
MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

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MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

COMPANY INFORMATION

DIRECTORS

Aileen Mannion
Deirdre Brennan
Aaron Barnett (Alternate) (Appointed and resigned 12 February 2026)

**COMPANY SECRETARY,
REGISTERED OFFICE
(1 JANUARY 2024) AND
CORPORATE ADMINISTRATOR**

TMF Administration Services Limited
Two Dockland Central
Guild Street
North Dock
Dublin 1
D01 K2C5
Ireland

INDEPENDENT AUDITOR

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISORS

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

**ACCOUNT BANK, CUSTODIAN AND PAYING
AGENT**

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

**PORTFOLIO ADMINISTRATOR AND CASH
MANAGER**

The Bank of New York Mellon SA/NV
46 Rue Montoyerstraat
B-1000 Brussels
Belgium

INVESTMENT MANAGER

UBS Asset Management, LLC
One Madison Avenue
New York
NY 10010
United States

REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch
2-4 Rue Eugene Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025

The directors submit their directors' report together with the audited financial statements of Madison Flintholm Senior Loan Fund I Designated Activity Company (the "Company") for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITY

The Company is a designated activity company with limited liability, which was incorporated on 18 January 2017 under the laws of Ireland with a company registration number 596711.

The Company has been established as a special purpose vehicle for the purpose of acquiring a portfolio (the "Portfolio") of assets, consisting primarily of Fixed Income Securities and Floating Rate Loans financed through the issuance of limited recourse listed Profit Participating Notes (the "Notes") and entering into other legally binding agreements. The Portfolio of the Company is managed by UBS Asset Management LLC (the "Investment Manager") which has been acquired by UBS Group AG, and is carried at fair value through profit or loss ("FVTPL") in the Statement of Financial Position.

The Notes were issued with an aggregate Maximum Principal Amount Outstanding of US\$1,000,000,000. The Notes have been listed on the Global Exchange Market of Euronext Dublin (formerly the Irish Stock Exchange) on 8 September 2017 with a maturity date of 31 December 2057. On the 4th December 2023 the company issued a second series of unsecured profit participating notes (Series 2 Note), by entering into a note subscription agreement with the noteholder, pursuant to which the noteholder agreed to subscribe for a maximum of €600,000,000 in principal amount of the Series 2 unsecured profit participating notes. The notes were listed on the Vienna Stock Exchange. As at 30 June 2025, US\$508,000,000 (2024: US\$424,000,000) has been listed. The Notes are not rated by any rating agency. There were no Profit Participating Notes redeemed during the year (2024: US\$Nil).

The Company may from time to time issue further Notes. The specific terms and conditions of the Notes issued on any subsequent date will be set out in the respective prospectus of the Notes.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The financial performance of the Company and the price performance of the financial assets are discussed in the "Results and Dividends" section of the Directors' Report.

During the reporting period, the global economy delivered moderate growth and demonstrated strong resilience, against the backdrop of continued higher than desired inflation and tighter monetary policy. 2024 started with very few changes from 2023, with the global economy facing challenges from the ongoing geopolitical tensions, in both the Middle East and Eastern Europe. This combined with looming major political events in a number of major economies, resulted in inflation remaining above targets and governments persisting with tighter monetary policy for longer. As 2024 progressed, the desired impact was seen on inflationary targets, global trade showed recovery, easing was seen on labour markets and major economies eased monetary policy, with a number of interest rate cuts applied in first half of the year by most major economies.

On 02 April 2025, the United States announced plans to impose tariffs on imports from 57 countries. On 27 July 2025, the United States and the European Union agreed a trade deal where a single 15% tariff rate will be applied to most EU exports, including cars, semiconductors and pharmaceuticals. The Directors are currently assessing the impact of these tariffs and the broader economic consequences on the financial performance of the company. The Board will continue to monitor the situation.

PORTFOLIO MONITORING

The Company's compliance with the covenants, including the portfolio profile tests, coverage tests and collateral quality tests, are reported on a monthly basis to the Noteholders. These monthly reports provide details of the credit quality of the financial assets and significant credit events. At year end, the company had one failed test (2024: the Company passed all tests).

Due to fluctuations in the fair value of the assets in the Portfolio, there is a risk that certain Notes issued by the Company will not be repaid in full. The Notes are limited recourse obligations of the Company which are payable solely out of the amounts received in respect of the financial assets and other realisable assets held by the Company. If the net proceeds from the realisation of the financial assets and other realisable assets following an event of default or at the maturity date are insufficient to pay all the amounts due to Noteholders, the Noteholders will have no further claim against the Company in respect of any such unpaid amounts. The Company's financial assets and liabilities are carried at FVTPL.

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**RESULTS AND DIVIDENDS**

The results for the financial year and the Company's financial position at the end of the financial year are disclosed in the statement of comprehensive income and the statement of financial position, respectively. The directors do not recommend the payment of a dividend.

The Company's key financial and other performance indicators during the financial year were as follows:

Key performance indicators	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Defaults during the financial year - par amount	-	-
Interest income	43,782,316	39,265,459
Interest expense	(39,066,818)	(38,541,539)
Unrealised (loss) on financial liabilities at FVTPL	5,552,460	(4,581,259)
Unrealised gain on financial assets at FVTPL	(5,552,460)	4,581,259

Further details relating to the performance of the Company are detailed in the notes to the financial statements.

(a) Defaults during the financial year

No security defaulted during the financial year.

(b) Interest income

The interest income earned by the assets in the Portfolio is primarily based on the 1, 2, 3 or 6 month LIBOR or fixed rates. The interest income for the financial year was US\$43,782,316 (2024: US\$ 39,265,459).

(c) Interest expense

During the financial year, the Company incurred an interest expense of US\$39,066,818 (2024: US\$38,541,539) on the financial liabilities which is based on the accumulated net profits for the financial year.

(d) Unrealised (loss) on financial liabilities at FVTPL

The fair value gain on the financial liabilities at FVTPL is the residual fair value available to the Noteholders taking into consideration the fair value of financial assets at FVTPL as well as net current assets at financial year end. During the financial year, there was an unrealised loss on fair value movements of US\$5,552,460 (2024: loss of US\$4,581,259).

