

NEOVIA FINANCING DAC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Company Registration number 615639

NEOVIA FINANCING DAC

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NEOVIA FINANCING DAC

DIRECTORS' AND OTHER INFORMATION

DIRECTORS

Hugh McGrath
Lisa O'Sullivan (resigned on 20 March 2024)
Caroline O'Sullivan (appointed on 20 March 2024)

COMPANY REGISTRATION NUMBER

615639

COMPANY SECRETARY

IQ EQ Corporate Services (IRE) Limited
(resigned 1 April 2024)
5th Floor, 76 Sir John Rogerson's Quay
Dublin Docklands, Dublin 2
Ireland
D02 C9D0

IQ EQ Corporate Secretaries (IRE) Limited
(appointed 1 April 2024)
Suite 6 Rineanna House.
Shannon Free Zone
Clare
Ireland
V14 CA36

REGISTERED OFFICE

5th Floor, 76 Sir John Rogerson's Quay
Dublin Docklands, Dublin 2
Ireland
D02 C9D0

ADMINISTRATIVE AGENT

PNC Bank, National Association
222 Delaware Ave,
Wilmington, DE 19801
USA

INDEPENDENT AUDITORS

Crowe Ireland,
40 Mespil Road
Dublin 4
Ireland
D04 C2N4

GERMAN BANK ACCOUNT HOLDER AND ADMINISTRATOR

Neovia Logistics Accounts GMBH
Freidrichstrasse 15
70174 Stuttgart
Germany

SOLICITORS

Cadwalader, Wickersham & Taft LLP
100 Bishopsgate
London
EC2N 4AG

NEOVIA FINANCING DAC

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Neovia Financing DAC (or the "Company") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company takes part in a trade receivable securitisation transaction whereby the Company would purchase certain trade receivables from Subsidiaries (as defined below) of Neovia Logistics LP (the 'Neovia Group') originating in the UK, Belgium, France, Canada & Germany with a 60- 90 day turnaround between purchase and repayment (the "Transaction").

The Transaction forms part of a wider securitisation programme established by Neovia Group, under which Wells Fargo Bank, N.A. as Administrative Agent and acting on behalf of a number of lenders, made a committed revolving loan facility available to both the Company, a U.S. borrower and a Canadian co-borrower (the "Facility"). Neovia Logistics LP are appointed as Master Servicer in respect of the Transaction and the wider securitisation programme.

The Company purchases receivables from Neovia Logistics Services (U.K.) Limited, based in the United Kingdom, Neovia Logistics LLC, based in the United States (On behalf of Neovia Logistics Services LLC Belgium Branch), and Neovia Logistics Germany GMBH, based in Germany (together known as the 'Subsidiaries'). A Discount Factor of 1.1% is applied to any receivables purchased under the Master Framework Agreement.

At 31 December 2021 the Company held receivables in the amount of £24,631,002 (2020: £21,493,927) (equivalent in various currencies converted to GBP) in certain receivables from the Subsidiaries of Neovia Group, as permitted within the Master Service Agreement and various Seller Agreements.

The Company has entered into a Credit and Security Agreement with the Administrative Agent, to partially fund the purchase price of receivables. The balance outstanding on this facility at 31 December 2021 was £17,160,573 (2020: £4,473,715). The company has not fully paid the receivables purchase price and this unpaid portion is carried as a deferred purchase price on the statement of financial position.

The Company also holds a subordinated loan from Neovia Logistics LP to fund the acquisition of certain German trade receivables and their related rights from Neovia Logistics Germany GMBH pursuant to the German Receivables Sale and Servicing Agreement. The balance outstanding on this facility at 31 December 2021 was £3,364,187 (2020: £3,574,020) (the 'Subordinated Loan Facility').

It is expected the company will continue its current operations.

FINANCIAL RISK MANAGEMENT

The operations of the Company are subject to various risks. Information about the financial risk management objectives and policies of the Company, along with the Company's exposure to risks including market risk, credit risk and liquidity risk are disclosed in Note 12 to the financial statements.

DIRECTORS, SECRETARY AND THEIR INTERESTS

The directors and the Company secretary are listed on page 2 and except where indicated, have served for the entire financial year. The directors and the Company secretary did not hold any shares, share options, deferred shares or loan stock of the Company as at 31 December 2021 or at any time during or since the financial year end, requiring disclosure in the directors' report pursuant to section 329 of the Companies Act 2014.

