

**Company Number: 679935**

**NWCC IRELAND LIMITED**

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

---

NWCC IRELAND LIMITED

Table of Contents

---

<b>Contents</b>	<b>Page</b>
Directors and other information	2
Directors' report	3 - 6
Independent auditor's report	7 - 9
Statement of comprehensive income	10
Balance Sheet	11
Statement of changes in equity	12
Statement of cash flow	13
Notes to the financial statements	14 - 31

---

**NWCC IRELAND LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

---

<b>Directors</b>	James Peterson (USA) Ian Garvan Gerard Brennan (Alternate)
<b>Company Secretary and the service provider</b>	CSC Capital Markets (Ireland) Limited 3rd Floor Fleming Court Fleming Place Dublin 4 Ireland
<b>Company Number</b>	679935
<b>Registered Office</b>	3rd Floor Fleming Court Fleming Place Dublin 4 Ireland
<b>Independent auditors</b>	Ernst & Young Chartered Accountants EY Building Harcourt Centre Harcourt Street Dublin 2 Ireland
<b>Bankers</b>	U.S. Bank U.S Bancorp Center One 800 Nicollet Mall Minneapolis, Minnesota MN-55402-7014
<b>Solicitors</b>	Arthur Cox Ten Earlsfort Terrace Dublin 2 Ireland
<b>Asset Manager</b>	Nearwater Management, LLC One Vanderbilt Avenue New York, NY 10017 USA

---

**NWCC IRELAND LIMITED****DIRECTORS' REPORT****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

The Board of Directors (the "Directors") present their annual report and audited financial statements of NWCC Ireland Limited (the "Company") for the financial year ended 31 December 2024.

**Directors and secretary and their interests**

The names of the persons who were Directors at any time during the financial year ended 31 December 2024 and subsequently.

James Peterson (USA)

Ian Garvan

Gerard Brennan (Alternate)

CSC Capital Markets (Ireland) Limited continued to act as company secretary during the financial year ending 31 December 2024.

**Directors' and Company secretary's shareholdings**

The directors and their immediate relatives and the company secretary did not hold an interest in any shares of the Company as at 31 December 2024 (2023: None) or at any time during or since the financial year ended. However, James Peterson is a Limited Partner of Nearwater Capital L.P., which is the sole shareholder of the Company.

**Relevant Audit Information**

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

**Accounting records**

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records employing a service provider with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at 3rd Floor Fleming Court, Fleming Place, Dublin 4, Ireland.

**Principal activities, review of the business and future developments**

NWCC Ireland Limited (previously known as Coljam Limited from 20 October 2020 to 5 January 2021 and Nearwater Capital Ireland Limited from 5 January 2021 to 31 January 2022) (the "Company") was incorporated on the 20 October 2020 as a special purpose vehicle for the purpose of purchasing the retention notes in certain securitisation transactions (the "Eligible Securities") under a Master Repurchase Agreement ("Repo Agreement") for an advance of up to 100% against the fair market value of these securities.

On 1 February 2021, the Company entered into a Repo Agreement under which the Company acquired its first Eligible Securities being the listed notes issued by Dilosk RMBS No.4 DAC from Dilosk DAC. On 8 July 2021, the Company purchased additional Eligible Securities, being listed notes in Brignole Co 2021-1 S.r.l. under the Repo Agreement from Creditis Servizi Finanziari S.P.A. On 25 October 2021, the Company acquired Eligible Securities being the listed notes issued by Dilosk RMBS No.5 DAC under the Repo Agreement from Dilosk DAC. The beneficial interest to the assets was novated to the Company on 1 February 2021, 8 July 2021 and 25 October 2021 respectively.

On 22 February 2022, the Company purchased Eligible Securities, being listed notes in Warrington Residential 2022-1 under the Repo Agreement from Mars Capital Management Ireland DAC. On 24 March 2022, the Company purchased Eligible Securities, being listed notes in Brignole Co 2022-1 under the Repo Agreement from Creditis Servizi Finanziari S.P.A. On 25 May 2022, the Company purchased Eligible Securities, being listed notes in Fortuna Consumer Loan ABS 2022-1 DAC under the Repo Agreement from Auxmoney Investments Limited.

**Principal activities, review of the business and future developments (continued)**

On 20 April 2023, the Company purchased Eligible Securities, being listed notes issued by Dilosk RMBS No.6 DAC from Dilosk DAC. On 3 August 2023, the Company purchased Eligible Securities, being listed notes issued by Dilosk RMBS No.7 DAC from Dilosk DAC.

On 23 September 2024, the Company purchased additional Eligible Securities being listed notes in Albacore Loan Management DAC under a Repo Agreement from Albacore Loan Management DAC, The above selling parties together collectively referred to as "the Sellers" with each Master Repurchase Agreement collectively referred to as the "Repo Agreement".

The underlying assets to the Eligible Securities are mix of residential mortgage portfolios secured on properties located in the Republic of Ireland and Italian securitised assets and German asset backed securities.

The Eligible Securities are purchased by the Company and under the Repo Agreement, the Sellers have agreed to buy back the Eligible Securities at the purchase price reduced by any applicable principal repayments in the year and increased by any accrued or unpaid price differential. This obligation of the Sellers has been recognised by the Company as a "Repurchase Receivable". Nearwater Capital, L.P. was appointed asset manager.

In order to fund the initial purchase of the Eligible Securities, Nearwater Capital, L.P. provided an initial loan to the Company of €10,344,257 which has since been repaid. The Company then issued a Profit Participating Note ("PPN") to Nearwater Capital L.P. for the same amount. At the financial year end, €910,764 (2023: €923,414) was outstanding on the Profit Participating Note. The initial purchases of the Eligible Securities are financed to maturity and the financing is repaid as the Eligible Securities repay ("Short sale debt").

Under the Master Repurchase Agreement, the Sellers must repurchase the eligible securities at an agreed upon price in the future. Under the agreements, the Company has a responsibility to return the Eligible Securities to the Sellers. These will be purchased on the open market at time they are required to be returned to the Sellers.

