FID LOANS 1 (IRELAND) LIMITED

Registration number: 605883

Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2025

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FID LOANS 1 (IRELAND) LIMITED

Company Information

DIRECTORS	Lina Chi McGrath Michael Milne Hasara Nanayakkara (Alternate Director, Appointed 13 February 2025, resigned 28 February 2025)
COMPANY SECRETARY	Alter Domus Secretarial (Ireland) Limited
ADMINISTRATOR AND REGISTERED OFFICE	Alter Domus (Ireland) Limited 1st Floor, 118 Lower Baggot Street Dublin 2 Ireland
AUDITORS	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
BANKER	Bank of New York Mellon, London Branch One Canada Square London E14 5AL England
LEGAL ADVISOR	Paul Hastings (Europe) LLP 10 Bishops Square, Eight Floor London E1 6EG England
INVESTMENT MANAGER	Five Arrows Managers LLP New Court, St Swithin's Lane London EC4N 8AL England
PORTFOLIO ADMINISTRATOR	Bank of New York Mellon, Dublin Branch Riverside Two, Sir John Rogerson's Quay Grand Canal Dock, Dublin 2 Ireland

Directors' Report
For the financial year ended 31 December 2025

The directors submit their report together with the audited financial statements of FID Loans 1 (Ireland) Limited (the "Company") for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is a limited liability company, which was incorporated on 13 June 2017 under the laws of Ireland.

The Company is engaged in investing in and holding senior secured loans to EU, UK and US debtors. Its parent company Fidelidade Companhia De Seguros S.A, ("Fidelidade") made an initial shares subscription of €150 million under a share subscription agreement dated 5 July 2017, a further €100 million shares subscription under a supplemental share subscription agreement dated 19 September 2017 to the company's investment programme. On 12 June 2019, Fidelidade made a further application for allotment and issue of €100 million shares under a share subscription agreement. In 2019 Fidelidade subscribed €90 million shares. In 2020 the €10 million remaining shares were subscribed as well under the share subscription agreement. In 2022, the Company reduced the capital of the Company by the cancellation 60,000,000 ordinary shares of €1.00 each to create a distributable reserve of €60,000,000 to be treated as a realised profit available for distribution. As at 31 December 2022, there was €10,000,000 of distributable reserves remaining and the share capital of the Company is €290 million. During 2023, it was proposed to reduce the capital of the Company by the cancellation another 50,000,000 of ordinary shares of €1.00 each to create a distributable reserve of €50,000,000 to be treated as a realised profit available for distribution.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The financial performance of the Company has been discussed in the "Results and Dividends" section of the Directors' Report. The directors expect the current level of business activity to continue in the future.

RESULTS AND DIVIDENDS

The results for the financial year and the Company's financial position at the end of the financial year are disclosed on pages 10 - 11. The profit for the financial year 2025 after taxation is €5,777,421 (2024: €15,131,794). During the financial year, the Company declared and paid a dividend of €13,792,411 (2024: nil) for the year ended 31 December 2025.

The key performance indicators with regard to the Portfolio of senior secured loans are as follows:

Key performance indicators	**Financial year ended 31 December 2025 €**	**Financial year ended 31 December 2024 €**
(a) Defaults during the financial year	-	-
(b) Interest and similar income	15,583,760	19,272,167
(c) Fair value of the derivatives as at financial year end	(47,711)	(3,643)
(d) Loss allowance for senior secured loans at FVTOCI	(7,755,039)	(8,196,762)
(e) Unrealised (loss)/ gain on fair value of financial assets at FVTOCI	(4,693,987)	1,449,016
(f) Financial Assets at FVTOCI	254,946,248	264,203,851

RESULTS AND DIVIDENDS (CONTINUED)

(a) Defaults during the financial year

There were no defaulted assets during the financial year (2024: nil).

(b) Interest and similar income

The interest income earned by the Portfolio was primarily based on a floating rate of interest consisting of a base rate (EURIBOR) plus a margin. The base rate is typically set at the interest market rate for a time of 1, 2, 3, 4, 5 or 6 month periods at the option of the borrower.

(c) Fair value of the derivatives

The Company has mitigated its exposure to significant currency risk by entering into a number of hedging contracts as detailed in Note 10. The fair value of forward contracts at the end of the financial year was loss €47,711 (2024: €3,643).

(d) Net realised gain/(loss) on disposal of financial assets at FVTOCI

The Company holds financial assets held to maturity as part of the Company's strategy for the purpose of capital preservation and income generation. The Company disposes of certain financial assets if the manager has credit concerns or liquidity purposes and the net realized loss reflects the loss on disposing those assets.

(e) Unrealised gain/(loss) on fair value of financial assets at FVTOCI

The unrealised loss in the fair value of financial assets reflects the negative performance of the European and American leveraged loan market in 2025 compared to prior year.

DIRECTORS AND SECRETARY

The directors and secretary of the Company are listed on page 1 and except where indicated, have served for the entire financial year and had no material interest in any contract of significance in relation to the business of the Company other than that disclosed below. The directors and company secretary who held office on 31 December 2025 did not hold any shares, debentures or loan stock of the Company on that date or during the financial year.

The terms of the corporate services agreement in place between the Company and the Administrator provide for a single fee for the provision of corporate administration services (including the making available of individuals to act as directors of the Company). The individuals acting as directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as directors of the Company. For the avoidance of doubt, notwithstanding that the directors of the Company are employees of the Administrator, they each do not receive any remuneration for acting as directors of the Company. Pursuant to Section 305A (1)(a) of the Companies Act 2014 (as amended), Alter Domus (Ireland) Limited, (the "Administrator"), received €8,462 as consideration for the making available of, Michael Milne, Lina Chi McGrath to act as directors of the Company.

RELATED PARTY TRANSACTIONS

The Company is 100% owned by Fidelidade. There were no contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 2014, at any time during the financial year or at the end of the financial year.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

SIGNIFICANT SUBSEQUENT EVENTS

There were no significant events after the reporting date which require adjustment to or disclosure in the financial statements for the year ended 31 December 2025.

GOING CONCERN

The company's ability to continue as a going concern is dependent on the performance of the investments held by the company to generate sufficient cash flows to fund the company's ongoing operations. The directors, after consultations with the investment manager, have assessed the company's ability to continue its activities as a going concern. The investment portfolio continues to generate healthy income which is used to fund the company's ongoing operations costs and return a strong dividend to shareholders. The portfolio continues to provide positive performance, returning 3.55% in 2025 with no defaulted assets. This proves the performance of the portfolio held by the company generates sufficient cash flows to fund the company's ongoing operations. The projections for income are in line with previous years and there are no significant changes in assumptions. The directors are not aware of any uncertainties as to the company's ability to continue as a going concern and conclude that the company will continue as a going concern for the foreseeable future.