NEOVIA FINANCING DAC

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND EMPLOYEES

The company has no employees. The directors received no remuneration from the company in respect of qualifying services rendered during the financial year. IQ EQ Corporate Services (Ire) Limited receives fees of £19,541 (2020: £16,632) for corporate administrative services which includes the provision of directorship services by its employees in the amount of £1,127 (2020: £959). The directors provided are not remunerated directly by the company for their services.

ACCOUNTING RECORDS

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act, 2014 with regard to the keeping of accounting records by employing an administrator who employs accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 5th Floor, 76 Sir John Rogerson's Quay, Dublin Docklands, Dublin 2, D02 C9D0, Ireland.

RESULTS AND DIVIDENDS

The results for the financial year are set out on page 10. The directors do not recommend the payment of a dividend for the financial year under review (2020: £NIL).

GOING CONCERN

The Company have prepared the financial statements for the financial year ended 31 December 2021 on the going concern basis. The going concern policy is laid out in Note 2 (c).

POWER OF DIRECTORS

The directors are responsible for managing the business affairs of the Company in accordance with the Articles of Association, which allow them to enter into contracts and perform all tasks necessary to conduct the business of the Company. The directors may delegate certain functions to the administrator and other parties, subject to the supervision and direction of the directors.

POLITICAL DONATIONS

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial year. The directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year ended 31 December 2021.

RELEVANT AUDIT INFORMATION

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

NEOVIA FINANCING DAC

DIRECTORS' REPORT (CONTINUED)

INDEPENDENT AUDITORS

Crowe Ireland, being eligible, have expressed their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act, 2014.

SUBSEQUENT EVENTS

On 28 October 2022, the role of Administrative Agent and Lender transferred from Wells Fargo Bank, N.A. to PNC Bank, National Association. There have been no other significant events since the reporting date which require adjustments or disclosures in these financial statements.

On behalf of the Board of Directors

Hugh McGrath
Director

Caroline O'Sullivan
Director

Date: November 13th 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Under the law, the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' standard, issued by the Financial Reporting Council and Irish Law.

Irish company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial period. Under the 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 that financial period and otherwise comply with the Companies Act, 2014.

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

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

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

On behalf of the Board of Directors

Hugh McGrath
Director

Caroline O'Sullivan
Director

Date: November 13th 2025

NEOVIA FINANCING DAC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Neovia Financing DAC (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA"), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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

NEOVIA FINANCING DAC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

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

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

Respective responsibilities and restrictions on use

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as 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 management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NEOVIA FINANCING DAC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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 Auditors' 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.

Signed by: Christopher Magill F.C.A.
for and on behalf of
Crowe Ireland

Chartered Accountants and Statutory Audit Firm
40 Mespil Road
Dublin 4
Date: 27 November 2025

NEOVIA FINANCING DAC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Year ended 31-Dec-21 GBP	Year ended 31-Dec-20 GBP
Income			
Income generated from receivables	3	2,566,082	2,530,293
		<hr/>	<hr/>
		2,566,082	2,530,293
Expenses			
Interest expense and similar charges	4	(425,652)	(423,103)
Net unrealised gain/(loss) on FX		(87,809)	53,007
Servicer fee	5	(224,315)	(208,196)
Operating expenses	6	(1,828,095)	(1,951,773)
		<hr/>	<hr/>
		(2,565,871)	(2,530,065)
Profit on ordinary activities before tax		211	228
Corporation tax	7	(53)	(57)
		<hr/>	<hr/>
Profit after tax for the financial period		158	171
Other comprehensive income		<hr/>	<hr/>
		-	-
Total comprehensive profit for the financial period		<hr/> <hr/>	<hr/> <hr/>
		158	171

The notes on pages 15 to 25 form an integral part of these financial statements.