The directors do not anticipate any changes to the principal activities of the Company for the foreseeable future.

**Results**

The Statement of Comprehensive Income is set out on page 10 and shows profit for the financial year, after taxation, of €750 (2023: €750).

**Dividend**

The Directors recommend that no dividend be paid for the financial year ended 31 December 2024 (2023: Nil).

**Financial key performance indicators**

The Company's primary key performance indicator is the performance of the financial assets during the financial year. The underlying assets to the Eligible Securities are mix of residential mortgage portfolios secured on properties located in the Republic of Ireland and Italian securitised assets and German asset backed securities. The Company received €212,715 (2023: €224,788 ) of fee income and €4,248,887 (2023: €4,255,912 ) of interest income from the Eligible securities during the financial year.

The Company performed in accordance with parameters set out in the underlying transaction documents and the performance is considered satisfactory.

**Transactions involving directors**

CSC Capital Markets (Ireland) Limited provides corporate services to the Company at arm's length commercial rates. Ian Garvan is also a director of CSC Capital Markets (Ireland) Limited, and in that capacity has an interest in transactions conducted with the Company.

**Transactions involving directors (continued)**

Nearwater Management LLC. together with Nearwater Capital, L.P., provides asset management services to the Company. Nearwater Capital, L.P. is the sole shareholder of the Company. James Peterson, as a director of the Company, has an interest in this fee in his capacity as Limited Partner of Nearwater Capital, L.P.

There were no other contracts in the year of any significance in relation to the business of the Company in which directors had an interest, as defined in the Companies Acts 2014.

**Going concern**

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet their obligations as they fall due.

In considering the appropriateness of this assumption, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation.

The Company is obliged to repay the Profit Participating Note ("PPN") at its principal amount outstanding upon maturity and to return, to the Sellers, the Eligible Securities at their fair value when the Short sale debts is repurchased if not fully repaid by any applicable principal repayments. However, due to the non-recourse nature of the financial assets, the Company's ability to pay amounts due on the financial liabilities are limited to the application of the receipts from the repurchase transaction under the terms of the priority of payments as set out in the transaction documents. If on full realisation of the Eligible Securities, insufficient funds exist to settle the liabilities, there will be no further recourse to the Company (even in event of default). In the event of any shortfall in receipts on the Eligible Receivables, the PPN will absorb the losses first.

It is the intention of the directors for the Company to continue operations until such a time as the amounts due from financial assets have been fully realised. Ultimately, due to the limited recourse nature of the financial liabilities, any shortfall in the proceeds of the financial assets will be a risk to the holders of the PPN.

The key future developments which the Directors expect to have the greatest impact on the performance of the Company are macroeconomic as Ireland faces economic uncertainty. A number of differing factors have been key drivers of this such as geopolitical tensions and inflationary increases.

While the extent, duration and effect of the economic uncertainty remains unclear, there is higher risk of financial instability for the Company. The Directors continue to monitor this situation.

Therefore, the directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

**Principal risk and uncertainties**

The financial risk management policies of the Company and the associated market, credit and liquidity risks are discussed in detail in Note [15](#) to the financial statements.

**Subsequent events**

Refer to Note [21](#) of these financial statements for a concise overview of all subsequent events.

**Political donations**

There have been no political donations made by the Company during the financial year ended 31 December 2024 (2023: Nil).

**NWCC IRELAND LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**Auditors**

Ernst & Young Chartered Accountants, have expressed their willingness to continue in office in accordance with Section 382 (2) of the Companies Act 2014. A proposal to reappoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

**Statement of directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

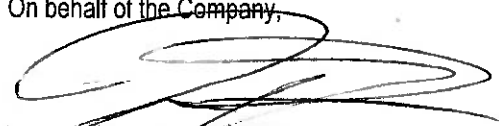
Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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 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 Company,



James Peterson (USA)

Director

Date: 13 February 2026



Ian Garvan

Director

Date: 13 February 2026

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NWCC IRELAND, LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of NWCC Ireland, Limited ('the Company') for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including the material accounting policy information set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement of Directors' Responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NWCC IRELAND, LIMITED (continued)**

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 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.

### **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

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

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NWCC IRELAND, LIMITED (continued)**

the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 IAASA's website at: [https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

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

Our report is made solely to the 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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jayanta Auddy  
for and on behalf of  
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin  
Date: 03 March 2026

NWCC IRELAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023
		€	€
Interest income and similar income	4	4,461,602	4,480,701
Interest expense and similar charges	5	(4,147,235)	(3,968,736)
Unrealised (loss)/gain on Financial assets held at FVTPL	9	247,783	897,406
Unrealised movement on PPN	12	–	(192,021)
Unrealised gain/(loss) on short sale debt	13	(247,783)	(896,726)
Realised (loss)/gain on repurchase receivables held at FVTPL		(49,499)	680
<b>Gross income</b>		264,868	321,304
Other Operating expenses	6	(263,868)	(320,304)
<b>Profit on ordinary activities before taxation</b>		1,000	1,000
Taxation	8	(250)	(250)
<b>Profit on ordinary activities after taxation</b>		750	750

The results for the financial year relate entirely to continuing operations. All total comprehensive income for the year is attributable to the owners of the Company. There is no other comprehensive income.

The notes to the financial statements on pages 14 to 31 form an integral part of the financial statements.