(e) Unrealised gain on financial assets at FVTPL

During the financial year, there was an unrealised gain on fair value movements of US\$(5,552,460) (2024: gain of US\$4,581,259). The fair value of the financial assets has increased due to the over performance of several financial assets in the Portfolio. The Company's strategy to increase diversity and build a granular portfolio in addition to a favourable market contributed to the performance of the financial assets.

INTERESTS OF DIRECTORS AND COMPANY SECRETARY

The directors and company secretary of the Company are listed on page 1 and, except where indicated, have served for the entire financial year and they had no material interest in any contract of significance in relation to the business of the Company, other than as detailed in the Related party transactions note to the financial statements.

The directors and company secretary who held office on 30 June 2025 did not hold any shares, debentures or loan stock of the Company on that date or during the financial year requiring disclosure pursuant to Section 329 of the Companies Act, 2014.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each of the directors in office at the date of approval of the financial statements are 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

Please refer to the significant subsequent events note to the financial statements for details of subsequent events.

ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 - 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 by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at the registered office, Two Dockland Central, Guild Street, North Dock, Dublin 1, D01 K2C5, Ireland.

FINANCIAL RISK MANAGEMENT

The disclosures in relation to the Company's policies for financial risk management, including market risk (include foreign exchange risk, interest rate risk and price risk), credit risk, concentration risk, liquidity risk and prepayment risk and the nature of financial instruments used during the financial year to mitigate exposure to these risks are shown in note 16.

GOING CONCERN REVIEW

The Company's financial statements for the financial year ended 30 June 2025 have been prepared on a going concern basis. The directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company liabilities as they fall due. The Notes will mature on 31 December 2057. Due to the limited recourse nature of the notes issued, any reductions in collateral values are passed on to the Noteholders.

The Directors are satisfied with the performance of the Company, they believe that the Company will continue to operate in the future on the same basis for a period of at least 12 months from the date of signing.

POWER OF DIRECTORS

The Board is responsible for managing the business affairs of the Company in accordance with the Company's 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 (2024: two), none of the directors are executive directors of the Company.

ANNUAL CORPORATE GOVERNANCE STATEMENT

Introduction

The board of directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Financial reporting process

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, to maintain the accounting records of the Company independently of the Investment Manager, the Trustee and the Collateral Administrator. The Administrator is contractually obliged to maintain proper accounting records and to that end performs reconciliations of its records to those of the Collateral Administrator. The Administrator is also contractually obliged to prepare the financial statements for review and approval by the Board.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

ANNUAL CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time, the Board examines and evaluates the Administrator's financial accounting and reporting routines. The Board also monitors and evaluates the independent auditor's performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process. The Administrator reports to the Board. The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting. The Board is also responsible for ensuring that the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has taken steps to identify changes in accounting rules and recommendations to ensure they are accurately reflected in the Company's financial statements by appointing suitably qualified third parties.

The Board has delegated the asset valuation function to the Investment Manager who operates a sophisticated system of controls to ensure appropriate valuation. The Board is satisfied that the amounts as stated in the Company's financial statements represent a reasonable approximation of those values.

The Company's policies and the Board's instructions with regard to financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence, and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. No director has a significant direct or indirect holding of securities in the Company or has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

Audit committee

Given the contractual obligations of the Administrator and the limited recourse nature of the securities issued by the Company, the Board has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Chapter 16 Section 1551 paragraph 11 (c) of the Companies Act 2014. Further, as the Company does not meet the threshold as set out in section 167 of Companies Act 2014, the Company is not required to establish an audit committee.

Appointment of directors

With regard to the appointment and replacement of directors, the Company is governed by its Constitution and Irish Statute comprising the Companies Act 2014. The Constitution itself may be amended by special resolution of the shareholders.

Powers of directors

The Board is responsible for managing the business affairs of the Company in accordance with the Company's 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, none of whom are executive directors.

POLITICAL DONATIONS

There have been no political donations during the financial year ended 30 June 2025 (2024: none).

DIRECTORS' COMPLIANCE STATEMENT

The directors, in accordance with Section 225(2) (a) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under:

- (a) the Companies Act 2014, where a breach of the obligations would be a category 1 or category 2 offence;
- (b) the Companies Act 2014, where a breach of the obligation would be a serious Market Abuse or Prospectus offence;
- and
- (c) tax law.

Pursuant to Section 225(2) (b) of the Companies Act 2014, the directors confirm that:

- (i) a compliance policy statement has been drawn up as required by Section 225(3) (a) of the Companies Act 2014 setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) in respect of compliance by the Company with its relevant obligations;
- (ii) appropriate arrangements and structures have been put in place that, in their opinion, secure material compliance with the Company's relevant obligations, and
- (iii) a review has been conducted, in the financial year, of the arrangements.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

SHAREHOLDER MEETINGS

The shareholders' rights and the operations of shareholders meetings are defined in the Company's constitution and comply with the Companies Act 2014. The Company holds general meetings as and when required. The annual general meeting is specified in the notice sent out for the meeting. Other general meetings may be convened from time to time by the directors in such manner as provided by Irish law.

INDEPENDENT AUDITOR

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm were appointed on 27 February 2019 and have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

This report was approved by the Board on 12 February 2026 and signed on its behalf by:



Aaron Barnett
Director (Alternate)



Deirdre Brennan
Director

DIRECTORS' RESPONSIBILITY STATEMENT

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

Irish company law requires the directors to prepare financial statements for each financial period. 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 period end date and of the profit or loss of the Company for the financial period and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC

Report on the audit of the financial statements

Opinion on the financial statements of Madison Flintholm Senior Loan Fund 1 DAC (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 30 June 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 Flows; and
- the related notes 1 to 21, including a summary of material accounting policies 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 (IAASA), as applied to listed entities, 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.

Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> • Valuation of financial assets at fair value through profit or loss <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
Materiality	The materiality that we used in the current year was \$9.99m which was determined on the basis of 2% of financial liabilities at fair value through profit or loss.
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.
Significant changes in our approach	There are no significant changes to our approach.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC

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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- As part of our risk assessment procedures, we obtained an understanding of the directors' process for determining the appropriateness of the going concern basis of accounting;
- We held discussions regarding the directors' going concern assessment, including understanding the impact of the economic environment;
- We challenged the directors' conclusions on the going concern basis of accounting by assessing:
 - the current year financial performance and the year-end position of the company;
 - the company's compliance with Portfolio Profile Tests during the financial year and subsequent to the financial year end;
 - the limited recourse nature of the company's financial liabilities, and the operation of the priorities of payment during the financial year; and
 - the redemption clauses applicable to the financial liabilities; and
- We evaluated the completeness and accuracy and the adequacy of the relevant disclosures made in the financial statements.