Cash flow forecast.

FID Loans 1 (Ireland) Limited is an investment company with €240m of equity investment from Fidelidade (an Insurance Company established in Portugal). The Company has no debt and its investment portfolio consists 100% of performing loans with no defaults. The Investment Company is projected to generate c. €16m in 2026 and annually thereafter with operating costs of c. €1.2m and hence has sufficient income going forward to meet its obligations. The Investment Manager (FAM LLP) confirms that there are no going concern issues it is aware of.

The Investment Portfolio ended the year by returning a positive performance of 3.55%. While we understand market conditions influences the portfolio's return, we are comfortable that this will not impact the going concern of FID Loans 1.

The period considered for this assessment is the 18-month period from 31 December 2025. Our projections for income are in line with previous years and there are no significant changes in assumptions.

FINANCIAL RISK MANAGEMENT

The disclosures in relation to the Company's policies for financial risk management including market risk, credit risk, liquidity risk, concentration risk and the policies and procedures in place to manage these risks are disclosed in Note 16.

POWERS OF DIRECTORS

The board of directors (the "Board") is responsible for managing the business affairs of the Company in accordance with its constitution. The directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the directors. The Board consists of two directors.

SHAREHOLDER MEETINGS

The shareholders' rights and operations of shareholders' meetings are defined in the Company's constitution and comply with the Companies Act 2014. The Company holds a general meeting each financial year as its annual general meeting in addition to any other meeting in that financial year. The annual general meeting is specified in the notice sent out for the meeting.

ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept by the Company. The measures taken by directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at First Floor, 118 Lower Baggot Street, Dublin 2.

INDEPENDENT AUDITORS

Deloitte Ireland LLP, Chartered Accountants & Statutory Audit Firm have indicated their willingness to continue in office in accordance with section 383 (2) of the Companies Act 2014.

This report was approved and authorised for issue by the Board on 24th February 2026 and signed on its behalf by:

Michael Milne

Lina Chi McGrath
Director

Michael Milne
Director

Statement of Directors Responsibilities
For the financial year ended 31 December 2025

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved and authorised for issue by the Board on 24th February 2026 and signed on its behalf by:

Lina Chi McGrath Director	Michael Milne Director

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FID LOANS 1 (IRELAND) LIMITED

Report on the audit of the financial statements

Opinion on the financial statements of FID Loans 1 (Ireland) Limited ("the company")

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 2025 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flow; and
- the related notes 1 to 20, including material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union ("the relevant financial reporting framework").

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 described below 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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 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 other information comprises the information included in the Directors' Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Audited Financial Statements. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FID LOANS 1 (IRELAND) LIMITED

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors 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 the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have 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 IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider 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.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

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.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FID LOANS 1 (IRELAND) LIMITED

Use of our report

This 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.

Paul McGarry
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

04 March 2026

FID LOANS 1 (IRELAND) LIMITED

Statement of Comprehensive Income
For the financial year ended 31 December 2025

	Notes	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Net gains on investments	3	12,357,027	20,316,358
Net gains/(losses) on derivative financial instruments	10	226,919	(618,819)
Net other foreign exchange movements	4	11,763	(10,962)
		12,595,709	19,686,577
Other income and expenses			
Other income	5	221,667	297,301
Other expenses	6	(1,232,223)	(1,258,323)
Impairment losses of financial assets at FVTOCI	16(b)	(7,755,039)	(8,196,762)
Deferred tax impact on impairment losses at FVTOCI	11	1,938,760	2,049,190
Operating profit before taxation		5,768,874	12,577,983
Corporation tax charge	7	(3,110,322)	(4,534,915)
Profit for the financial year after taxation		2,658,552	8,043,068
Other comprehensive income for the financial year			
Net (losses)/gains on investments at FVTOCI	11	(3,881,924)	1,449,016
Change in deferred tax asset related to fair value on investments at FVTOCI	8	1,184,514	(507,862)
Impairment losses of financial assets at FVTOCI	16(b)	7,755,039	8,196,762
Deferred tax impact on impairment losses at FVTOCI	11	(1,938,760)	(2,049,190)
Total comprehensive income for the financial year		5,777,421	15,131,794

All amounts relate to continuing operations.

The notes on pages 14 - 41 form an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2025

	Notes	As at 31 December 2025 €	As at 31 December 2024 €
Assets			
Non-current assets			
Financial assets at FVTOCI	11	254,946,248	264,203,851
Derivative financial instruments	10	(47,711)	(3,643)
		254,898,537	264,200,208
Current assets			
Trade and other receivables	13	1,969,697	2,229,940
Receivables for securities sold	12	1,123,747	2,538,392
Deferred tax asset	8	1,699,736	515,222
Cash and cash equivalents	9	11,023,501	10,585,306
Total assets		270,715,218	280,069,068
Liabilities			
Current liabilities			
Payable for securities purchased	12	12,644,134	13,739,254
Other payables	14	348,434	592,174
Total Liabilities		12,992,568	14,331,428
Equity			
Ordinary share capital	15	240,000,000	240,000,000
Fair value reserve		10,207,595	7,088,726
Retained earnings		7,515,055	18,648,914
Total equity		257,722,650	265,737,640
Total equity and liabilities		270,715,218	280,069,068

The notes on pages 14 - 41 form an integral part of these financial statements.

This report was approved and authorised for issue by the Board on 24th February 2026 and signed on its behalf by:

Lina Chi McGrath
Director

Michael Milne
Director

Statement of Changes in Equity
For the financial year ended 31 December 2025

Financial year ended 31 December 2025	Share capital €	Fair value reserve	Retained earnings €	Total €
As at 1 January 2025	240,000,000	7,088,726	18,648,914	265,737,640
Dividends	-	-	(13,792,411)	(13,792,411)
Total comprehensive income for the financial year	-	3,118,869	-	3,118,869
Profit for the financial year	-	-	2,658,552	2,658,552
As at 31 December 2025	240,000,000	10,207,595	7,515,055	257,722,650

Financial year ended 31 December 2024	Share capital €	Fair value reserve	Retained earnings €	Total €
As at 1 January 2024	240,000,000	-	10,605,846	250,605,846
Transfer to Distributable reserves	-	-	-	-
Distributable reserves	-	-	-	-
Dividends	-	-	-	-
Total comprehensive income for the financial year	-	7,088,726	-	7,088,726
Profit for the financial year	-	-	8,043,068	8,043,068
As at 31 December 2024	240,000,000	7,088,726	18,648,914	265,737,640

The notes on pages 14 - 41 form an integral part of these financial statements.