**NWCC IRELAND LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2024**

	Notes	31 Dec 2024 €	31 Dec 2023 €
<b>Assets</b>			
Financial assets held at fair value through profit and loss	9	69,004,074	85,793,955
Cash and cash equivalents	10	642,848	205,297
Other assets	11	1,221,064	1,073,919
<b>Total Assets</b>		<u>70,867,986</u>	<u>87,073,171</u>
<b>Equity</b>			
Called up share capital presented as equity	17	1	1
Retained earnings		3,000	2,250
<b>Shareholders' funds</b>		<u>3,001</u>	<u>2,251</u>
<b>Liabilities</b>			
Other liabilities	14	949,896	353,301
Current tax liabilities	8	250	250
Profit participating note	12	910,764	923,414
Short sale debts	13	69,004,075	85,793,955
<b>Total Liabilities</b>		<u>70,864,985</u>	<u>87,070,920</u>
<b>Total Equity and Liabilities</b>		<u>70,867,986</u>	<u>87,073,171</u>

The notes to the financial statements on pages 14 to 31 form an integral part of the financial statements. All equity is attributable to the owners of the Company

On behalf of the Company



James Peterson (USA)

Director

Date: 13 February 2026



Ian Garvan

Director

Date: 13 February 2026

---

**NWCC IRELAND LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

---

	Called-up share capital	Accumulated Losses	2024 Total
	€	€	€
<b>Balance as at 1 January 2023</b>	1	1,500	1,501
Profit for the financial year	–	750	750
<b>Balance as at 31 December 2023</b>	1	2,250	2,251
Profit for the financial year	–	750	750
<b>At 31 December 2024</b>	<b>1</b>	<b>3,000</b>	<b>3,001</b>

The notes to the financial statements on pages 14 to 31 form an integral part of the financial statements.

**NWCC IRELAND LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023
		€	€
<b>Operating activities</b>			
Profit for the financial year		750	750
<b>Adjustments for:</b>			
Interest income and similar income	4	(4,461,602)	(4,480,701)
Interest expense and similar charges	5	4,147,235	3,968,736
Unrealised foreign exchange gain	12	(12,650)	(326)
Unrealised loss/(gain) on Financial assets held at FVTPL	9	(247,783)	(897,406)
Unrealised (gain)/loss on Short sale debts	13	247,783	896,726
Unrealised (gain)/loss on PPN		–	192,021
Increase in other liabilities excluding interest		(274,420)	72,014
Increase in other assets		(66,822)	(400,844)
Eligible Receivables purchased	9	(19,823,910)	(36,159,166)
Redemption of Eligible Receivables purchased	9	36,861,574	18,350,290
Interest received		4,381,279	4,109,154
<b>Net cash flow generated from/(used in) operating activities</b>		<b>20,751,434</b>	<b>(14,348,753)</b>
<b>Financing activities</b>			
Interest paid		(3,276,220)	(3,955,831)
Short sale debts issued	13	19,823,910	36,159,846
Short sale debts principal reduction	13	(36,861,574)	(18,350,290)
<b>Net cash (used in)/generated from financing activities</b>		<b>(20,313,884)</b>	<b>13,853,725</b>
<b>Net increase in Cash at bank and in hand</b>		<b>437,550</b>	<b>(495,028)</b>
Cash at bank and in hand at the beginning of the financial year		205,297	700,323
<b>Cash at bank and in hand at the end of the financial year</b>		<b>642,848</b>	<b>205,297</b>

The notes to the financial statements on pages 14 to 31 form an integral part of the financial statements.

---

**NWCC IRELAND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

---

## 1. General information

### Reporting entity

The Company is a private company limited by shares incorporated in Ireland under the Companies Act 2014. The address of the registered office is 3rd Floor Fleming Court, Fleming Place, Dublin 4, Ireland. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages [3](#) to [6](#).

### Statement of compliance

The financial statements of NWCC Ireland Limited, Limited have been prepared in accordance with the International Financial Reporting Standards ('IFRS') and interpretations (IFRIC's) issued by the Interpretations Committee, as published by the International Accounting Standards Board (IASB). They are also in accordance with IFRS and IFRIC interpretations endorsed by the European Union and Irish Statute comprising the Companies Act 2014. The primary financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements*.

## 2. Adoption of new and revised standards

### New and revised Standards and Interpretations in issue

There are a number of standards, amendments to standards and interpretations effective for annual periods beginning on or after 01 January 2024 that were not applicable to the Company and therefore have not been applied in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- *Lease Liability in a Sale and Leaseback - Amendments to IFRS 16*
- *Disclosures: Supplier Finance arrangements (Amendments to IAS 7 and IFRS 7)*
- *Classification of Liabilities as Current or Non-current Liabilities with Covenants - Amendments to IAS 1*
- *International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12*

The Directors have performed an initial assessment of the following standards, which are applicable on or after 1 January 2025, and do not expect them to have a material impact on the Company's Financial Statements. The Directors will continue to assess the implementation and potential impact that may affect the Company's Financial Statements as further guidance becomes available:

- *Lack of Exchangeability - Amendments to IAS 21 (1 January 2025 application)*
- *Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7.*
- *Annual improvements to IFRS Accounting standards - volume 11.*
- *IFRS 18 Presentation and disclosure in Financial Statements.*
- *IFRS 19 Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures*
- *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (1 January 2026 application)*

## 3. Material accounting policies

The material accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2024 are set out below.

### Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting year, as explained in the accounting policies below.

### Going concern

The Directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet their obligations as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****Going concern (continued)**

In considering the appropriateness of this assumption, the Directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation.

The Company is obliged to repay the PPN at its principal amount outstanding upon maturity and to return, to the Sellers, the Short sale debt at their fair value when the Eligible Securities are repurchased. However, due to the non-recourse nature of the financial assets, the Company's ability to pay amounts due on the financial liabilities are limited to the application of the receipts from the repurchase transaction under the terms of the priority of payments as set out in the transaction documents.

If on full realisation of the Repurchase Receivable, insufficient funds exist to settle the liabilities, there will be no further recourse to the Company (even in event of default).

It is the intention of the directors for the Company to continue operations until such a time as the amounts due from financial assets have been fully realised. Ultimately, due to the limited recourse nature of the financial liabilities, any shortfall in the proceeds of the financial assets will be a risk to the holders of the PPN.