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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of financial assets at fair value through profit or loss



Key audit matter description



As at 30 June 2025, the financial assets at fair value through profit or loss of the company of \$609.09m make up approximately 93% of the company's total assets of \$657.16m. The valuation of financial assets at fair value through profit and loss is considered a key audit matter as it comprises the most significant balance on the Statement of Financial Position. The valuation is also a key contributor to the financial performance and has been identified as a significant risk of material misstatement, due to fraud, the risk being that they may not be valued correctly in accordance with IFRS 13.

The valuation of financial assets at fair value through profit and loss is a key driver of the valuation of financial liabilities at fair value through profit and loss.

Refer to disclosures in notes 2.11, 7 and 16(a) in the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC

How the scope of our audit responded to the key audit matter



In order to address the key audit matter, we obtained an understanding, assessed the design and determined the implementation of the key controls that have been implemented over the valuation process for financial assets at fair value through profit or loss.

We considered whether the valuation policy adopted for the financial assets at fair value through profit or loss is in line with IFRS 13, and independently agreed the prices recognised by management to data obtained from the independent pricing providers used.

In addressing the fraud risk we assessed the suitability of the prices determined by the pricing providers. In particular, we assessed historical prices provided by the loan pricing providers against actual trade data and compared a selection of the prices recognised to other independent pricing sources to assess if there are any indicators of management bias.

Based on the evidence obtained, we found that the valuations used by management are within a range we consider to be reasonable.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

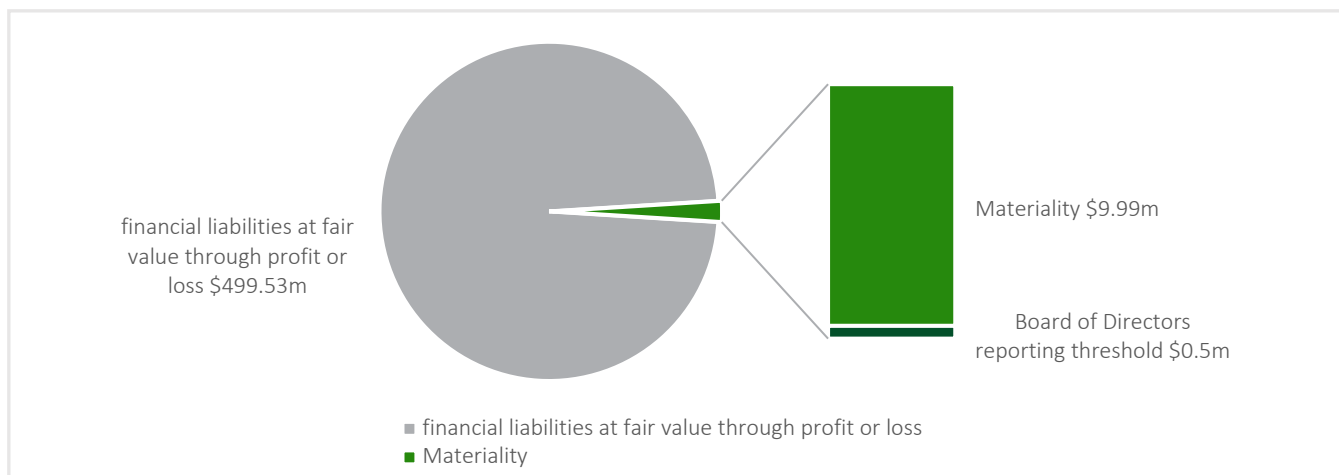
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	\$9.99m (2024 : \$8.42m)
Basis for determining materiality	2% of financial liabilities at fair value through profit or loss
Rationale for the benchmark applied	We have considered financial liabilities at fair value through profit or loss to be the critical component for determining materiality because the main objective of the company is to provide noteholders with a long-term risk adjusted return and this would be the most important measure for the users of the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Performance materiality was set at 80% of materiality for the 2025 audit (2024: 80%). In determining performance materiality, we considered the following factors:

In determining performance materiality, we considered the following factors:

- our understanding of the company;
- the quality of the company's internal control environment;
- the nature and extent of misstatements identified in previous audits; and
- our expectations in relation to misstatements in the current period.

We agreed with the Board of Directors that we would report to them all audit differences in excess of \$0.5m (2024 : \$0.42m) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk-based approach taking into account the structure of the company, types of financial assets, the involvement of the third-party service providers, the accounting processes and controls in place, and the industry in which the company operates.

We have conducted our audit based on the books and records maintained by the corporate administrator, TMF Administration Services Limited. We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

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.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibility Statement, 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the Board of Directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Valuation of financial assets at fair value through profit or loss.
- Risk of fraud in revenue recognition relating to the unrealised movement in fair value of financial assets at fair value through profit or loss.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC

In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2014.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the listing rules of Euronext Dublin, Vienna Stock Exchange and tax legislation.

Audit response to risks identified

As a result of performing the above, we identified Valuation of financial assets at fair value through profit or loss as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, and the Board of Directors concerning actual and potential litigation and claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud in revenue recognition, following completion of the procedures to address the key audit matter that financial assets at fair value through profit or loss may not be valued correctly, we recalculated the unrealised fair value movement on financial assets at fair value through profit or loss by performing a reconciliation and assessing the movement of the fair value of the financial assets at the statement of financial position date from the previous financial year to the current financial year in order to determine the accuracy of the value recognised in the statement of comprehensive income; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MADISON FLINTHOLM SENIOR LOAN FUND 1 DAC

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.

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.