NEOVIA FINANCING DAC

STATEMENT OF FINANCIAL POSITION

POSITION AS AT 31 DECEMBER 2021

	Note	31-Dec-21 GBP	31-Dec-20 GBP
Current Assets			
Trade receivables	8	24,631,002	21,493,927
Other receivables	9	17,160,573	4,473,715
Other debtors		841	905
		<hr/>	<hr/>
Total assets		41,792,416	25,968,547
Creditors (amounts falling due within one year)	10	(41,790,413)	(25,966,638)
		<hr/>	<hr/>
Net Current Assets		2,003	1,909
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	841	905
Retained earnings at the beginning of the financial year		1,004	833
Profit for the financial year		158	171
		<hr/>	<hr/>
		2,003	1,909
		<hr/>	<hr/>

The notes on pages 15 to 25 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board:

Hugh McGrath
Director

Caroline O'Sullivan
Director

Date: November 13th 2025

NEOVIA FINANCING DAC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital GBP	Retained Earnings GBP	Total GBP
Balance at 31 December 2019	846	833	1,679
Foreign Exchange movement on share capital	59	-	59
Profit after taxation and other comprehensive income for the financial year	-	171	171
Balance at 31 December 2020	<u>905</u>	<u>1,004</u>	<u>1,909</u>
Foreign Exchange movement on share capital	(64)	-	(64)
Profit after taxation and other comprehensive income for the financial year	-	158	158
Balance at 31 December 2021	<u><u>841</u></u>	<u><u>1,162</u></u>	<u><u>2,003</u></u>

The notes on pages 15 to 25 form an integral part of these financial statements.

NEOVIA FINANCING DAC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021	Year ended 31-Dec-21 GBP	Year ended 31-Dec-20 GBP
Cash flows from operating activities		
Profit on ordinary activities before taxation	211	228
Operating Activities		
Decrease/(increase) in debtors	(12,686,858)	9,196,393
Increase/(decrease) in creditors	1,719,538	(471,983)
Net cash (used in)/from operating activities	(10,967,109)	8,724,638
Taxation		
Corporation tax paid	(53)	(57)
Investing Activities		
(Decrease)/increase Deferred purchase price	(11,497,759)	4,515,418
Repayment/(net acquisition) of receivables	(3,137,075)	2,321,594
Net cash (outflow)/inflow from investing activities	(14,634,834)	6,837,012
Financing activities		
Funding facilities	25,176,344	(15,984,695)
Interest expense and similar charges	425,652	423,103
Issue of share capital	-	-
Net cash inflow/(outflow) from financing activities	25,601,996	(15,561,592)
Increase/(decrease) in cash for the year	-	1
Opening balance cash and cash equivalents	-	(1)
Cash and cash equivalents at 31 December	-	-

The notes on pages 15 to 25 form an integral part of these financial statements.

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. General information

Neovia Financing Designated Activity Company (the “Company”) is a private limited liability company with registration number 615639 under the Irish Companies Act, 2014. The Company's registered office is held at 5th Floor, 76 Sir John Rogerson's Quay, Dublin Docklands, Dublin 2, Ireland.

The Company was incorporated on 20 November 2017 to take part in a trade receivable securitisation transaction whereby the Company would purchase certain trade receivables originating in the UK, Belgium, France, Canada & Germany with a 60-90 day turnaround between purchase and repayment.

The Company purchases receivables from Neovia Logistics Services (U.K.) Limited, based in the United Kingdom, Neovia Logistics LLC, based in the United States (On behalf of Neovia Logistics Services LLC Belgium Branch), and Neovia Logistics Germany GMBH, based in Germany. Receivables transferred by Neovia Logistics Services Canada Ltd and Neovia Logistics Services (France) S.A.S. are transferred under the German Receivables Agreement as they are subcontractors of Neovia Logistics Germany GMBH. A Discount Factor of 1.1% is applied to any receivables purchased under the Master Framework Agreement.

2. Accounting policies

The principal accounting policies that the Company applied to the preparation of these financial statements for the financial year ended 31 December 2021 are set out below.

a. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and the Companies Act 2014.

b. Statement of compliance

The Company's financial statements have been prepared in accordance with FRS 102 (accounting standards issued by the Financial Reporting Council) and Companies Act, 2014 for the financial year ended 31 December 2021.

c. Going concern

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence and will have adequate funds available to meet their obligations as they fall due over a minimum period of the next 12 months from approval of these financial statements.

d. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future years. There are no areas in the financial statements where significant management judgement and estimates have been applied.

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - (continued)

e. Functional and presentation currency

The functional and presentation currency of the Company is GBP, denoted by the symbol £. The financial statements are presented in the functional currency. The company holds financial assets denominated in British Sterling, Euro, Australian Dollar, Hungarian Forint, Swedish Krona, Czech Koruna, Canadian Dollar and US Dollar.

g. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Neovia Financing DAC does not have bank accounts in its own name. Neovia Logistics Accounts GmbH were appointed to act as the German Account holder under the terms of a German Account Agency Agreement.

h. Impairment

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any objective evidence of impairment. An asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cashflows of the asset that can be reliably estimated. If any such objective evidence exists, the asset's recoverable amount is estimated.

The amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated cashflows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. An impairment loss is reversed if the reverse can be related objectively to an event occurring after the impairment was recognised. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying amount that would have been determined if no impairment had been recognised.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments
- Cashflow difficulties experienced by receivable debtors
- Breach of conditions of credit.

i. Financial Assets and Liabilities

The Company has made the an accounting policy choice under section 11 and 12 of FRS 102 to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted for use in the European Union).

Receivables are classified as loans and receivables as they are non-derivative financial assets with determinable payments and not quoted in an active market. Receivables are initially recognised at fair value plus transaction costs and are subsequently stated at amortised cost using the effective interest rate method. Receivables are derecognised when the right to secure cashflows from the underlying debtors have expired or where the Company transfers substantially all the risks and rewards of ownership.

Financial liabilities are initially recognised at fair value. Financial liabilities measured at at amortised cost using the effective interest rate method are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market.

j. Discount income

Discount income on the Receivables is recognised on accrual basis and is offset against Deferred Purchase Price amount in the statement of financial position.

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. Accounting policies - (continued)

k. Interest expense

Interest expense is recognised within 'interest expense and similar charges' in the statement of comprehensive income. Accrued interest expense is recognised in other creditors in the statement of financial position. All expenses are accounted for on an accrual basis.

The Company accounts for interest expense on an effective interest rate basis. The effective interest method is a method of calculating the amortised costs of a financial liability and of allocating the interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

l. Discount Factor Fee

Discount factor fee is recognised within 'Income generated from receivables' in the statement of comprehensive income. A Discount Factor of 1.1% is applied to any receivables purchased under the Master Framework Agreement.

m. Service Fee

Service fee is recognised in the statement of comprehensive income, a servicing fee of 0.75% per annum is applied to the aggregate outstanding balance of the pool receivables.

n. Commitment Fee

Commitment fee is recognised within 'interest expense and similar charges' in the statement of comprehensive income, a commitment fee of 0.9% per annum is applied to the unused facility amount.

o. Deferred Purchase Price

A portion of the receivables purchase price payable is deferred and is carried as a deferred purchase price on the statement of financial position.

p. Share Capital

Ordinary shares are classified as equity as per the Company's Articles of Association.

q. Taxation

Tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in other comprehensive income or equity respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. Income generated from receivables	Year ended 31-Dec-21 GBP	Period ended 31-Dec-20 GBP
Income generated from receivables	2,566,082	2,530,293
	<u>2,566,082</u>	<u>2,530,293</u>

A Discount Factor of 1.1% is applied to any receivables purchased under the Master Framework Agreement. For the year ended 31 December 2021, discount income totalled £2,566,082 (2020: £2,530,293).

4. Interest expense and similar charges	Year ended 31-Dec-21 GBP	Period ended 31-Dec-20 GBP
Interest expense on Subordinated loans	106,837	112,064
Interest expense on Receivables loans	297,924	283,564
Commitment fee on Receivables loans	20,891	27,475
	<u>425,652</u>	<u>423,103</u>

5. Servicer Fee	Year ended 31-Dec-21 GBP	Period ended 31-Dec-20 GBP
Servicer Fee	224,315	208,196

Neovia Logistics LP, as Master Servicer to the Master Framework Agreement is entitled to a "Servicing Fee". This is equal to the product of 0.75% per annum and is applied to the aggregate outstanding receivables purchased under the Master Framework Agreement.

6. Operating Expenses	Year ended 31-Dec-21 GBP	Period ended 31-Dec-20 GBP
Auditors' remuneration	8,678	26,386
Tax Fees	470	14,225
Management Fees	5,545	7,190
Inter Company Expenses	1,811,612	1,902,698
Borrower Junior Expenses	1,790	1,274
	<u>1,828,095</u>	<u>1,951,773</u>

Auditors' remuneration inclusive of VAT and expenses is comprised of the following:

	Year ended 31-Dec-21 GBP	Period ended 31-Dec-20 GBP
Audit of individual accounts	8,678	26,386
Tax Compliance Fee	(10,652)	3,169
Tax Advisory	11,122	11,056
	<u>9,148</u>	<u>40,611</u>

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. Operating Expenses (continued)

The Company has no employees. Accounting, management and corporate secretarial have been outsourced to the Administrator. No fees were paid to the directors during the financial year (2020: NIL).