Therefore, the Directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

**Reporting currency**

The functional and presentation currency of the Company is Euro, denoted by the symbol €. The financial statements are presented in the functional currency. All of the Company's financial assets and liabilities are denominated in Euro. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities in foreign currencies have been translated at the exchange rates in effect at the balance sheet date. All exchange differences are dealt with in arriving at profit before taxation.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset or financial liability.

Interest is recognised on an effective interest basis for financial instruments held at amortised cost. Interest is included in the 'Interest expense and similar charges' line item in the Statement of Comprehensive Income as it accrues.

**Financial instruments**

The financial instruments held by the Company include the following:

- Financial assets; and
- Financial liabilities issued.

All financial instruments are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

**Financial assets**

Financial assets are classified into the following categories according to the IFRS 9; financial assets 'at fair value through profit or loss' ("FVTPL") and 'amortised cost'. The classification depends on the nature and purpose of the financial assets.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

---

**Financial assets held at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ('SPPI'), other than those that the Company upon initial recognition designates as at fair value through profit or loss, are classified as amortised cost. These include the other assets and cash balances as at the year-end.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

**Financial assets held at fair value through profit and loss**

The Financial assets held at fair value through profit or loss and financial liabilities held at fair value through profit and loss on the balance sheet, are classified as financial assets and financial liabilities, and in accordance with IFRS 9 they are carried at fair value through profit and loss. Repurchase agreements are transactions in which a Company sells a security and simultaneously agrees to repurchase it at an unknown date in the future which is referred to as the Financial assets held at fair value through profit and loss.

Under the Master Repurchase Agreement, the Sellers must repurchase the assets at an agreed upon price in the future. Under the agreements, the Company has a responsibility to return the assets to the Sellers this obligation is referred to as short sale debt. These will be purchased at Fair Value on the open market at time they are required to be returned to the Sellers.

Consequently the Company absorbs the loss or benefits from the gain. The financial liabilities held at fair value through profit and loss is in scope of IFRS 9 and therefore the Company has chosen to designate the financial liabilities at FVTPL.

The financial assets and the financial liabilities have been presented separately within the financial statements as there is no legal or contractual right to offset the positions against each other.

**Financial liabilities and equity**

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

**Financial liabilities**

Financial liabilities are classified into the following categories according to IFRS 9; financial liabilities 'at fair value through profit or loss' ("FVTPL") and 'amortised cost'. A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

In accordance with IFRS 9, financial liabilities required to be classified and subsequently measured at amortised cost using the effective interest rate except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts not designated as at FVTPL that are not accounted for under IFRS 4 Insurance Contracts; and
- commitments to provide a loan at a below-market interest rate.

**Financial liabilities held at amortised cost**

The 'amortised cost' of a financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

---

**Financial liabilities held at amortised cost (continued)**

The Company's holdings of financial liabilities relate to financial liabilities recognised at amortised cost and those designated at FVTPL. The amortised costs liabilities comprise other liabilities. These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

**Initial Recognition**

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income. The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

Financial liabilities are measured at fair value through profit and loss. At initial recognition, the company measures the liabilities at their fair value. Such liabilities are carried at fair value on the balance sheet with changes in fair value included in the statement of comprehensive income in the year in which they occur. The net gain or loss recognised in the statement of comprehensive income includes any interest paid on the financial liability and is included in the net losses on financial liabilities at fair value through profit and loss line item in the Statement of Comprehensive Income. Fair value is determined in the manner described in note 15.

These comprise of financial liabilities designated at FVTPL and include the Short Sale Debt and PPN the Company has chosen to designate the financial liabilities at FVTPL.

**Measurement**

Financial instruments are measured initially at fair value. For other financial assets acquired, cost is the fair value of the consideration paid, while for other financial liabilities cost is the fair value of consideration received. Underwriting costs on financial instruments are amortised. All other transaction costs on financial liabilities at fair value through profit or loss are expensed immediately.

**Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset 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, or for gains and losses arising from a group of similar transactions. No financial assets and liabilities were offset in the year.

**Subsequent Measurement**

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in Statement of Comprehensive Income.

**Fair Value Measurement Principles**

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for the underlying notes issued on the open market which constitute the retention notes purchased by the Company traded in active markets.

**Impairment of financial assets**

In accordance with IFRS 9 the Company is required to determine the impairment of financial assets on an expected credit loss (ECL) basis. The cash and cash equivalents and other assets fall within scope of IFRS 9 impairment.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

---

**Impairment of financial assets (continued)**

The Company is required to calculate an ECL provision which represents an un-biased (i.e., neutral, not optimistic or pessimistic) probability weighted estimate of the present value of cash shortfalls which is determined by evaluating a range of possible outcomes. Cash shortfalls are the difference between the cash flows that are due to the Company in accordance with the contractual terms of the financial asset and the cash flows that the Company expects to receive.

Given the nature of the structure, no ECL has been recognised against the financial assets held at amortised cost. Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

**Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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 that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire..

**Cash and cash equivalents**

Cash at bank include cash in hand and cash held on call with the bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

**Interest income and expense**

Interest income and expense are recognised within 'interest income and similar income' and 'interest expense and similar charges' in the Statement of Comprehensive Income. Accrued interest income and accrued interest expense are recognised in other debtors and creditors on the Balance Sheet.

All income and expenses are accounted for on an accrual basis. The Company accounts for interest income and interest expense on an effective interest rate basis. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses.

**Taxation**

Corporation tax expense comprises current tax. Corporation tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantially enacted at the statement of financial position date, and adjustment to tax payable in respect of previous years.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

---

**Critical accounting judgement and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see 'Financial Instruments' section). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement, and the Company takes into account all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. As discussed in the Financial assets at FVTPL section above, the objective of the Company in managing the portfolio of non-performing loans is to achieve the most optimal outcome through consensual resolutions of the acquired loan assets, additionally performance is evaluated and reported on a fair value basis and as such a judgment has been made that the business model is non consistent with a hold to collect the contractual cash flows business model or a hold to collect the contractual cash flows and sell the financial asset business model and as such the assets are held at FVTPL.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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 years of the revision and future financial years if the revision affects both current and future financial years.

**Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements;

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from estimates. The estimates and underlying assumptions are reviewed on an on-going 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 years of the revision and future financial years if the revision affects both current and future financial years.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see 'Financial Instruments' section).

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement, and the Company takes into account all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets.

---

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

**Accounting treatment of the Financial Assets and Liabilities**

Under IFRS 9, an asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on under an arrangement that meets the following three conditions:

- the entity has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset
- the entity is prohibited from selling or pledging the original asset (other than as security to the eventual recipient),
- the entity has an obligation to remit those cash flows without material delay

The Directors have concluded that the Company is deemed to have achieved recognition of the assets and liabilities under the financial reporting standard IFRS 9. The Company holds the financial asset being the Repurchase Receivable and the Short sale debts is a form of a financial liability, which is held at fair value in the financial statements.

**Taxation**

Taxes are calculated in accordance with applicable corporate tax laws enacted or substantially enacted as of the balance sheet date. Although the Company has performed diligence in the preparation, these tax calculations might be subject to change upon the issuance of further guidance.

**4. Interest Income and similar income**

	For the year ended 31 December 2024	For the year ended 31 December 2023
	€	€
Interest income on financial assets	4,248,887	4,255,912
Fee income	212,715	224,788
	<u>4,461,602</u>	<u>4,480,701</u>

**5. Interest expense and similar charges**

	For the year ended 31 December 2024	For the year ended 31 December 2023
	€	€
Interest expense on liabilities from repurchase agreements	(3,847,624)	(3,520,008)
Interest expense on PPN	(299,611)	(448,728)
	<u>(4,147,235)</u>	<u>(3,968,736)</u>

**6. Other operating expenses**

	For the year ended 31 December 2024	For the year ended 31 December 2023
	€	€
Corporate Service fees	(33,195)	(28,933)
Administration fees	(39,872)	(46,424)
Other expenses	(137,189)	(219,380)
Tax compliance fees	(5,463)	(6,093)
Audit fees	(48,149)	(19,474)
	<u>(263,868)</u>	<u>(320,304)</u>

**NWCC IRELAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**6. Other operating expenses (continued)**

Other expenses is made up of account bank fees, operating expenses, other professional fees and foreign exchange charges.

	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2023</b>
Fees payable (excluding VAT) to the Company's auditor and its associates in respect of	€	€
Audit fees	(32,000)	(25,000)
Tax compliance fee	(5,150)	(5,000)
	<b>(37,150)</b>	<b>(30,000)</b>
	<b>(37,150)</b>	<b>(30,000)</b>

There are no other assurance or non-audit services provided by the independent auditor.

**7. Directors and employees**

The Company had no employees during the financial year (2023: none). The Directors received no remuneration from the Company in respect of qualifying services rendered during the financial year. CSC Capital Markets (Ireland) Limited as corporate service provider incurred fees of €33,195 (2023: €28,933) during the financial year in respect of the provision of a suite of corporate services, including provision of Directors. No additional payment or specific payment was due in respect of director services.

**8. Taxation**

	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2023</b>
<b>Analysis of charge for the year</b>	€	€
Current tax charge for the year	(250)	(250)
	<b>(250)</b>	<b>(250)</b>
	<b>(250)</b>	<b>(250)</b>
<b>Factors affecting tax charge for the year</b>		
Profit on ordinary activities before tax	1,000	1,000
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.50%	(125)	(125)
Effect of earnings subject to tax at 12.5%	(125)	(125)
Current tax charge for the year	<b>(250)</b>	<b>(250)</b>
	<b>(250)</b>	<b>(250)</b>

The Company is a qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act 1997. As such the 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. Financial assets held at fair value through profit and loss

	As at 31 Dec 2024	As at 31 Dec 2023
<b>Repurchase Receivable</b>	<b>€</b>	<b>€</b>
Opening balance	85,793,955	67,087,673
Purchases	19,823,910	36,159,166
Redemptions	(36,861,574)	(18,350,290)
Unrealised (loss)/gains on Financial assets held at FVTPL	247,783	897,406
Closing Balance	<u><u>69,004,074</u></u>	<u><u>85,793,955</u></u>

On 1 February 2021, the Company entered into a Master Repurchase Agreement under which the Company acquired its first Eligible Securities being the listed notes issued by Dilosk RMBS No.4 DAC from Dilosk DAC.

On 8 July 2021, the Company purchased additional Eligible Securities, being listed notes in Brignole Co 2021-1 S.r.l. under the Repo Agreement from Creditis Servizi Finanziari S.P.A. On 25 October 2021, the Company acquired Eligible Securities being the listed notes issued by Dilosk RMBS No.5 DAC under the Repo Agreement from Dilosk DAC. The beneficial interest to the assets was novated to the Company on 1 February 2021, 8 July 2021 and 25 October 2021 respectively.

On 22 February 2022, the Company purchased Eligible Securities, being listed notes in Warrington Residential 2022-1 under the Repo Agreement from Mars Capital Management Ireland DAC. On 24 March 2022, the Company purchased Eligible Securities, being listed notes in Brignole Co 2022-1 under the Repo Agreement from Creditis Servizi Finanziari S.P.A. On 25 May 2022, the Company purchased Eligible Securities, being listed notes in Fortuna Consumer Loan ABS 2022-1 DAC under the Repo Agreement from Auxmoney Investments Limited.

On 20 April 2023, the Company purchased Eligible Securities, being listed notes issued by Dilosk RMBS No.6 DAC from Dilosk DAC. On 3 August 2023, the Company purchased Eligible Securities, being listed notes issued by Dilosk RMBS No.7 DAC from Dilosk DAC.

On 23 September 2024, the Company purchased additional Eligible Securities being listed notes in Albacore Loan Management DAC under a Repo Agreement from Albacore Loan Management DAC, The above selling parties together collectively referred to as "the Sellers" with each Master Repurchase Agreement collectively referred to as the "Repo Agreement".