Statement of Cash Flows
For the financial year ended 31 December 2025

	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Cash flows from operating activities		
Interest received	15,929,683	19,414,590
Other expense	(4,450,297)	(5,375,119)
Net cash flows from operating activities	11,479,386	14,039,471
Cash flows from investing activities (FVTOCI)		
Purchase of investments	(199,714,104)	(156,408,850)
Proceeds from sale of Financial Assets	202,186,941	143,767,965
Net cash flows used in investing activities	2,472,837	(12,640,885)
Cash flows from financing activities		
Dividend Paid	(13,792,411)	-
Net cash flows from financing activities	(13,792,411)	-
Net increase/(decrease) in cash and cash equivalents		
Foreign exchange gain/ (loss) on cash and cash equivalents	278,383	(426,501)
Total movement in cash and cash equivalents	438,195	972,085
Cash and cash equivalents at the beginning of the financial year	10,585,306	9,613,221
Cash and cash equivalents at the end of the financial year	11,023,501	10,585,306

The notes on pages 14 - 41 form an integral part of these financial statements.

1. Background to the Company

The Company was incorporated on 13 June 2017 with a registration number 605883. The Company is a special purpose company with limited liability and qualifies 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.

2. Material accounting policies

(a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments at fair value. The financial statements have been prepared in accordance with IFRS as adopted by the European Union and those parts of Companies Act 2014 applicable to companies reporting under IFRS. The accounting policies adopted by the Company have been applied consistently.

(b) New and amended standards and interpretations

The IFRS adopted by the EU applied by the Company in the preparation of its financial statements are those that were effective for the accounting period ended on 31 December 2025. The Company has applied all relevant and applicable standards.

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are effective for reporting periods beginning on or after 1 January 2025. This amendment is not expected to have any material impact on the financial statements of the Company and therefore no disclosures have been made.

Upcoming standards not yet adopted.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after 1 January 2026. This amendment is not expected to have any material impact on the financial statements of the Company and therefore no disclosures have been made.

Presentation and Disclosures in Financial Statements (IFRS 18)

In April 2024, the IASB published its new standard IFRS 18 'Presentation and Disclosures in Financial Statements' that will replace IAS 1 'Presentation of Financial Statements'. The new standard is the result of the so-called primary financial statements project, aims at improving how entities communicate in their financial statements and will be effective for annual periods beginning on or after 1 January 2027. This new standard is expected to have material impact on the presentation of the financial statements of the Company. Management is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

2. Material accounting policies (continued)

(b) New and amended standards and interpretations (continued)

Upcoming standards not yet adopted (continued)

Subsidiaries without Public Accountability: Disclosures (IFRS 19)

In May 2024, the IASB published its new standard IFRS 19 'Subsidiaries without Public Accountability: Disclosures', which permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. This new standard is not expected to have any material impact on the financial statements of the Company and therefore no disclosures have been made.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19)

In August 2025, The IASB reduced the disclosure requirements by excluding disclosure objectives relating to supplier finance arrangements, lack of exchangeability, Pillar Two model rules, classification and measurement of financial instruments, and non-current liabilities with covenants. Disclosure requirements relating to supplier finance arrangements are reduced. It excluded disclosure requirements that are in fact guidance, not requirements. It replaced disclosure requirements relating to management-defined performance measures by a cross-reference to IFRS 18. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. This amendment is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. This amendment is not expected to have any material impact on the financial statements of the Company and therefore no disclosures have been made.

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments to address how IFRS 9 Financial Instruments should be applied to power purchase agreements with specific characteristics and amend FRS 7 Financial Instruments: Disclosures to include specific disclosure requirements relating to those contracts. This amendment is effective for reporting periods beginning on or after 1 January 2026. This amendment is not expected to have any material impact on the financial statements of the Company and therefore no disclosures have been made.

Annual Improvements to IFRS Accounting Standards — Volume 11

The amendments address to updates in related IRFS including IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows. This amendment is effective for reporting periods beginning on or after 1 January 2026 with earlier application permitted. This amendment is not expected to have any material impact on the financial statements of the Company and therefore no disclosures have been made.

2. Material accounting policies (continued)

(c) Going concern

The company's ability to continue as a going concern is dependent on the performance of the investments held by the company to generate sufficient cash flows to fund the company's ongoing operations. The directors, after consultations with the investment manager, have assessed the company's ability to continue its activities as a going concern. The investment portfolio continues to generate healthy income which is used to fund the company's ongoing operations costs and return a strong dividend to shareholders. The portfolio continues to provide positive performance, returning 3.55% in 2025 with no defaulted assets. This proves the performance of the portfolio held by the company generates sufficient cash flows to fund the company's ongoing operations. The projections for income are in line with previous years and there are no significant changes in assumptions. The directors are not aware of any uncertainties as to the company's ability to continue as a going concern and conclude that the company will continue as a going concern for the foreseeable future.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

In determining the carrying amount of certain assets and liabilities, the Company makes assumptions about the effects of uncertain future events on those assets and liabilities at the Statement of Financial Position date. This area involves a degree of judgement and complexity.

The Company has made estimates and assumptions based on historical financial information and expectation of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised, and any future financial periods affected. Actual results may differ from these estimates.

2. Material accounting policies (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value

After initial measurement, the Company measures financial instruments which are classified as at FVTPL and FVTOCI at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognized exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, without any deduction for estimated future selling costs.

Senior secured loans

At each reporting date, the company analyses for possible impairment of senior secured loans measured at FVTOCI. The measurement of Expected Credit Loss Model (ECL) is a function of the probability of default, loss given default and the exposure at default. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, adjusted for factors that are specific to the senior secured loans, general economic conditions and an assessment of both the current as well as the forecast conditions at the reported date, including time value of money where appropriate. The Company has a robust process in place to manage credit risk exposure and the collection of senior secured loans. The Company assesses its senior secured loans from various aspects including probability of default and likelihood of the Company requesting the senior secured loans to be paid on demand. The probability of default is whether senior secured loans can be repaid when the senior secured loans are recalled as at the reporting date based on whether the EU, UK and US debtors have highly liquid resources.

The Company assessed the impairment of the whole investment portfolio and recognized ECL provision of €7,755,039 as at 31 December 2025 (2024: €8,196,762) and disclosures have been included under the ECL model (See Note 16b).

Deferred Tax asset

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

2. Material accounting policies (continued)

(e) Financial assets and liabilities

IFRS 9 sets out requirements for recognising and measuring financial instruments. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. A financial instrument is any contract that gives rise to both a financial asset of one entity and financial liability or equity instrument of another entity.