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

13 February 2026

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Net interest income			
Interest and similar income	3	43,782,316	39,265,459
Interest expense	4	<u>(39,066,818)</u>	<u>(38,541,539)</u>
		<u>4,715,498</u>	<u>723,920</u>
Other income and expenses			
Unrealised foreign exchange gain/(loss) on cash and cash equivalents		165	(1,152)
Unrealised (loss)/gain on financial assets at FVTPL	7	(5,552,460)	4,581,259
Unrealised gain/(loss) on financial liabilities at FVTPL	8	5,552,460	(4,581,259)
Net realised (loss)/gain on disposal of financial assets at FVTPL	9	(2,160,895)	681,944
Portfolio fees		<u>195,385</u>	<u>10,230</u>
		<u>(1,965,345)</u>	<u>691,022</u>
Operating expenses			
Administrative expenses	5	<u>(2,749,153)</u>	<u>(1,413,942)</u>
Profit for the financial year before taxation			
		1,000	1,000
Income tax expense	6	<u>(250)</u>	<u>(250)</u>
Profit for the financial year after taxation			
		750	750
Other comprehensive income for the financial year		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year attributable to the shareholders			
		<u><u>750</u></u>	<u><u>750</u></u>

The accompanying notes form an integral part of these financial statements. These results arise from continuing operations.


MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY


**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Note	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Assets			
Financial assets at FVTPL	7	609,094,660	491,372,353
Cash and cash equivalents	10	35,228,916	39,821,734
Unsettled trades	12	10,397,478	11,297,993
Trade and other receivables	11	2,440,124	2,030,164
		<u>657,161,178</u>	<u>544,522,244</u>
Liabilities			
Trade and other payables	13	1,321,126	968,852
Unsettled trades	12	28,520,070	33,748,421
Interest accrued on financial liabilities	14	127,774,503	88,707,782
Financial liabilities at FVTPL	8	499,539,478	421,091,938
		<u>657,155,177</u>	<u>544,516,993</u>
Equity			
Ordinary share capital presented as equity	15	1	1
Retained earnings		<u>6,000</u>	<u>5,250</u>
Total equity		<u>6,001</u>	<u>5,251</u>
Total equity and liabilities		<u>657,161,178</u>	<u>544,522,244</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board on 12 February 2026 and signed on its behalf by:


 Aaron Barnett
 Director (Alternate)


 Deirdre Brennan
 Director

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

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

	Share capital	Retained earnings	Total
	US\$	US\$	US\$
Financial year ended 30 June 2025			
As at 1 July 2024	1	5,250	5,251
Total comprehensive income for financial year	-	750	750
As at 30 June 2025	<u>1</u>	<u>6,000</u>	<u>6,001</u>
	Share capital	Retained earnings	Total
	US\$	US\$	US\$
Financial year ended 30 June 2024			
As at 1 July 2023	1	4,500	4,501
Total comprehensive income for financial year	-	750	750
As at 30 June 2024	<u>1</u>	<u>5,250</u>	<u>5,251</u>

The accompanying notes form an integral part of these financial statements.

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	Note	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Cash flows from operating activities			
Interest received		42,929,542	38,072,995
Interest paid		(97)	-
Other income		-	-
Administrative expenses		(2,395,475)	(1,111,780)
Portfolio fees received		195,385	10,230
Tax paid		<u>(512)</u>	<u>(259)</u>
Net cash flows generated from operating activities		<u>40,728,843</u>	<u>36,971,186</u>
Cash flows from investing activities			
Purchase of financial assets at FVTPL		(314,840,723)	(352,668,280)
Disposal of financial assets at FVTPL		<u>185,519,071</u>	<u>194,853,266</u>
Net cash (used in) investing activities		(129,321,652)	(157,815,014)
Cash flows from financing activities			
Issuance of financial liabilities at FVTPL		<u>84,000,000</u>	<u>140,000,000</u>
Net (decrease)/increase in cash and cash equivalents		(4,592,809)	19,156,172
Foreign exchange loss		(9)	(1,131)
Cash and cash equivalents at the beginning of the financial year		<u>39,821,734</u>	<u>20,666,693</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>35,228,916</u></u>	<u><u>39,821,734</u></u>

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

1 Background to the Company

The Company was incorporated on 18 January 2017 with a registration number 596711. The Company registered office is at Two Dockland Central, Guild Street, North Dock, Dublin 1, Ireland. (formerly 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland).

The Company is a designated activity 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

2.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The financial statements are also prepared in accordance with Irish Statute comprising the Companies Act 2014. The financial statements have been prepared on a going concern basis. The directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company liabilities as they fall due. The Notes will mature on 31 December 2057. Due to the limited recourse nature of the notes issued, any reductions in collateral values are passed on to the Noteholders.

The Directors are satisfied with the performance of the Company and they believe that the Company will continue to operate in the future on the same basis for a period of at least 12 months from the date of signing.

The financial statements have been prepared under the historical cost basis except for the following:

- Financial assets at fair value through profit or loss ("FVTPL") are measured at fair value;
- Financial liabilities at FVTPL are measured at fair value; and

The method used to measure fair values is discussed further in note 2.11.

In order to avoid the accounting mismatch that would otherwise arise the Company has designated the financial liabilities issued at fair value through profit or loss.

2.2 New and amended standards and interpretations

A number of new standards are effective from 1 July 2024 but they do not have a material effect on the Company's financial statements. The Company has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements.

Effective for annual financial periods beginning on or after 1 July 2024

The Directors have reviewed those standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements and assessed that none of those new standards and interpretations will have a material impact on the Company's financial statements.

	Effect date (financial year beginning)*
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 July 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7	1 July 2024
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 July 2024
Lack of exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards— Volume 11	1 January 2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027

*Where new requirements are endorsed the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)

2 Material accounting policies (continued)

2.3 Use of estimates and judgements

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by directors. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The key area of estimate and judgement for the Company is determining the fair value of financial assets and liabilities.

The fair value of financial assets and financial liabilities at FVTPL that are actively traded in organised financial markets is determined by reference to quoted market prices at the close of business on the Statement of Financial Position date. For financial assets at FVTPL where there is no active market, fair value is determined using valuation techniques of the Investment Manager. Such techniques may include the use of pricing service providers, using recent arm's length market transactions; reference to the current value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

The financial liabilities at fair value through profit or loss are linked to the fair value movement of the financial assets and any other assets and liabilities in accordance with the terms and conditions of the Notes as documented in the offering circular. With regard to the pricing service providers used please refer to the fair value note to the financial statements.

2.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in US Dollars 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 financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income as part of other income and expenses.