The underlying assets to the Eligible Securities are mix of residential mortgage portfolios secured on properties located in the Republic of Ireland and Italian securitised assets and German asset backed securities.

The Eligible Securities are sold by the Company and under the Repo Agreement, the Sellers have agreed to buy back the Eligible Securities at the purchase price reduced by any applicable principal repayments in the year and increased by any accrued or unpaid price differential. This obligation of the Sellers has been recognised by the Company as a "Repurchase Receivable". Nearwater Capital, L.P. was appointed asset manager. The Company will repurchase the Eligible Securities at an unknown value on each date as outlined in the relevant transaction agreements.

10. Cash and cash equivalents

	As at 31 Dec 2024	As at 31 Dec 2023
	<b>€</b>	<b>€</b>
Cash and cash equivalents	642,848	205,297
	<u><u>642,848</u></u>	<u><u>205,297</u></u>

**NWCC IRELAND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**10. Cash and cash equivalents (continued)**

The cash on deposit is held with U.S. Bank, in current and on demand deposit accounts. The U.S. Bank currently holds a long term counterparty credit rating of A2 (2023: A2) by Moody's and A+ (2023: A+) by Standard and Poor's.

**11. Other assets**

	<b>As at 31 Dec 2024</b>	<b>As at 31 Dec 2023</b>
	€	€
Receivable from NWCC, LLC	408,253	508,192
Income receivable	542,346	462,023
Discount receivable	259,734	98,012
Other receivables	10,731	5,692
	<b>1,221,064</b>	<b>1,073,919</b>
	<b>1,221,064</b>	<b>1,073,919</b>

The Receivable from NWCC, LLC related to amounts held by a related party relates to amounts owing to the Company currently held in an account of a member of the Nearwater Group.

**12. Profit participating note**

	<b>As at 31 Dec 2024</b>	<b>As at 31 Dec 2023</b>
	€	€
Opening balance	(923,414)	(731,719)
FX movement	12,650	326
Unrealised amounts due on PPN	–	(192,021)
Closing balance	<b>(910,764)</b>	<b>(923,414)</b>
	<b>(910,764)</b>	<b>(923,414)</b>

In order to fund the initial purchase of the Eligible Securities, Nearwater Capital, L.P. provided an initial loan to the Company of €10,344,257. The Company then issued a Profit Participating Note ("PPN") to Nearwater Capital L.P. on 1 February 2021 for the same amount. The PPN has a maturity date of 31 December 2040. The Company has a requirement to make principal repayments on each interest payment date based on the extent of funds available. If not otherwise redeemed or disposed, the PPN will be redeemed in full at the maturity date.

Payments of the PPN are limited in recourse to the extent of funds available from collections on the Financial assets.

**13. Short sale debts**

	<b>As at 31 Dec 2024</b>	<b>As at 31 Dec 2023</b>
	€	€
Opening balance	(85,793,955)	(67,087,673)
Short sale debts issued	(19,823,910)	(36,159,846)
Unrealised gain/(loss) on financial liabilities at FVTPL	(247,784)	(896,726)
Short sale debts principal reduction	36,861,574	18,350,290
Closing balance	<b>(69,004,075)</b>	<b>(85,793,955)</b>
	<b>(69,004,075)</b>	<b>(85,793,955)</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

**13. Short sale debts (continued)**

The Short sale debts principal reduction are Eligible Securities sold by the Company under the Repo Agreement, the Sellers have agreed to buy back the Eligible Securities at the purchase price reduced by any applicable principal repayments in the year and increased by any accrued or unpaid price differential. The Company will repurchase the Eligible Securities at an unknown value on each date as outlined in the relevant transaction agreements.

**14. Other liabilities**

	As at 31 Dec 2024	As at 31 Dec 2023
	€	€
Other payables	(103,853)	(92,209)
Unamortised discount	117,181	–
Interest accrual on liabilities from repurchase agreements	(963,224)	(261,092)
Closing balance	<u>(949,896)</u>	<u>(353,301)</u>

All other liabilities are due within one year. The carrying amount of the other liabilities approximate to their fair values.

**15. Financial risk management**

The principal risks arising from the Company's financial instruments are liquidity, credit, liquidity risk and market risk. The Company has established policies for managing these risks as outlined below.

**Credit risk**

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's principal financial assets are cash and cash equivalents, other receivables and financial assets held at amortised cost, which represents the Company's maximum exposure to credit risk in relation to financial assets.

Credit risk is monitored and managed on a regular basis through preparation and review of quarterly progress reports which are reviewed in detail by management. The effective monitoring and controlling of customer credit risk is a competency of the Servicer who has been appointed by the Company. The Company has reduced exposure to credit risk on the financial assets included within the repurchase agreement due to it being pledged to the repurchase counterparty.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2024 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the statement of financial position.

The Company's maximum exposure to credit risk from financial instruments without taking account of any collateral or other credit enhancements are as follows:

2024	EUR	USD	Total
	€	\$	€
Financial assets held at fair value through profit and loss	69,004,074	–	69,004,074
Cash and cash equivalents	114,460	528,388	642,848
Other assets	812,811	408,253	1,221,064
Total	<u>69,931,345</u>	<u>936,641</u>	<u>70,867,986</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Financial risk management (continued)

Credit risk (continued)

2023	EUR	USD	Total
	€	\$	€
Financial assets held at fair value through profit and loss	85,793,955	–	85,793,955
Cash and cash equivalents	115,574	89,723	205,297
Other assets	565,726	508,193	1,073,919
Total	<u>86,475,255</u>	<u>597,916</u>	<u>87,073,171</u>

**Credit risk management for financial instruments to which the IFRS 9 impairment requirements are applied**

The credit risk of other exposures is minimised by monitoring the credit rating of counterparties. The cash on deposit is held with US Bank plc. US Bank plc currently holds a long term counterparty credit rating of A2 (2023: A2) by Moody's and A+ (2023: A+) by Standard and Poor's. Amounts due from collection agents are very short term in nature. Due to the credit ratings of these institutions, the credit risk relating to these amounts is considered to be immaterial.

