169,581,887</u>	<u>9,263,800</u>	<u>68,525,276</u>	<u>91,792,811</u>	<u>169,581,887</u>

Company

	Carrying amount	Gross contractual	Within 1 year	1 to 5 years	Over 5 years	Total
30 September 2025	€	€	€	€	€	€
Debentures	85,897,813	101,298,232	3,435,913	6,881,238	90,981,081	101,298,232
Profit participating note	811,730	811,730	-	-	811,730	811,730
Interest payable	1,029,852	1,029,852	1,029,852	-	-	1,029,852
Trade and other payables	122,559	122,559	122,559	-	-	122,559
	<u>87,861,954</u>	<u>103,262,373</u>	<u>4,588,324</u>	<u>6,881,238</u>	<u>91,792,811</u>	<u>103,262,373</u>

Group

	Carrying amount	Gross contractual	Within 1 year	1 to 5 years	Over 5 years	Total
30 September 2024	€	€	€	€	€	€
Debentures	33,977,827	43,441,655	1,376,230	5,523,781	36,541,644	43,441,655
Profit participating note	412,020	412,020	-	-	412,020	412,020
Loan facility	34,200,818	44,098,549	2,196,108	41,902,441	-	44,098,549
Interest payable	743,660	743,660	743,660	-	-	743,660
Trade and other payables	518,938	518,938	518,938	-	-	518,938
	<u>69,853,263</u>	<u>89,214,822</u>	<u>4,834,936</u>	<u>47,426,222</u>	<u>36,953,664</u>	<u>89,214,822</u>

Company

	Carrying amount	Gross contractual	Within 1 year	1 to 5 years	Over 5 years	Total
30 September 2024	€	€	€	€	€	€
Debentures	33,977,827	43,441,655	1,376,230	5,523,781	36,541,644	43,441,655
Profit participating note	412,020	412,020	-	-	412,020	412,020
Interest payable	401,107	401,107	401,107	-	-	401,107
Trade and other payables	68,655	68,655	68,655	-	-	68,655
	<u>34,859,609</u>	<u>44,323,437</u>	<u>1,845,992</u>	<u>5,523,781</u>	<u>36,953,664</u>	<u>44,323,437</u>

(iii) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and Company's financial assets. The Group and Company's principal financial assets are cash and cash equivalents and loans receivables, which represent the Group and Company's maximum exposure to credit risk in relation to financial assets.

The loans receivables are denominated in Euro and secured on real estate assets principally located in Ireland. The unfavourable performance of a single loan may adversely affect the aggregate return of the Group and Company.

When issuing loans, the Group and Company may also assume the credit risk associated with an agent bank or other financial intermediary administering principal and interest payments and crediting such to the Group and Company as the holder of the loan interest. The Investment Manager balances the magnitude of these risks against the potential investment gain prior to entering into such investment.

For the financial year end presented in the financial statements, the estimated ECL has not been recorded as it is deemed immaterial to the financial statements (2024: €nil). Refer to notes 3, 4 and 5 for details.

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

20. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(iii) Credit risk - (continued)

As at 30 September 2025, the loan servicer of the financial assets had the following credit profile as rated by Standard & Poor's:

Loan servicer	Rating	%	Loan €
IQ EQ Corporate Services Limited	Strong	100	140,689,128

Cash and cash equivalents of the Group and Company are held by AIB Bank. As at 30 September 2025, the Moody's credit rating of AIB Bank was A1.

As at 30 September 2024, the loan servicer of the financial assets had the following credit profile as rated by Standard & Poor's:

Loan servicer	Rating	%	Loan €
IQ EQ Corporate Services Limited	Strong	100	64,165,850

Cash and cash equivalents of the Group and Company are held by AIB Bank. As at 30 September 2024, the Moody's credit rating of AIB Bank was A1.

Fair value estimation

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.

IFRS 13 defines a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1: Financial assets and liabilities are measured using quoted market prices (unadjusted) in an active market for an identical instrument.

Level 2: Financial assets and liabilities are measured using valuation techniques which use observable market data, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments when the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

FRS102 requires the Company to classify financial instruments measured at fair value into the following hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below analyses the financial instruments measured at fair value as at the financial period end in the fair value hierarchy into which the fair value measurement is categorised:

Group

30 September 2025	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets	-	-	-	-
	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial liabilities	-	-	811,730	811,730
Profit participating note	-	-	811,730	811,730

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

20. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(iii) Credit risk - (continued)

Fair value estimation - (continued)

Company

30 September 2025

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets	-	-	-	-

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial liabilities				
Profit participating note	-	-	811,730	811,730
	-	-	811,730	811,730

Group

30 September 2024

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets	-	-	-	-

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial liabilities				
Profit participating note	-	-	412,020	412,020
	-	-	412,020	412,020

Company

Financial assets

	Level 1	Level 2	Level 3	Total
	€	€	€	€
	-	-	-	-

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial liabilities				
Profit participating note	-	-	412,020	412,020
	-	-	412,020	412,020

No sensitivity provided as the fair value of the profit participating note is driven by the fair value of the loan portfolio and other assets of the Company.