Non-monetary assets and liabilities denominated in foreign-currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

2.5 Interest income and interest expense

Interest income and expense are recognised in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter financial period where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income and expense include the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

2.6 Other income

Other income includes delayed compensation and upfront fees. Delayed compensation relates to the cost of carry between trade date and settlement date of a financial asset trade while upfront fees relates to income receivable as reimbursement of costs incurred for a financial asset trade. All other income is recognised on an earned basis in accordance with the amount stated in the contracts.

2.7 Taxation

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the financial 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)

2 Material accounting policies (continued)

2.7 Taxation (continued)

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 the reporting period 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.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, balance reserved for the funding of unsettled trade, other short-term, highly liquid investments with original maturities of three months or less.

2.9 Other receivables and payables

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

2.10 Unsettled trades

Unsettled trades include amounts payable for financial instruments purchased and receivables for financial instruments 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.

2.11 Financial instruments

The financial instruments held by the Company include the following:

- Financial assets;
- Financial liabilities.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Company includes in this category short-term non-financing receivables such as trade and other receivables and unsettled trades.

Financial assets measured at FVTPL

Under IFRS 9, a financial asset is measured at fair value through profit or loss if:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)

2 Material accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets (continued)

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category bonds and loans that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Financial liabilities

Financial liabilities measured at FVTPL

Under IFRS 9, a financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, financial liabilities issued which were irrevocably designated at FVTPL at initial recognition to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category trade and other payables, unsettled trades and interest accrued on financial liabilities.

Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Initial measurement

Financial assets and financial liabilities are recorded in the Statement of Financial Position at fair value. All transaction costs for such financial instruments at FVTPL are recognised directly in profit or loss.

Financial assets and financial liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at FVTPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in fair value of financial assets and financial liabilities at FVTPL in the Statement of Comprehensive Income. Interest earned or paid on these instruments is recorded separately in interest income or expense in the Statement of Comprehensive Income. Financial assets and liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets and liabilities are derecognised, as well as through the amortisation process.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the 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 the Company has:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)

2 Material accounting policies (continued)

2.11 Financial instruments (continued)

Derecognition (continued)

- Transferred substantially all of the risks and rewards of the asset; or
- Neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment

Impairment of financial assets

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for Expected Credit Loss (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Based on the assessment performed, no ECLs have been recognised.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described below. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation of financial instruments

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted (unadjusted) 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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction on the measurement date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)

2 Material accounting policies (continued)

2.11 Financial instruments (continued)

Critical accounting judgements in applying the Company's accounting policies

The objective of valuation techniques is to determine a fair value that reflects the price of the financial instrument at the reporting date that would have been entered into by market participants acting at arm's length.

For Level 2 and Level 3 financial assets, the fair values have been estimated by management based on values obtained from the Investment Manager. The Investment Manager uses prices provided by specialist pricing vendors where available or otherwise uses a variety of different valuation techniques as outlined in the fair value note to the financial statements.

For the Level 3 financial liabilities, the fair value is the residual value of the fair value of the financial assets at FVTPL, and net current assets or liabilities.

2.12 Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVTPL and exclude interest income and expenses. Unrealised gains and losses comprise changes in the fair value of financial instruments for the period. Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

2.13 Offsetting financial instruments

Financial assets and financial 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.

2.14 Called-up 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.

2.15 Limited recourse payable to Noteholders

If the net proceeds of realisation of the financial assets secured as collateral against the Notes are less than the aggregate amount payable by the Company to the Noteholders, the obligations of the Company will be limited to such net proceeds, which shall be applied in accordance with the offering circular. In such circumstances, the other assets (if any) of the Company will not be available for payment of such shortfall which shall be borne by the senior Noteholders, the subordinated Noteholders and the other secured parties in accordance with the offering circular applied at the time of final settlement. Interest expense payable to the Noteholders is calculated by the cash manager based on the applicable rate as defined in the offering circular.

As the obligations of the Company are limited recourse in nature, the return of interest and principal to the Noteholders is contingent on the realisable value of the assets. The returns made to the Noteholders over the life of the Company would include the effect of capital gain/loss as well as interest. At each reporting date, when the results of operations are computed, this gain or loss is recognised in the Statement of Comprehensive Income and added to or set off against the principal amounts.

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

3 Interest income

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Interest income on financial assets at FVTPL	43,340,470	39,010,876
PIK Interest income	441,846	254,583
	<u>43,782,316</u>	<u>39,265,459</u>

4 Interest expense

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Interest expense on financial liabilities issued at FVTPL	39,066,721	38,541,539
Interest expense on cash deposits	97	-
	<u>39,066,818</u>	<u>38,541,539</u>

5 Administrative expenses

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Legal and professional fees	25,137	18,281
Investment management fees	1,958,972	1,122,785
Trustee and collateral administration fees	250,855	192,962
Auditor's fees	30,350	26,476
Tax compliance fees	5,058	4,609
Other fees	478,781	48,829
	<u>2,749,153</u>	<u>1,413,942</u>

The Company has no employees and the directors received no remuneration during the financial year. Accounting and other services have been outsourced to the Administrator. The terms of the corporate services agreement provide for a single fee for the provision of corporate services (including the making available of individuals to act as directors of the Company).

Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) TMF Administration Services Limited received US\$6,995 (2024: US\$6,995) as consideration for the making available of individuals to act as directors of the Company.

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Auditor's remuneration (inclusive of VAT)		
Auditor's fees	30,350	26,476
Tax compliance services	5,058	4,609
	<u>35,408</u>	<u>31,085</u>

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

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

6 Corporation tax charge

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Corporation tax based on profit for the financial year	<u>250</u>	<u>250</u>

The reconciliation between current tax charge for the financial year and the current charge that would result from applying the standard rate of Irish corporation tax to profits on ordinary activities is explained below:

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Profit on ordinary activities before taxation	<u>1,000</u>	<u>1,000</u>
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax for the financial year at 12.5%	125	125
Effect of Higher rate of tax applicable under Section 110 TCA, 1997 of 25%	<u>125</u>	<u>125</u>
Current tax charge for the financial year	<u>250</u>	<u>250</u>

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 of the TCA at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA.