**Market risk**

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk. Overall market risk is managed in accordance with practices and policies established by management.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk due to the fact that the income earned on recoveries of financial assets is not fixed, and certain liabilities of the Company have fixed interest rates resulting in an interest rate sensitivity gap. For the year ended 31 December 2024, the Company incurred interest expense of €4,147,235 on financial liabilities with an outstanding balance at year end of €69,004,074. This results in a weighted average interest rate of approximately 5.93%. The rate reflects the profit-participating nature of the instruments, which are linked to the income earned on the underlying financial assets and may vary year-on-year. A 1% movement in interest rates on the Company's financial liabilities would result in an impact to profit before tax of approximately €690,041 (2023: €857,940), subject to the limited-recourse nature of the instruments. A reduction in interest rates of the same amount would have resulted in an equal but opposite effect. The directors monitor the interest risk on a regular basis. The table below summarises the interest rate sensitivity gap:

NWCC IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Financial risk management (continued)

Interest rate risk (continued)

2024	Fixed interest rate €	Floating interest rate €	Non-interest bearing €	Total €
<b>Assets</b>				
Financial assets held at fair value through profit and loss	–	69,004,074	–	69,004,074
Cash and cash equivalents	–	642,848	–	642,848
Other assets	–	–	1,221,064	1,221,064
<b>Total Assets</b>	–	69,646,922	1,221,064	70,867,986
<b>Liabilities</b>				
Profit participating note	–	(910,764)	–	(910,764)
Short sale debts	–	(69,004,075)	–	(69,004,075)
Other liabilities	–	–	(950,146)	(950,146)
<b>Total Liabilities</b>	–	(69,914,839)	(950,146)	(70,864,985)
<b>Interest sensitivity gap</b>	–	<b>(267,917)</b>	<b>270,918</b>	<b>3,001</b>
<b>Cumulative Interest sensitivity gap</b>	–	<b>(267,917)</b>	<b>270,918</b>	<b>3,001</b>
<b>2023</b>				
	Fixed interest rate €	Floating interest rate €	Non-interest bearing €	Total €
<b>Assets</b>				
Financial assets held at fair value through profit and loss	–	85,793,955	–	85,793,955
Cash and cash equivalents	–	205,297	–	205,297
Other assets	–	–	1,073,919	1,073,919
<b>Total Assets</b>	–	85,999,252	1,073,919	87,073,171
<b>Liabilities</b>				
Profit participating note	–	(923,414)	–	(923,414)
Short sale debts	–	(85,793,955)	–	(85,793,955)
Other liabilities excl. Corporation tax	–	–	(353,301)	(353,301)
<b>Total Liabilities</b>	–	(86,717,369)	(353,301)	(87,070,670)
<b>Interest sensitivity gap</b>	–	<b>(718,117)</b>	<b>720,618</b>	<b>2,501</b>
<b>Cumulative Interest sensitivity gap</b>	–	<b>(718,117)</b>	<b>720,618</b>	<b>2,501</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Financial risk management (continued)

**Other price risk**

Other 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 all similar financial instruments in the market. Examples include equity price risk and commodity price risk.

The Company is exposed to other price risk on the financial assets included within the repurchase agreement, however the risk is mitigated as the fair value of the Short sale debts is significantly influenced by the amounts received or due from the Eligible Receivables. The Company will repurchase the Eligible Securities at an unknown value or date in the future.

**Liquidity risk**

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of the Company's liquidity management is to ensure that sufficient funds are available to meet the Company's commitments as they fall due. Liquidity risk is minimised by the fact that the loans are only repayable on legal maturity.

The Profit Participating Note has a maturity date of 31 December 2040. The Company has a requirement to make repayments at each monthly Interest Payment Date based on the extent of funds available from collections on the financial assets. If not otherwise redeemed or sold the loans will be repaid at their principal amounts outstanding on the maturity. The Company does not have any contingent liabilities.

The table on the following page analyses the undiscounted cash flows of the financial liabilities at the balance sheet date into relevant maturity groupings based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The calculations are based on the assumption that the loans will not be repaid until their contractual maturity date.

2024	Between 1 and 3 months €	3 months to 1 year €	1 year to 5 years €	Over 5 years €	Total €
<b>Financial liabilities by type</b>					
Profit participating note	–	–	–	(910,764)	(910,764)
Short sale debts*	–	–	–	(69,004,075)	(69,004,075)
Other liabilities	(950,146)	–	–	–	(950,146)
	<b>(950,146)</b>	<b>–</b>	<b>–</b>	<b>(69,914,839)</b>	<b>(70,864,985)</b>
<b>2023</b>	<b>Between 1 and 3 months €</b>	<b>3 months to 1 year €</b>	<b>1 year to 5 years €</b>	<b>Over 5 years €</b>	<b>Total €</b>
<b>Financial liabilities by type</b>					
Profit participating note	–	–	–	(923,414)	(923,414)
Short sale debts*	–	–	–	(85,793,955)	(85,793,955)
Other liabilities	(353,551)	–	–	–	(353,551)
	<b>(353,551)</b>	<b>–</b>	<b>–</b>	<b>(86,717,369)</b>	<b>(87,070,920)</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Financial risk management (continued)

Liquidity risk (continued)

\*As the repayment of the Short sale debts is reliant upon the repurchase of the Eligible Securities, which is at an unknown date in the future, we have treated the Short sale debts as non-current in the above analysis.