Recognition, classification of financial assets under IFRS 9

Financial assets are recognised in the Company's Statement of Financial Position as at the trade date when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, they need to give rise to cash flows that are 'solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Company measures financial assets at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel. While the results of each product group are tracked separately for internal purposes, the Company only reports consolidated, company-wide results to management and outside investors.

2. Material accounting policies (continued)

(e) Financial assets and liabilities (continued)

Business model assessment (continued)

- The risks that affect the performance of the business model and the way those risks are managed. Management require regular financial statements on nearly all our loans, as well as covenant compliance certificates on either a monthly or quarterly basis. Our portfolio managers also keep continuous communications with our borrowers' management teams.
- How managers of the business are compensated (the Company views all performance-based compensation under a single framework and does not have ties to individual portfolio groups' performance).
- The expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

The Company applied the SPPI criteria to each of product groups that were considered to be at amortised cost in order to determine whether any of the assets' cash flows failed the SPPI test. For each of the product groups, the test was performed for both the group as a whole, (under the general criteria that assets have been underwritten and will continue to be underwritten) and for any outlying/unique loans that may exist in the specific product groups' asset pools. Each groups' cash flows were evaluated for features present in the interest rates (e.g. indexed for inflation and adjustments), timing (e.g. prepayment options), and types of instruments (e.g. nonrecourse loans, regulated loans).

Based on the SPPI test under IFRS 9, all the Senior secured loans under the FVTOCI business model have cash flows that meet the SPPI criteria.

Initial measurement of financial assets under IFRS 9

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient in accordance with paragraph 63 of IFRS 15 ('practical expedient'), the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

2. Material accounting policies (continued)

(e) Financial assets and liabilities (continued)

Subsequent measurement of financial assets under IFRS 9

After initial recognition, the financial assets are measured at:

(a) amortised cost;

(b) fair value through other comprehensive income ('FVTOCI'); or

(c) fair value through profit or loss ('FVTPL').

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired The Company's other financial assets comprise of trade receivables and cash balance, which are either receivable on demand or within short period from the invoice date and hence considered as not containing a significant financing component.

Financial assets at FVTPL

These assets consist of derivative financial instruments. These are subsequently measured at fair value. Net gains and losses, including any income from investments are recognized in profit or loss.

Financial assets at FVTOCI

These assets consist of assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. The Company's senior secured loans are held to maturity and only sold if the manager has credit concerns or for liquidity purposes. All loan repayments will be reinvested in line with this parameter.

Impairment of financial assets

Expected Credit Loss Model (ECL)

The expected credit loss allowance is calculated taking into account, at the time of assessment, the risk exposure (monetary value of the loan), probability of default (PD), loss given default (LGD) and the relevant discount factor. It is a risk assessment that takes into account an estimate of the probability and time value of the future cash flows being assessed.

This assessment is complemented by an assessment of whether or not the credit rating has been degraded from the moment of initial recognition. A significant decrease in the credit rating means that the assessment will no longer be made considering an annual period but will be made considering the remaining lifetime of the loan. Loans with no deterioration in rating are therefore considered in stage 1, loans with deterioration in rating are considered in stage 2, and stage 3 comprises loans with objective evidence of default.

2. Material accounting policies (continued)

(e) Financial assets and liabilities (continued)

Expected Credit Loss Model (ECL) (continued)

The provisions for expected credit losses are recognised in two stages. For credit exposures for which there has been no significant increase in risk since initial recognition, the provision for expected credit losses quantitatively reflects credit losses that may result from default events within the next 12 months (12-month expected credit losses).

In the case of other credit exposures for which there has been a significant increase in risk since initial recognition, a provision for credit losses over the remaining life of the exposure is required, regardless of the time of default, which is qualified as a lifetime expected credit losses.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk since initial recognition. When conducting the assessment, the Company compares the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition and considers all reasonable and supportable information available without undue cost or effort.

The Company uses for the credit assessment the ratings of at least 3 agencies accredited by the European Insurance and Occupational Pensions Authority (EIOPA), applying the second-best rating criterion limited, in general terms, to the rating of the issue or, if not available or not applicable, to the rating of the issuer. Ultimately, in a situation where this information is not available, the Company seeks to assess, through a scoring methodology, an internal rating based on an analysis of the available financial statements.

The Company considers a financial asset to be in default when it has been overdue for 90 days or the asset has been rated as default by any rating agency, and the Company is unlikely to receive the outstanding contractual amounts in full. The book value of a financial asset in this stage, Stage 3, is reduced so as only to reflect the recovery value since there is no reasonable expectation of recovering the contractual cash flows.

The Company provides a collective provision for expected credit losses on all credit exposures, and the credit profile and credit loss are analysed and calculated based on three stages as outlined below:

- Stage 1: Credit loss allowance at an amount equal to 12-month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12-months of the reporting date, assuming that credit risk has not changed substantially after initial recognition.
- Stage 2: Credit loss allowance at an amount equal to lifetime expected credit losses (‘LTECL’). This requires the computation of expected credit losses based on lifetime probability of default, representing the probability of default over the remaining lifetime of the financial asset. The Company continuously monitor all assets subject to ECLs and assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when its credit rating is downgraded to CCC by any rating agency. For more information on our assessment of credit risks, please refer to Note 16(b).
- Stage 3: Credit loss allowance specifically articulated on credit impaired assets, ie. defaulted assets.

The measurements of credit losses under IFRS 9 across all categories of such financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining credit losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The gross carrying amounts of financial assets subject to ECL and the related allowance for expected credit losses as at 31 December 2025 are disclosed in Note 16 b.

2. Material accounting policies (continued)

(e) Financial assets and liabilities (continued)

Reclassification of financial assets under IFRS 9

FVTPL to FVTOCI

For the financial year 2024, the Company changed its business model in relation to its investment strategy from 'the portfolio is actively managed to maintain credit quality and to optimize relative value' to 'the portfolio is managed with an emphasis on capital preservation and income generation'. The senior secured loans are held to maturity and only sold if the manager has credit concerns or for liquidity purposes. All loan repayments are reinvested in line with this strategy. The revised outsourced investment manager agreement was drafted in the current year to reflect the change in business strategy.

Following the change in business model the Company recognizes all fair value movements in its loan portfolio through Other Comprehensive Income starting from the 1st of January 2024.

Initial recognition and subsequent measurement of financial liabilities under IFRS 9

Except for financial liabilities at fair value through profit or loss, financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities include long-term and short-term debt issued which are initially measured at fair value, which is the consideration received, net of transaction costs incurred.