7 Financial assets at fair value through profit or loss

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Balance at the beginning of the financial year	491,372,353	309,254,189
Purchases of financial assets at FVTPL	309,612,372	376,242,280
Disposal of financial assets at FVTPL	(186,779,451)	(198,959,957)
PIK interest capitalised	441,846	254,582
Unrealised fair value loss/gain on financial assets at FVTPL	<u>(5,552,460)</u>	<u>4,581,259</u>
Balance at the end of the financial year	<u>609,094,660</u>	<u>491,372,353</u>

The Portfolio consists of Fixed Income Securities and Floating Rate Loans denominated in US Dollar. The assets held by the Company are pledged as security for the Notes issued. As at 30 June 2025 there were no financial assets in default (2024: none). Total Financial Assets at FVTPL of US\$2,138,621 (2024: US\$5,987,063) detailed above are due within one year, and total of US\$606,730,061 (2024: US\$485,385,290) greater than one year.

8 Financial liabilities at FVTPL

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Balance at the beginning of the year	421,091,938	276,510,679
Notes issued	84,000,000	140,000,000
Unrealised loss/gain on financial liabilities at FVTPL	<u>(5,552,460)</u>	<u>4,581,259</u>
	<u>499,539,478</u>	<u>421,091,938</u>

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

9 Net realised gain/(loss) on disposal of financial assets at FVTPL

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Net realised (loss)/gain on disposal of financial assets at FVTPL	<u>(2,160,895)</u>	<u>681,944</u>

10 Cash and cash equivalents

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Cash and cash equivalents	<u>35,228,916</u>	<u>39,821,734</u>

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.

11 Trade and other receivables

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Accrued interest on financial assets at FVTPL	2,436,233	2,025,305
Other receivables	3,001	4,859
Prepayments	778	-
Withholding tax receivable	112	-
	<u>2,440,124</u>	<u>2,030,164</u>

All trade and other receivables are due within one year.

12 Unsettled trades

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Unsettled sales	10,397,478	11,297,993
Unsettled purchases	<u>(28,520,070)</u>	<u>(33,748,421)</u>

13 Trade and other payables

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Accrued expenses	1,321,126	968,528
Corporation tax payable	<u>-</u>	<u>324</u>
	<u>1,321,126</u>	<u>968,852</u>

All accrued expenses are due within one year.

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

14 Interest accrued on financial liabilities at FVTPL

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Interest accrued on financial liabilities at FVTPL	<u>127,774,503</u>	<u>88,707,782</u>

15 Called up share capital presented as equity

Authorised

	As at 30 June 2025		As at 30 June 2024	
	No.	US\$	No.	US\$
Ordinary shares of US\$1 each	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

Allotted and called up

	As at 30 June 2025		As at 30 June 2024	
	No.	US\$	No.	US\$
Ordinary share of US\$1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The Company has issued 1 share, which is held by TMF Management (Ireland) Limited on behalf of a charitable trust.

16 Financial risk management

The Company's financial instruments include cash at bank, financial assets, financial liabilities, other receivables and other payables that arise directly from its operations.

The Company is exposed to a variety of financial risks: market risk (include foreign exchange risk, interest rate risk and price risk), credit risk, concentration risk, liquidity risk and prepayment risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Capital risk management

The Company manages its capital while maximising the return to Noteholders. The capital managed by the Company comprises of ordinary shares outstanding and the Notes issued and 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 caused by the movements in foreign exchange, in the interest rates or market prices of the financial instruments. The Noteholders are exposed to the market risk of the Portfolio.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and other price risk.

(i) Foreign exchange risk

The Notes issued by the Company are denominated in US Dollar. The proceeds of the Notes were used to buy assets denominated in US Dollar.

As the Company has limited recourse Notes issued, all profits and losses are passed on to the Noteholders with no residual risk remaining. There was minimal foreign exchange risk exposure during the year, therefore no foreign exchange risk analysis has been provided.

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The table below summarises the Company's exposure to interest rate risk. The interest rates applicable to financial assets and liabilities are based on LIBOR.

The interest rate risk profile of the financial assets and financial liabilities is disclosed below and overleaf:

	Interest bearing Fixed US\$	Interest bearing Variable US\$	Non-interest bearing US\$
30 June 2025			
Financial assets at FVTPL	12,497,034	596,371,648	225,978
Cash and cash equivalents	-	35,228,916	-
Trade and other receivables	-	-	2,440,124
Unsettled trades	-	-	10,397,478
	<u>12,497,034</u>	<u>631,600,564</u>	<u>13,063,580</u>
Financial liabilities at FVTPL	-	499,539,478	-
Unsettled trades	-	-	28,520,070
Interest accrued on financial liabilities	-	-	127,774,503
Trade and other payables	-	-	1,321,126
	<u>-</u>	<u>499,539,478</u>	<u>157,615,699</u>
	Interest bearing Fixed US\$	Interest bearing Variable US\$	Non-interest bearing US\$
30 June 2024			
Financial assets at FVTPL	15,504,237	475,578,242	289,874
Cash and cash equivalents	-	39,821,734	-
Trade and other receivables	-	-	2,030,164
Unsettled trades	-	-	11,297,993
	<u>15,504,237</u>	<u>515,399,976</u>	<u>13,618,031</u>
Financial liabilities at FVTPL	-	421,091,938	-
Trade and other payables	-	-	968,852
Unsettled trades	-	-	33,748,421
Interest accrued on financial liabilities	-	-	88,707,782
	<u>-</u>	<u>421,091,938</u>	<u>123,425,055</u>

The sensitivity analysis below has been determined based on the Company's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting financial year in the case of instruments that have floating rates. For variable instruments, this analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The impact of 100bp movement in the interest rate on the Statement of Comprehensive Income is shown as follows:

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Sensitivity to a 100 bps movement		
100bp net movement in interest rates	6,205,565	4,890,936
Adjustment on financial liabilities at FVTPL	<u>(6,205,565)</u>	<u>(4,890,936)</u>
Changes in profit for the financial year	<u>-</u>	<u>-</u>

As the Company has limited recourse Notes issued, all profits and losses are passed on to the Noteholders. There is no residual risk remaining.

(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.

Price risk is a significant risk to the Company, however the risk of fluctuation in the value of the financial assets held by the Company will be borne by the Noteholders due to the limited recourse nature of the Notes. The Investment Manager manages price risk through the purchase of financial assets meeting the eligible criteria.