The following table shows a reconciliation of the opening and closing balance of financial instruments recorded in Level 3 for the financial years ended 30 September 2025 and 2024:

Group

Financial liabilities	30-Sep-25	30-Sep-24
	€	€
Opening balance	412,020	1,000
Net loss on profit participating note	399,710	411,020
Closing balance	811,730	412,020

Company

Financial liabilities	30-Sep-25	30-Sep-24
	€	€
Opening balance	412,020	1,000
Net loss on profit participating note	399,710	411,020
Closing balance	811,730	412,020

TIMBERCREEK IRELAND PRIVATE DEBT II DESIGNATED ACTIVITY COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

20. FINANCIAL RISK MANAGEMENT - (CONTINUED)

Financial instruments not measured at fair value

The cash and cash equivalents has been classified under Level 1 considering the liquidity of the market.

Trade receivables, trade payables and accruals have fair values that approximate to their carrying value because of their short term nature thus have been classified as Level 2.

Loans receivables are carried at amortised cost and are classified within Level 3 of the fair value hierarchy as at 30 September 2025. Management consider the fair value of these instruments to not be materially different from their carrying value, based on the type of the underlying assets and the interest rates associated with them.

Debentures and interest payable have fair values that approximate to their carrying value and have been classified as Level 3.

(iv) Concentration risk

Concentration risk can arise from the type of assets held by the Group and Company, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations.

The Group and Company are special purpose entities set up to invest in or to originate senior ranking loans to third parties which are secured by real estate located principally in Ireland. The balance of loans located in Dublin/Greater Dublin Area was €161,200,000 (2024: €48,750,849), in Cork was €15,310,000 (2024: €7,750,000) and in Galway was €16,225,000 (2024: €7,665,000) at the end of the reporting period. It is not possible to diversify the concentration risk on the Group and Company's assets arising from transacting with a defined counterparty in a single geographical jurisdiction. However, the risk is mitigated through review of the credit risk above.

(v) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group and Company's operations either internally within the Group and Company or externally at the service providers for the Group and Company, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the activities of the Group and Company.

The Group and Company's aim is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. The Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular board meetings with the service providers.

21. RELATED PARTY TRANSACTIONS

Paul Roddy, Stephen Kenny, Tracy Johnston and Robert Blair Tamblyn, Directors of the Group and Company are also employees of the Investment Manager (or its parent), which provides investment management services for a fee of 1.25% of the outstanding principal amount of Debentures of the Group and Company for a fee of the first 0.5% of all originations and exit fees. The total cost of investment management services for the year ended 30 September 2025 was €729,994 (2024: €410,215) of which €88,767 (2024: €35,348) was outstanding at financial year end. The total cost of arrangement and exit fees for the year ended 30 September 2025 was €547,146 (2024: €56,402). Paul Roddy holds debentures of the Company. Robert Blair Tamblyn, via wholly owned entities, holds limited partnership units in Timbercreek Capital Holding LP which in turn holds debentures in the Group and Company. The principal balance of the debentures with related parties as at 30 September 2025 was €2,596,000 (2024: €2,000,000).

The Group and Company was allocated €9,329 (2024: €7,477) in insurance costs under the D&O insurance and Cyber securities policies obtained by Timbercreek Asset Management Inc. ("TAMI"), the Group and Company's ultimate parent. The amount payable to TAMI as of 30 September 2025 was €nil. (2024: €nil).

On 14 March 2023, the Group and Company issued a €1,000 profit participating note to TCAP which remains payable as at 30 September 2025. The associated profit participating note fair value at year end is €810,730 (2024: €411,020).

22. COMMITMENTS AND CONTINGENCIES

The Group and Company had no contingent liabilities at 30 September 2025 (2024: had no contingent liabilities)

As at 30 September 2025, the outstanding committed amount was €22,852,670 (2024: €13,913,151) in accordance with the facility agreements.

23. CONTROLLING PARTY

The issued shares are held for charity by IQ EQ Nominees (Ireland) Limited.

24. SUBSEQUENT EVENTS

Subsequent to the financial year end, the Company entered into a capital raise in October 2025 and received funding of €6,592,000. The Group used the funds to loan investment of €6,149,127 in the same month.

There have been no other significant subsequent events identified up to the date of approval of the financial statements which would require adjustment to, or disclosure in the financial statements.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2025.