Classification of financial liabilities under IFRS 9

Financial liabilities carried by the Company comprise PPNs and Trade and other payables and are classified at amortised cost.

Derecognition of financial assets and liabilities under IFRS 9

A financial asset is derecognised when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expire.

2. Material accounting policies (continued)

(e) Financial assets and liabilities (continued)

Financial assets at FVTOCI

The Company, upon initial recognition, designates its financial instruments as financial assets at FVTOCI. The senior secured loans are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these senior secured loans as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these senior secured loans had been measured at amortised cost. All other changes in the carrying amount of these senior secured loans are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When these senior secured loans are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

All of the financial assets at FVTOCI are valued using quotes available from active markets. The Company uses Markit Group Limited to provide the valuations.

Valuation of financial instruments

The Company measures fair values using the following hierarchy of methods:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where 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.

(f) Foreign currency translation

Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in Euro denoted by the symbol "€" which is the Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(g) Interest income

Interest income on financial assets held at FVTOCI is recognised at the effective interest rate.

2. Material accounting policies (continued)

(h) Taxation

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 differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are not taxable or deductible and those items of income and expenses that have timing differences. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of reporting year date. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting year date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

A Pillar Two assessment in accordance with the Pillar Two Tax legislation published by the OECD has been carried out on the Company by its ultimate parent company for the year ended 31 December 2024. This assessment confirms that no additional tax liability is payable for the year ended 31 December 2024. While the 31 December 2025 assessment is incomplete at the time of publication of these financial statements, the Company believes that the 2025-year end assessment will be in line with the 2024 assessment and that no additional tax liability is payable.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

(j) Other receivables and payables

The trade and other receivables and payables are initially measured at fair value. They are subsequently remeasured at amortised cost.

The introduction of IFRS 9 requires all assets remeasured at amortised cost be assessed for an 'expected credit loss' model for the assessment of impairment of financial assets. These assets do not have a history of credit risk or expected future recoverability issues, therefore under the expected credit loss model there is no impairment to be recognised and hence no change to the carrying values of trade and other receivables and payables.

(k) Receivables for securities sold/Payables for securities purchased

These include amounts payable for securities purchased and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. They are initially measured at fair value plus any directly attributable incremental costs and subsequently measured at amortised cost.

(l) Offsetting financial instruments

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 set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as deduction from the proceeds, net of tax.

3. Net gains on investments

	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Realised loss on financial assets at FVTOCI	(2,016,564)	(222,508)
Interest income on financial assets at FVTOCI	15,583,760	19,272,167
Derecognition of unrealised movement on financial assets at FVTOCI	(812,064)	785,710
Realised foreign exchange (losses)/gains on investments	(44,749)	400,017
Unrealised foreign exchange (losses)/gains on investments	(353,356)	80,972
	12,357,027	20,316,358

4. Net other foreign exchange movements

	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Unrealised foreign exchange gains on cash and cash equivalents	980	1,070
Realised foreign exchange losses on cash and cash equivalents	(37,994)	(3,830)
Realised foreign exchange gains/(losses) on committed trades	44,412	(8,202)
Unrealised foreign exchange gains on receivables/payables	4,365	-
	11,763	(10,962)

5. Other income

	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Delayed compensation	104,959	68,175
Cost of carry	(23,124)	(39,174)
Ticking fees	20,813	13,083
Other Investment Income	35,900	128,564
Reinvestment Income	83,119	126,653
	221,667	297,301

6. Other expenses

	Financial year ended 31 December 2025	Financial year ended 31 December 2024
	€	€
Other Expenses	(226,094)	(243,839)
Corporate Admin Fees	(28,004)	(31,899)
Investment management fees	(960,001)	(967,890)
Trade Related expenses	(18,124)	(14,695)
	(1,232,223)	(1,258,323)

The Company has no employees. Accounting and corporate secretarial services have been outsourced to the Administrator. No fees were paid to directors during the financial year.

The details of the statutory audit firm's remuneration during the financial year are detailed in the below:

Fees to the auditors (exclusive of VAT)	Financial year ended 31 December 2025	Financial year ended 31 December 2024
	€	€
Audit of individual accounts	(23,750)	(22,750)
Tax compliance services	(7,350)	(5,000)
	(31,100)	(27,750)

7. Corporation tax charge

	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Corporation tax based on profit for the financial year	3,110,322	4,534,915

	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
Profit on ordinary activities before tax	7,703,229	20,174,571
Profit on ordinary activities at the standard rate of Irish Corporation tax for the financial year of 12.5%	962,904	2,521,821
Effects of:		
Differences in taxation under 2004 Irish GAAP	1,184,514	(507,862)
Expenses not allowable	-	(866)
Higher rate tax applicable under Section 110 TCA, 1997	962,904	2,521,821
Deferred tax asset	-	-
Current tax charge for the financial year	3,110,322	4,534,915

The Current tax charge for the financial year amounts to €3,110,322. After accounting for the deferred tax asset of (€1,184,514), the net tax charge for the financial year is €1,925,808.

For the financial year ending 31 December 2025, the preliminary corporation tax is €3,277,794. This amount was settled by offsetting a refund of €119,100 received relating to the financial year ended 31 December 2024, and cash payments totalling €3,158,694 made during the year.

The current tax charge for the financial year ended 31 December 2025 is €3,110,322, which represents 25% of the taxable profit of €12,441,285 calculated under Irish GAAP 2004.

8. Deferred tax asset

	As at 31 December 2025 €	As at 31 December 2024 €
At the start of the year	515,222	1,023,084
Change in provision in the financial year	1,184,514	(507,862)
At the end of the financial year	1,699,736	515,222

Deferred taxes arising from temporary differences are summarised as follows:

Timing difference on net gains/ (losses) on investments	1,173,497	(558,682)
Timing difference on net gains on forwards	11,017	50,820
	1,184,514	(507,862)

The Company is a qualifying Company within the meaning of Section 110 of the TCA. 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. The movement in the deferred tax asset of €1,184,514 (2024: deferred tax asset €507,862) has been recognised to reflect a taxable temporary difference between the tax base and the carrying value of the investment portfolio at year end. The taxable temporary difference amounts to €4,738,054 (2024: €2,031,448), with 25% of this balance being recognised as a deferred tax asset. The directors have recognised the deferred tax asset as they are confident that there will be profits which can be used to offset this loss in the future if such losses are realised.

9. Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The total amount of cash and cash equivalents held at 31 December 2025 was €11,023,501 (2024: €10,585,306).