Valuation methodologies

The carrying amounts of financial instruments held at fair value were determined, in full or in part, by reference to Level 1, Level 2 and Level 3 hierarchy categories as defined above. The valuations are determined through the use of valuation techniques as outlined in note 2 to the financial statements. At the reporting date, the carrying amounts of financial assets and financial liabilities issued by the Company, for which fair values were determined directly, in full or in part, by reference to Level 2 or Level 3 as mentioned above are as follows:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
30 June 2025				
Financial assets at FVTPL				
Financial assets at FVTPL	<u>-</u>	<u>507,098,799</u>	<u>101,995,861</u>	<u>609,094,660</u>
	<u>-</u>	<u>507,098,799</u>	<u>101,995,861</u>	<u>609,094,660</u>
Financial liabilities at FVTPL				
Financial liabilities at FVTPL	<u>-</u>	<u>-</u>	<u>499,539,478</u>	<u>499,539,478</u>
	<u>-</u>	<u>-</u>	<u>499,539,478</u>	<u>499,539,478</u>
30 June 2024				
Financial assets at FVTPL				
Financial assets at FVTPL	<u>-</u>	<u>425,362,868</u>	<u>66,009,485</u>	<u>491,372,353</u>
	<u>-</u>	<u>425,362,868</u>	<u>66,009,485</u>	<u>491,372,353</u>
Financial liabilities at FVTPL				
Financial liabilities at FVTPL	<u>-</u>	<u>-</u>	<u>421,091,938</u>	<u>421,091,938</u>
	<u>-</u>	<u>-</u>	<u>421,091,938</u>	<u>421,091,938</u>

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

	Financial year ended 30 June 2025 US\$	Financial year ended 30 June 2024 US\$
Level 3 reconciliation - Financial assets at FVTPL		
Balance at start of financial year	66,009,485	57,310,821
Purchases of financial assets at FVTPL	49,716,003	63,537,797
Disposal of financial assets at FVTPL	(21,572,995)	(21,094,025)
Transfer into Level 3	7,450,709	1,862,746
Transfer into Level 2	(9,419,714)	(37,877,994)
Fair value adjustment on financial assets at FVTPL	9,812,373	2,270,140
	<u>101,995,861</u>	<u>66,009,485</u>
	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Level 3 reconciliation - Notes issued at FVTPL		
Balance at the beginning of the year	421,091,938	276,510,679
Notes issued	84,000,000	140,000,000
Unrealised loss/gain on financial liabilities at FVTPL	(5,552,460)	4,581,259
	<u>499,539,478</u>	<u>421,091,938</u>

The fair values of financial assets classified under Level 2 include loans and bonds. The market price for loans is provided by Markit Partners where they use observable market inputs to determine the price whereas the market price for bonds is from an IDC Pricing Valuation Service who obtain observable market input on the assets. If the depth of the quotes received for the asset price is 2 or less, the Company deem the assets to be level 3 due to less liquidity in the market. Level 3 financial assets are subject to review by the Investment Manager's internal credit analysts. As per IFRS 13, an entity is not required to provide quantitative information for Level 3 instruments if the quantitative unobservable inputs are not internally developed by the entity.

The Notes issued by the Company are limited recourse obligations and the future cash flows for the Notes depends on the future cash flows of the financial assets at FVTPL after deducting the cash outflows and other liabilities.

The carrying value of all other financial assets and liabilities (that are not at fair value through profit or loss) closely approximate fair value and are classified as Level 2 financial instruments within the fair value hierarchy.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the noteholders. The impact of a 5% movement in the market prices of the financial assets with all other variables held constant at the reporting date on the Statement of Comprehensive Income is shown as follows:

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Description		
5% net movement in fair value of Financial Assets at FVTPL	30,454,733	24,568,618
Adjustment on financial liabilities at FVTPL	(30,454,733)	(24,568,618)
Changes in profit for the financial year	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(a) Market risk (continued)

(iii) Price risk (continued)

As the Company has limited recourse Notes issued, all profits and losses are passed on to the Noteholders. There is no residual risk remaining.

(b) Credit risk

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9 impairment disclosures or not.

Financial assets subject to IFRS 9 impairment requirements

The Company's financial assets subject to the ECL model within IFRS 9 are only short-term trade and other receivables and unsettled trades. At 30 June 2025, the total of short-term trade, other receivables and unsettled trades was US\$12,837,602, on which a nil loss allowance had been provided due to the immaterial ECL (30 June 2024: total of US\$13,328,157 on which no loss had been incurred). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

Financial assets measured at FVTPL (under IFRS 9)

The Company is exposed to credit risk on loan assets and bonds. These classes of financial assets are measured at FVTPL. The carrying value of these assets represents the Company's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

Credit risk arises from the possibility of counterparties failing to meet their obligations to the Company and represents the most significant category of risk. The Company manages the credit risk by engaging in full analysis of possible investments and limiting investments to high credit quality institutions. The overcollateralization tests monitor the quality of the assets used by the Company to meet its obligations to Noteholders.

The table below represents the maximum exposure to credit risk:

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
(i) Financial assets at FVTPL	609,094,660	491,372,353
(ii) Cash and cash equivalents	35,228,916	39,821,734
(iii) Trade and other receivables	2,440,124	2,030,164
(iv) Unsettled trades	10,397,478	11,297,993
	657,161,178	544,522,244

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 Portfolio and as such do not require the identification of 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(b) Credit risk (continued)

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 every quarter, and in some cases every month, to determine the current credit status of each financial asset. In most cases, this includes re-running updated delinquency, loss, and prepayment stress projections through the individual asset liability waterfalls in order to determine loss coverage for the tranche in question. The Investment Manager tracks the credit ratings for the financial assets in the Portfolio.

An illustration of the credit quality of the Portfolio is included in the following table:

(i) S&P's Ratings - Financial assets at FVTPL

	As at 30 June 2025 %	As at 30 June 2024 %
BBB-	3	1
BB+	4	4
BB	9	8
BB-	10	11
B+	15	14
B	26	25
B-	26	25
CCC+	4	3
CCC	1	1
D	1	-
Not Rated	1	8
	<u>100</u>	<u>100</u>

(ii) The credit rating profile of the trade and other receivables are in line with that of the financial assets disclosed above as they mainly relate to accrued interest income.

(iii) Credit risk for unsettled trades is minimal as the balance is settled in the months following the financial year end, and unsettled trades are collateralized by the underlying assets.

(iv) The Moody's credit rating profile of The Bank of New York Mellon, the bank holding the cash and cash equivalents balance is Aa2 (2024: Aa2).