7. Tax on profit on ordinary activities

	Year ended 31-Dec-21 GBP	Period ended 31-Dec-20 GBP
Analysis of the Company Tax charge for the financial year		
Current Tax	53	57
Deferred Tax	-	-
Current corporation tax payable	<u>53</u>	<u>57</u>
Profit on ordinary activities before taxation	211	228
Profit before taxation multiplied by the standard rate of Irish corporation tax in Republic of Ireland of 12.5%	27	29
Higher tax rate applicable under Section 110 TCA ,1997	<u>26</u>	<u>28</u>
Tax charge for the financial year	<u>53</u>	<u>57</u>

The Company is a qualifying Company with the meaning of Section 110 of the Taxes Consolidation Act 1997. As such the profits are chargeable to corporation tax under case III of Schedule D at a rate of 25%.

8. Receivables

	31-Dec-21 GBP	31-Dec-20 GBP
Receivables (EUR)	7,695,901	5,972,080
Receivables (GBP)	15,127,934	14,302,583
Receivables (USD)	1,252,325	954,358
Receivables (CAD)	318,266	-
Receivables (CZK)	236,576	154,558
Receivables (HUF)	-	105,518
Receivables (SEK)	-	16,469
Receivables (AED)	-	(11,639)
	<u>24,631,002</u>	<u>21,493,927</u>

In 2021, the Company purchased certain trade receivables originating in the UK, Belgium, France, Canada & Germany with a 60-90 day turnaround between purchase and repayment.

A portion of the receivables purchase price payable is deferred and is carried as a deferred purchase price on the statement of financial position. The receivables purchased are denominated in British Sterling, Euro, Australian Dollar, Hungarian Forint, Swedish Krona, Czech Koruna, Canadian Dollar, US Dollar and UAE Dirham. This deferred purchase price structure within the transaction provides credit enhancement and minimises credit risk and foreign exchange risk.

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9. Other Receivables	31-Dec-21	31-Dec-20
	GBP	GBP
Loan Receivables (EUR) – acquired under GBP Loan facility	20,036	1,625,177
Loan Receivables (GBP) - acquired under Subordinated Loan facility	16,247,630	2,200,000
Loan Receivables (USD) - acquired under USD Loan facility	892,907	648,538
	<u>17,160,573</u>	<u>13,670,108</u>

Neovia Logistics Accounts GmbH were appointed to act as the German Account holder on behalf of the Company under the terms of a German Account Agency Agreement.

Monies drawn under the Facility are transferred by the Administrative Agent to the relevant borrower accounts held with the Master Servicer under the terms of a Credit and Security Agreement. The Master Servicer is the sole operator of the borrower accounts. In addition, the Master Servicer manages the drawings on the Subordinated Loan Facility. When the Company purchases receivables from the Subsidiaries, the Master Servicer allocates the relevant amount drawn down amount against the Company.

As at 31 December 2021, the Company has drawn total of £17,160,573 (2020: £4,473,715) under the Credit and Security Agreement and Subordinated Loan Facility to fund the acquisitions of receivables. As monies drawn under both Facilities are held with the Master Servicer and not directly by the Company, such amounts are treated as other receivables in the accounts of the Company.

10. Creditors (amounts falling due within one year)	31-Dec-21	31-Dec-20
	GBP	GBP
Deferred purchase price	(3,020,871)	8,476,888
Intercompany accounts payable	19,519,257	6,811,963
GBP loan facility	10,100,000	2,200,000
USD loan facility	892,908	648,538
EURO loan facility	6,147,630	1,613,116
Subordinated debt	3,364,187	3,574,020
Accrued expenses	2,237,156	2,328,619
Interest payable and similar charges	2,550,146	313,494
	<u>41,790,413</u>	<u>25,966,638</u>

The Company entered into a British Pound loan facility, a USD dollar loan facility and a EURO loan facility with Wells Fargo to partially fund the purchase price of receivables. The balance outstanding on each facility was £10,100,000 (2020: £2,200,000), £892,908 (2020: £648,538) and £6,147,630 (2020: £1,613,116) respectively. The interest applicable on these facilities was £297,924 (2020: £283,564).