10. Derivative financial instruments

Derivative financial instruments consist of forward contracts held by the Company at the financial year-end. The forward contract counterparty is Nomura International London Branch.

Their respective fair values are as follows:

For the year ended 31 December 2025		**Fair value as at 31 December 2025**	**Fair value as at 31 December 2025**
Foreign currency Forward Contracts	**Notional amount**	**Assets**	**Liabilities**
Currency	**€**	**€**	**€**
GBP	7,178,662	7,178,662	(7,226,373)
Total	7,178,662	7,178,662	(7,226,373)

Closing fair value	(47,711)
Opening fair value	(3,643)
Unrealised loss on fair value of derivatives	(44,068)
Realised gain on fair value of derivatives	270,987
Net gain on derivatives	226,919

For the year ended 31 December 2024		**Fair value as at 31 December 2024**	**Fair value as at 31 December 2024**
Foreign currency Forward Contracts	**Notional amount**	**Assets**	**Liabilities**
Currency	**€**	**€**	**€**
GBP	7,112,085	7,112,085	(7,115,728)
USD	-	-	-
Total	7,112,085	7,112,085	(7,115,728)

Closing fair value	(3,643)
Opening fair value	199,637
Unrealised loss on fair value of derivatives	(203,280)
Realised loss on fair value of derivatives	(415,539)
Net loss on derivatives	(618,819)

11. Financial assets at FVTOCI

	As at 31 December 2025 €	As at 31 December 2024 €
Balance at the beginning of the financial year	264,203,851	234,037,684
Purchases of financial assets at FVTOCI	198,623,348	168,150,211
Disposals of financial assets at FVTOCI	(136,046,665)	(101,704,178)
Repayments of financial assets	(64,725,630)	(38,773,073)
Realised loss on financial assets at FVTOCI	(2,016,564)	(222,508)
Unrealised market (loss)/gain on financial investments at FVTOCI	(4,693,987)	2,234,726
Realised foreign exchange (loss)/ gain on financial assets at FVTOCI	(44,749)	400,017
Unrealised foreign exchange (loss)/ gain on investments	(353,356)	80,972
Balance at the end of the financial year	254,946,248	264,203,851

On disposal of these senior secured loans, any related balance within the FVTOCI reserve is reclassified to other gains/(losses) within profit or loss. The disposals for this year predominately represent repayments of senior secured loans as well as certain sales which are allowable within the context of preserving credit quality under the business model.

Amounts recognised in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in profit or loss and other comprehensive income:

	As at 31 December 2025 €	As at 31 December 2024 €
Net unrealised (loss)/ gain on investment	(3,881,924)	1,449,016
Change in deferred tax asset related to fair value on investment	1,184,514	(507,862)
ECL Provision	7,755,039	8,196,762
Deferred tax – ECL provision impact	(1,938,760)	(2,049,190)
	3,118,869	7,088,726

12. Receivables for securities sold and Payables for securities purchased

	As at 31 December 2025 €	As at 31 December 2024 €
Unsettled trades – Receivables for securities sold	1,123,747	2,538,392
Unsettled trades – Payables for securities purchased	(12,644,134)	(13,739,254)

13. Trade and other receivables

	As at 31 December 2025 €	As at 31 December 2024 €
Accrued interest on financial assets at FVTOCI	1,741,020	2,086,943
Other assets	50,055	12,749
Receivable for share capital subscribed	1	1
Corporation tax refund	178,621	130,247
	1,969,697	2,229,940

14. Other Payables

	As at 31 December 2025 €	As at 31 December 2024 €
Creditors	348,434	592,174
	348,434	592,174

15. Ordinary share capital

	As at 31 December 2025 €	As at 31 December 2024 €
Authorised		
240,000,000 (2024: 240,000,000) ordinary shares of €1 each	240,000,000	240,000,000
Allotted, called up and fully paid		
240,000,000 (2024: 240,000,000) ordinary shares of €1 each	240,000,000	240,000,000

16. Financial risk management

The Company's financial instruments include cash at bank, derivative financial instruments, financial assets at FVTOCI and other accruals that arise directly from its operations. The Company is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk policies

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern. The capital managed by the Company comprises of ordinary shares outstanding as at the financial year-end. The Company is not subject to externally imposed capital requirements. There were no changes to the policies and procedures during the financial year with respect to the Company's approach to its capital management program.

(a) Market risk

Market risk is the potential change in the value of financial instruments caused by the movements in the foreign exchange rates, interest rates or market prices. The company is exposed to the market risk of the loan portfolio financial assets and the derivative financial instruments. The exposure may also be affected by trends in new issuance credit spreads compared to its existing loan portfolio financial assets and derivative financial instruments.

(i) Foreign exchange risk

Foreign exchange risk is the potential change in the value of currency assets and liabilities caused by movement in the exchange rates. The Shares issued by the Company are denominated in EUR. The proceeds from the issuance of the shares were used to buy financial assets in various currencies. The Investment Manager ensures that currency denominated assets are appropriately self-hedged by cross currency derivatives to mitigate currency exchange risk. The table in the next page shows the Company's exposure to currency risk as at 31 December 2025.

16. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2025	EUR	USD	GBP	Total
	€	€	€	€
Financial assets				
Financial assets at FVTOCI	247,716,839	-	7,229,409	254,946,248
Trade and other receivables	1,910,144	-	59,553	1,969,697
Receivables for securities sold	1,123,747	-	-	1,123,747
Derivative financial instruments	7,178,662	-	-	7,178,662
Deferred tax asset	1,699,736	-	-	1,699,736
Cash and cash equivalents	10,738,265	-	285,236	11,023,501
	270,367,393	-	7,574,198	277,941,591
Financial liabilities				
Payables for securities purchased	12,644,134	-	-	12,644,134
Derivative financial instruments	-	-	7,226,373	7,226,373
Other payables	348,434	-	-	348,434
	12,992,568	-	7,226,373	20,218,941
Net Assets	257,374,825	-	347,825	257,722,650

As at 31 December 2024	EUR	USD	GBP	Total
	€	€	€	€
Financial assets				
Financial assets at FVTOCI	257,130,361	-	7,073,490	264,203,851
Trade and other receivables	2,172,091	-	57,849	2,229,940
Receivables for securities sold	2,538,392	-	-	2,538,392
Derivative financial instruments	7,112,085	-	-	7,112,085
Deferred tax asset	515,222	-	-	515,222
Cash and cash equivalents	10,516,728	3,721	64,857	10,585,306
	279,984,879	3,721	7,196,196	287,184,796
Financial liabilities				
Payables for securities purchased	13,739,254	-	-	13,739,254
Derivative financial instruments	-	-	7,115,728	7,115,728
Other payables	592,174	-	-	592,174
	14,331,428	-	7,115,728	21,447,156
Net Assets	265,653,451	3,721	80,468	265,737,640

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2025

16. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The impact of a 5% movement in currency exchange rate is shown as follows:

Description	2025 €	2024 €
5% movement in foreign exchange on foreign currency assets	378,710	359,996
5% movement in foreign exchange on derivatives	(2,386)	(182)
5% movement in foreign exchange on foreign currency liabilities	(361,319)	(355,786)
Changes in profit for the financial year	15,005	4,028

(ii) Interest rate risk

The table below summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts categorised by the terms of the interest. The interest rates applicable to financial assets are based on EURIBOR or Floor.

The Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Company is not exposed to interest rate mismatch as all the Company's investments are in variable interest investments and the Company has no fixed rate obligations. Hence any changes in market interest rates will directly impact the net income earned by the Company. Interest rate risk is managed by the Investment Manager as part of its investment selection process.

The interest rate risk profile of the financial assets and financial liabilities are disclosed below as at 31 December 2025.

31 December 2025	Interest bearing fixed rate €	Interest bearing variable €	Non-interest bearing €	Total €
Financial assets:				
Financial assets at FVTOCI	-	254,946,248	-	254,946,248
Derivative financial instruments	-	-	(47,711)	(47,711)
Trade and other receivables	-	-	1,969,697	1,969,697
Receivable for securities sold	-	-	1,123,747	1,123,747
Deferred tax asset	-	-	1,699,736	1,699,736
Cash and cash equivalents	-	11,023,501	-	11,023,501
	-	265,969,749	4,745,469	270,715,218
Financial liabilities:				
Payables for securities purchased	-	-	12,644,134	12,644,134
Other payables	-	-	348,434	348,434
	-	-	12,992,568	12,992,568

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2025

16. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

31 December 2024	Interest bearing fixed rate €	Interest bearing variable €	Non-interest bearing €	Total €
Financial assets:				
Financial assets at FVTOCI	-	264,203,851	-	264,203,851
Derivative financial instruments	-	-	(3,643)	(3,643)
Trade and other receivables	-	-	2,229,940	2,229,940
Receivable for securities sold	-	-	2,538,392	2,538,392
Deferred tax asset	-	-	515,222	515,222
Cash and cash equivalents	-	10,585,306	-	10,585,306
	-	274,789,157	5,279,911	280,069,068
Financial liabilities:				
Payables for securities purchased	-	-	13,739,254	13,739,254
Other payables	-	-	592,174	592,174
	-	-	14,331,428	14,331,428

Interest rate sensitivity

The impact of a 5% movement in the interest rate on the Statement of Comprehensive Income is shown as follows:

Description	2025 €	2024 €
5% net movement in interest rates	779,188	963,608
Changes in profit for the financial year	779,188	963,608

(iii) Price risk

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company manages price risk by permitting the Investment Manager to sell investments and reinvest proceeds into new investments. The Investment Manager monitors all investments in particular for credit risk which could impact the price of the investment.

Valuation Methodologies

When price quotations are not available from unaffiliated market makers or other financial institutions that regularly trade similar investments, independent valuation agents determine the fair value of assets using valuation models. The fair value established pursuant to such methodologies may never be realised, which could result in losses.

16. Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

Valuation Methodologies (continued)

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where 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.

The tables below provide an analysis of the basis of measurement used by the Company to fair value its financial instruments into the following categories:

31 December 2025	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at FVTOCI				
Financial assets at FVTOCI	-	254,629,732	316,516	254,946,248
Derivative financial instruments	-	(47,711)	-	(47,711)
	-	254,582,021	316,516	254,898,537

31 December 2024	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at FVTOCI				
Financial assets at FVTOCI	-	262,192,324	2,011,527	264,203,851
Derivative financial instruments	-	(3,643)	-	(3,643)
	-	262,188,681	2,011,527	264,200,208

Valuations of Financial assets at FVTOCI classified under Level 2 are provided by Markit Group Limited. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying value of all other financial assets and liabilities (that are not carried at fair value through profit or loss) closely approximate fair value due to short term maturity are carried at level 2.

16. Financial risk management (continued)

(b) **Market risk (continued)**

(iii) Price risk (continued)

Level 3 reconciliation

	2025	2024
	€	€
Balance at the beginning of the financial year	2,011,527	-
Purchases of financial assets at FVTOCI	284,684	1,986,767
Disposals of financial assets at FVTOCI	(2,095,341)	
Fair value adjustment	115,646	24,760
Balance at the end of the financial year	316,516	2,011,527

Effect of changes in significant assumptions of Level 3 financial instruments

Certain assets at FVTOCI classified under Level 3 are valued based on brokers that have provided one market quote. The Company is using third-party pricing information without adjustment. All of these are based on the valuations obtained from Markit Group Limited without making any adjustment. All of these investments were obtained through either direct broker quotes or one broker quote. As per IFRS 13, an entity is not required to create quantitative analysis if the unobservable inputs used in the determination of fair value are not developed by the entity when measuring fair value. Based on this, the Board believes that there is no need to disclose further in relation to this IFRS 13 requirement as the quantitative unobservable inputs are not developed by the entity when measuring fair value.

Sensitivity analysis

The impact of a 5% movement in the market price on the Statement of Comprehensive Income is shown as follows:

Description	2025	2024
	€	€
5% net movement in fair value of assets	12,747,313	13,210,193
Changes in profit for the financial year	12,747,313	13,210,193

Offsetting financial assets and financial liabilities

The financial assets and liabilities of the Company are not subject to offsetting, enforceable master netting arrangements and similar agreements.

16. Financial risk management (continued)

(c) Credit risk

Credit risk arises from the possibility of obligors failing to meet their obligations to the Company and represents the most significant category of risk. The maximum credit risk exposure to the company as at the 31 December 2025 and 2024 are disclosed below:

Credit risk exposures relating to financial instruments	Financial year ended 31 December 2025 €	Financial year ended 31 December 2024 €
i) Financial assets at FVTOCI	254,946,248	264,203,851
ii) Derivative financial instruments	(47,711)	(3,643)
iii) Trade and other receivables	1,969,697	2,229,940
iv) Cash and cash equivalents	11,023,501	10,585,306
v) Receivables for securities sold	1,123,747	2,538,392
	269,015,482	279,553,846

The risk management systems in place do not facilitate splitting the overall fair value movement into its individual components, specifically credit risk and market risk. The directors rely on the overall fair value movement to assess the performance of the financial assets portfolio and as such do not require the individual components of the risk. In their opinion, the credit ratings assigned to each financial asset in the Portfolio along with the ongoing monitoring of its performance are reasonable assessments of the credit risk. The Investment Manager monitors the credit status of all of the financial assets held by the Company and compares this against the market values that could be derived by selling the securities. The credit characteristics of the financial assets in the Portfolio are measured, updated and analysed on an ongoing basis. Financial analysis is conducted every quarter and in some cases every month on the assets, to determine the current performance, covenant and liquidity headroom, and internal projections and recovery expectations, in order to maintain the latest credit recommendations.