The table below analyses the Company's financial assets and financial liabilities in accordance with the categories of financial instruments in IFRS 9:

	As at 31 December 2024	
	Amortised Cost	Fair Value
Financial Assets	€	€
Financial assets held at fair value through profit and loss	–	69,004,074
Cash and cash equivalents	642,848	–
Other assets	1,221,064	–
<b>Financial Liabilities</b>		
Other liabilities excl. corporation tax	(949,896)	–
Short sale debts	–	(69,004,075)
PPN	–	(910,764)
	As at 31 December 2023	
	Amortised Cost	Fair Value
Financial Assets	€	€
Financial assets held at fair value through profit and loss	–	85,793,955
Cash and cash equivalents	205,297	–
Other assets	1,073,919	–
<b>Financial Liabilities</b>		
Other liabilities excl. corporation tax	(353,301)	–
Short sale debts	–	(85,793,955)
PPN	–	(923,414)

Fair value hierarchy

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of the Company's financial assets and liabilities that are measured at fair value on a recurring basis

The majority of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Financial risk management (continued)

	2024			Total
	Level 1	Level 2	Level 3	
	€	€	€	€
Short sale debts	–	–	(69,004,075)	(69,004,075)
Profit participating note	–	–	(910,764)	(910,764)

	2023			Total
	Level 1	Level 2	Level 3	
	€	€	€	€
Short sale debts	–	–	(85,793,955)	(85,793,955)
Profit participating note	–	–	(923,414)	(923,414)

	2024			Total
	Level 1	Level 2	Level 3	
	€	€	€	€
Financial assets held at FVTPL	–	–	69,004,074	69,004,074

	2023			Total
	Level 1	Level 2	Level 3	
	€	€	€	€
Financial assets held at FVTPL	–	–	85,793,955	85,793,955

The following table outlines the movement in Level 3 financial assets and liabilities at FVTPL during the financial year.

**Movement in Level 3**

**Financial assets held at fair value through profit and loss**

	As at 31 Dec 2024	As at 31 Dec 2023
	€	€
<b>Repurchase Receivable</b>		
Opening balance	85,793,955	67,087,673
Purchases	19,823,910	36,159,166
Redemptions	(36,861,574)	(18,350,290)
Unrealised (loss)/gains on Financial assets held at FVTPL	247,783	897,406
Closing Balance	<u>69,004,074</u>	<u>85,793,955</u>

**Movement in Level 3**

**Short sale debts**

	As at 31 Dec 2024	As at 31 Dec 2023
	€	€
Opening balance	(85,793,955)	(67,087,673)
Short sale debts issued	(19,823,910)	(36,159,846)
Unrealised loss/(gain) on financial liabilities at FVTPL	(247,784)	(896,726)
Short sale debts principal reduction	36,861,574	18,350,290
Closing Balance	<u>(69,004,075)</u>	<u>(85,793,955)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. Financial risk management (continued)

Movement in Level 3

PPN	As at 31 Dec 2024 €	As at 31 Dec 2023 €
Opening balance	(923,414)	(731,719)
FX movement	12,650	326
Unrealised amounts due on PPN	–	(192,021)
Total	<u>(910,764)</u>	<u>(923,414)</u>

16. Ownership of the Company

The issued shares are held directly by Nearwater Capital, L.P. Ultimately the Company is owned by James Peterson. The shareholder has appointed a board of directors to run the day-to-day activities of the Company

17. Share capital

	As at 31 Dec 2024 €	As at 31 Dec 2023 €
<i>Authorised</i>		
1 ordinary shares of €1	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
<i>Allotted, called up and fully paid</i>		
Three ordinary shares of €1	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation.

18. Capital contribution

Capital contribution comprises cash contributions from the parent entity. It is measured at the undiscounted amount of the original contribution. It is booked in the accounts as a capital contribution reserve. It has been made on a non-recourse basis. It has been made in consideration of one ordinary share in the Company.

19. Capital management

The share capital of the Company is €1. This was issued in line with Irish company law and is not used for financing the investing activities of the Company. The Company is not subject to any other externally imposed capital requirements.

20. Related party transactions

CSC Capital Markets (Ireland) Limited entered into an agreement with the Company to provide certain corporate administrative services, bookkeeping and accounting services to the Company.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****20. Related party transactions (continued)**

The directors received no remuneration from the Company in respect of qualifying services rendered during the financial year. Ian Garvan as director of the Company had an interest in this fee in his capacity as director of CSC Capital Markets (Ireland) Limited.

During the financial year the Company incurred as corporate service provider incurred fees of €33,195 (2023: €28,933) At 31 December 2024 there was an outstanding payable of €33,195 (2023: €28,933) to CSC Capital Markets (Ireland) Limited.

Nearwater Management, LLC. together with Nearwater Capital L.P. entered into an agreement with the Company to provide asset manager services to the Company. James Peterson as a director of the Company had an interest in this fee in his capacity as Limited Partner of Nearwater Management, LLC and Nearwater Capital L.P. During the year, the Company incurred asset management expenses of €Nil (2023: € Nil), and administration expenses of €39,872 (2023: €46,424). As at 31 December 2024, there was an accrual balance for Nearwater Management, LLC. of €Nil (2023: € Nil).

The sole shareholder in the Company is Nearwater Capital L.P. James Peterson as a director of the Company had an interest in transactions with the Company in his capacity as Limited Partner of Nearwater Capital L.P. Refer to note 12 in relation to the PPN held by Nearwater Capital L.P.

**21. Subsequent events**

On 14 February 2025, the Company purchased additional Eligible Securities, being listed notes in Oaktree European CLO Capital Fund II DAC under a Repo Agreement from Oaktree Capital Management.

On 8 July 2025, the Company purchased additional Eligible Securities, being listed notes in Capital Four CLO Management II K/S under a Repo Agreement from Capital Four.

On 11 July 2025, the Company purchased additional Eligible Securities, being listed notes in Cross Ocean Bosphorus CLO VIII DAC under a Repo Agreement from Cross Ocean Adviser LLP.

There have been no other significant subsequent events since the balance sheet date which require disclosure in these financial statements.

**22. Approval of financial statements**

The financial statements were approved by the board and authorised for issue on 13 February 2026.