(c) 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/Counter-party, Industry categories/segments and asset type. The Portfolio has exposure across 18 (30 June 2024: 20) S&P industry categories. The largest country and industry exposures are shown in the tables below:

MADISON FLINTHOLM SENIOR LOAN FUND I DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(c) Concentration risk (continued)

	As at 30 June 2025 % Exposure	As at 30 June 2024 % Exposure
(i) Geographical concentration		
United States	91	92
United Kingdom	2	-
Canada	2	-
France	1	-
Netherlands	1	-
Luxembourg	1	1
Canada	-	2
Other	2	5
Total	<u>100</u>	<u>100</u>
	As at 30 June 2025 % Exposure	As at 30 June 2024 % Exposure
(ii) Industry concentration		
Information Technology	22	22
Healthcare	7	10
Financial	15	14
Service	13	13
Media/Telecom	5	6
Chemicals	5	5
Transportation	4	3
Food/Tobacco	4	4
Housing	3	2
Manufacturing	4	5
Gaming/Leisure	5	5
Consumer Non-Durables	1	1
Forest Prod/Containers	3	2
Aerospace	4	3
Energy	2	2
Consumer Durables	2	2
Utility	1	-
Other	-	1
Total	<u>100</u>	<u>100</u>

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. 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 Noteholders is dependent on the receipt of interest and principal from the Portfolio of financial assets. Payments are made in accordance with the priorities of payments as set out in the prospectus. The obligations of the Company are limited recourse to the financial assets, hence any shortfall in receipt will have an equal effect on the repayment obligations on the Notes. The interest rate coverage test is an indicator of funds available and interest payments and cash outflow to Noteholders is adjusted based on this coverage test which means that the Company only pays out what is received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

16 Financial risk management (continued)

Capital risk management (continued)

(d) Liquidity risk (continued)

The table below represents the cashflows payable by the Company under financial liabilities by remaining contractual maturities at the end of reporting period. The amounts shown are the contractual undiscounted cashflows whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

	Carrying Amount US\$	Gross Contractual Cashflows US\$	Up to 1 year US\$	1-2 years US\$	2-5 years US\$	Over 5-years US\$
30 June 2025						
Financial liabilities at FVTPL	499,539,478	508,000,000	-	-	-	508,000,000
Trade and other payables	1,321,126	1,321,126	1,321,126	-	-	-
Unsettled trades payable	28,520,070	28,520,070	28,520,070	-	-	-
Interest payable on financial liabilities at FVTPL	<u>127,774,503</u>	<u>127,774,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,774,503</u>
	<u>657,155,177</u>	<u>665,615,699</u>	<u>29,841,196</u>	<u>-</u>	<u>-</u>	<u>635,774,503</u>
30 June 2024						
Financial liabilities at FVTPL	421,091,938	424,000,000	-	-	-	424,000,000
Trade and other payables	968,852	968,852	968,852	-	-	-
Unsettled trades payable	33,748,421	33,748,421	33,748,421	-	-	-
Interest payable on financial liabilities at FVTPL	<u>88,707,782</u>	<u>88,707,782</u>	<u>88,707,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>544,516,993</u>	<u>547,425,055</u>	<u>123,425,055</u>	<u>-</u>	<u>-</u>	<u>424,000,000</u>

All of the Notes are profit participating notes which receive interest based on an available funds basis out of the interest proceeds after payment of certain fees and expenses.

(e) Prepayment risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor at par plus accrued and unpaid interest thereon. Senior Secured Bonds may include obligor call or prepayment features, with or without a premium or makewhole. Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk.

17 Segment risk and reporting

The Company is structured in a way that the assets and liabilities are managed as a whole and there are no distinct identifiable segments. The reporting, risk management and administration are performed on a collective basis rather than based on segments. The Company's revenue is generated from the Portfolio held during the financial year. The Company has no other product or revenue generating source. The Company has no major customer generating significant revenue.

18 Contingent liabilities, commitments and unfunded commitments

In the normal course of business the company continues to commit to trades in advance of year end which may not be funded as at that time. Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits will be required for previously disclosed contingent liabilities provisions are recognised in the financial year in which the changes in probability occur.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (CONTINUED)**

18 Contingent liabilities, commitments and unfunded commitments (continued)

	As at 30 June 2025 US\$	As at 30 June 2024 US\$
Unfunded commitments		
Undrawn commitments to lend: - with original maturity of over 1 year	1,105,913	911,412

The table above gives the contractual amount of commitments. The maximum exposure to credit loss under commitments is the contractual amount of the instrument in the event of non-performance by the borrower where all security proves worthless.

19 Related party transactions

During the financial year, the Company entered into the following related party transactions:

(a) Transactions with TMF Administration Services Limited (the "Corporate Administrator")

The Company engages the Corporate Administrator for all management and administration functions to manage the operational risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Corporate Administrator is entitled to receive administrative fees for the services it provides per the terms and conditions of their agreement.

During the financial year the Company incurred a fee of US\$ 17,201 (2024: US\$17,283) relating to administration services provided by Corporate Administrator, and nil was due as at the year end (2024: nil). The directors, as employees of the Corporate Administrator, had an interest in these fees in their capacity as directors.

The Company has issued 1 share, which is held by TMF Management (Ireland) Limited on trust for charitable purposes.

Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) TMF Administration Services Limited received US\$6,995 (2024: US\$6,995) as consideration for the making available of individuals to act as directors of the Company.

The terms of the corporate services agreement in place between the Company and the Corporate Administrator provides for a single fee for the provision of corporate administration services (including the making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. 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 the Directors of the Company are employees of the Corporate Administrator, they each do not receive any remuneration for acting as Directors of the Company.

All remaining categories in Section 305 of the Companies Act 2014 relevant to Directors' remuneration are nil (2024: nil) for the financial year.

(b) Transactions with UBS Asset Management LLC (the "Investment Manager")

The Investment Manager provides investment management services to the Company. Investment manager fees of US\$ 1,958,972 (2024: US\$1,122,785) were charged during the financial year. The amount outstanding at the year was US\$ 1,038,083 (2024: US\$828,057).

20 Subsequent events

There were no significant subsequent events after the end of the reporting year until the approval of the financial statements that require disclosure or adjustments in these financial statements.

21 Approval of financial statements

The financial statements were approved and authorised for issue by the Board on 12 February 2026.