Credit risk exposures relating to financial instruments

The table below represents the maximum exposure to credit risk:

(i) The Moody's credit rating profile of the financial assets at FVTOCI is as follows:

Credit rating	Financial year ended 31 December 2025 %	Financial year ended 31 December 2024 %
B1	17	19
B2	41	41
B3	30	28
Ba1	1	1
Ba2	2	3
Ba3	1	4
Caa1	2	2
Caa2	2	1
N/A	2	1
NR	2	-
	100	100

16. Financial risk management (continued)

(c) Credit risk (continued)

Credit risk exposures relating to financial instruments (Continued)

i) Trade and other receivable are not rated. The balance at 31 December 2025 comprises primarily accrued interest on the senior secured loans at FVTOCI (€1,741,020). Management assesses the credit quality of accrued interest by reference to the Moody's credit ratings of the underlying loans as above, as the recoverability of interest is directly dependent on loan performance. Other receivables consist mainly of corporation tax refund and operational receivables with minimal credit risk.

ii) The Moody's credit rating profile of the bank (Bank of New York Mellon) holding the cash and cash equivalents balances is as follows:

Cash and cash equivalents	**As at 31 December 2025**	**As at 31 December 2024**
Moody's Rating	**€**	**€**
Aa1	11,023,501	10,585,306
	11,023,501	10,585,306

Impairment of financial assets

The Company has two types of financial assets that are subject to the ECL model:

1. Trade and other receivables
2. Financial instruments at FVTOCI

Trade and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a 12-month ECL for all trades and other receivables whereas a lifetime expected loss allowance for all trade and other receivables with a significant decrease in the credit rating. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. No loss allowance was recognized as at 31 December 2025.

Financial instruments at FVTOCI

Financial instruments at FVTOCI include Senior secured loans. The loss allowance for senior secured loans at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

16. Financial risk management (continued)

(c) Credit risk (continued)

Impairment of financial assets (continued)

The loss allowance for senior secured loans at FVTOCI as at 31 December reconciles to the opening loss allowance as follows:

	Financial year ended 31 December 2025 €
Opening Loss allowance as at 1 January 2025	8,196,762
Reduce in loan loss allowance recognised in profit or loss during the year	(441,723)
Closing loss allowance as at 31 December 2025	7,755,039

	Financial year ended 31 December 2024 €
Opening Loss allowance as at 1 January 2024	-
Increase in loan loss allowance recognised in profit or loss during the year	8,196,762
Closing loss allowance as at 31 December 2024	8,196,762

ECL Stage 1 assets account for €4,951,017 and ECL Stage 2 assets account for €2,804,022 of the above provision.

Significant estimates and judgements

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the product group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 2(e).

Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:

	€
Impairment losses on financial assets at FVTOCI	7,755,039

16. Financial risk management (continued)

(d) Concentration risk

Concentration risk can arise from the type of investments held in the Portfolio, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations. Prudent risk management implies maintaining the exposure to various risks at a reasonable level.

The Investment Manager monitors the exposure of the Company to various risks including country/geographical, single obligor/counterparty, industry categories/segments and asset type. The most significant geographical locations for the Investments are the United Kingdom, France, United States, Germany and The Netherlands, representing approximately 18%, 22%, 19%, 13%, and 12% respectively of the total Portfolio. The Portfolio has exposure across 21 industry categories.

The industry exposures are shown as below:

Industry categories	**% Exposure 31 December 2025**	**% Exposure 31 December 2024**
Automotive	-	3
Business equipment and services	6	11
Cable and Satellite TV	3	4
Chemicals and Plastics	5	5
Consumer Services	2	2
Diversified Media	6	5
Diversified Services	5	5
Financials	-	1
Food	6	7
Forest	3	2
Gaming/Leisure	-	1
Healthcare	12	9
Housing	4	3
IT	11	11
Land Transport	2	1
Leisure	4	2
Manufacturing	4	5
Pharmaceuticals	10	10
Retail	6	4
Telecoms	6	7
Energy	1	1
Consumer non-durables	1	1
Education	3	-
	100	100

(e) Liquidity risk

Prudent liquidity risk management means that the Company maintains sufficient cash and liquid investments. The ability of the Company to meet its ongoing obligations towards the creditors is dependent on the receipt of interest and principal from the Portfolio of financial assets. The interest rate coverage test is an indicator of funds available and interest payments and cash outflow is adjusted based on this coverage test. The table on the next page represents the cashflows payable by the Company under financial liabilities by remaining contractual maturities at the end of reporting year.

The amounts disclosed in the table on the next page are the contractual undiscounted cash flows, whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

16. Financial risk management (continued)

(e) Liquidity risk (continued)

31 December 2025 Liabilities:	Up to 1 year €	1-2 years €	2-5 years €	Over 5 years €	Total €
Other payables	348,434	-	-	-	348,434
Payables for securities purchased	12,644,134	-	-	-	12,644,134
	12,992,568	-	-	-	12,992,568

31 December 2024 Liabilities:	Up to 1 year €	1-2 years €	2-5 years €	Over 5 years €	Total €
Other payables	592,174	-	-	-	592,174
Payables for securities purchased	13,739,254	-	-	-	13,739,254
	14,331,428	-	-	-	14,331,428

17. Contingent liabilities and commitments

There were no contingent liabilities as at 31 December 2025. Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the financial year in which the changes in probability occur.

The Company has made a commitment of €427,680 in respect of an undrawn loan facility. The facility remains available to the Issuer, who may draw it at a future date; however, there is a possibility that this facility may never be drawn down. There were no other commitments as at 31 December 2025.

18. Related party transactions

There were no significant related party transactions other than those disclosed in the Directors' Report. The directors and secretary of the Company who held office as at 31 December 2025 had no direct or indirect beneficial interest in the shares of the Company at any time during the financial year or at the end of the financial year.

19. Significant subsequent events

There were no significant events after the reporting date which require adjustment to or disclose in the financial statements for the year ended 31 December 2025.

20. Approval of financial statements

The financial statements were approved by the Board and authorised for issue on 24th February 2026.