The Company has also drawn a subordinated loan from Neovia Logistics LP to fund the balance of the receivable not covered by the Wells Fargo facilities. The balance outstanding on the subordinated loan facility was £3,364,187 (2020: £3,574,020). The interest applicable on the subordinated loan facility was £106,837 (2020: £112,064).

Monies drawn under the Facility are transferred by the Administrative Agent to the relevant borrower accounts held with the Master Servicer under the terms of a Credit and Security Agreement. The Master Servicer is the sole operator of the borrower accounts. In addition, the Master Servicer manages the drawings on the Subordinated Loan Facility. When the Company purchases receivables from the Subsidiaries, the Master Servicer allocates the relevant amount drawn down amount against the Company.

A portion of the receivables purchase price payable is deferred and is carried as a deferred purchase price on the statement of financial position. This deferred purchase price is non-interest bearing. The maturity of the deferred purchase price is in line with the maturity of the receivables.

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NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. Share capital presented as equity	31-Dec-21	31-Dec-20
	GBP	GBP
Authorised		
1,000 ordinary shares at €1 each	<u>841</u>	<u>905</u>
Allotted, called up and fully paid		
Ordinary shares of €1 each	<u>841</u>	<u>905</u>

The authorised share capital of the Company is €1,000 divided into 1,000 ordinary shares of €1 each, of which all 1,000 shares are issued. IQ EQ Nominees (Ireland) Limited holds the shares in trust.

12. Financial Risk Management

The Company's operation is financed primarily by means of the receipt of loans. The primary risks associated with the Company's business are liquidity risk, credit risk and market risk (which includes foreign exchange risk and interest rate risk). The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The nature and extent of the risk management policies of the Company are outlined below:

Foreign exchange risk

2021	GBP	EUR	USD	CAD	SEK	AUD	HUF	AED	CZK	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets										
Trade Receivables	15,128	7,696	1,252	318	-	-	-	-	237	24,631
Other Receivables	16,247	20	893	-	-	-	-	-	-	17,160
Other Debtors	1	-	-	-	-	-	-	-	-	1
Cash	-	-	-	-	-	-	-	-	-	-
	<u>31,376</u>	<u>7,716</u>	<u>2,145</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237</u>	<u>41,792</u>
Liabilities										
Deferred purchase price	205	(3,207)	-	(19)	-	-	-	-	-	(3,021)
Intercompany Accounts Payable	13,258	5,992	269	-	-	-	-	-	-	19,519
GBP loan facility	10,100	-	-	-	-	-	-	-	-	10,100
USD loan facility	-	-	893	-	-	-	-	-	-	893
EURO loan facility	-	6,148	-	-	-	-	-	-	-	6,148
Subordinated debt	-	3,364	-	-	-	-	-	-	-	3,364
Accrued expenses	1,568	653	16	-	-	-	-	-	-	2,237
Interest payable	1,450	476	624	-	-	-	-	-	-	2,550
	<u>26,581</u>	<u>13,426</u>	<u>1,802</u>	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,790</u>

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. Financial Risk Management (continued)

Foreign exchange risk (continued)

2020	GBP	EUR	USD	CAD	SEK	AUD	HUF	AED	CZK	Total
Assets	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Trade Receivables	14,303	5,972	954	-	16	-	106	(12)	155	21,494
Other Receivables	2,200	1,625	649	-	-	-	-	-	-	4,474
Other Debtors	1	-	-	-	-	-	-	-	-	1
Cash	-	-	-	-	-	-	-	-	-	-
	16,504	7,597	1,603	-	16	-	106	(12)	155	25,969
Liabilities	GBP	EUR	USD	CAD	SEK	AUD	HUF	AED	CZK	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Deferred purchase price	12,886	(4,687)	230	(19)	10	(46)	80	(75)	99	8,478
Intercompany Accounts Payable	228	5,673	911	-	-	-	-	-	-	6,812
GBP loan facility	2,200	-	-	-	-	-	-	-	-	2,200
USD loan facility	-	-	649	-	-	-	-	-	-	649
EURO loan facility	-	1,613	-	-	-	-	-	-	-	1,613
Subordinated debt	-	3,574	-	-	-	-	-	-	-	3,574
Accrued expenses	2,286	42	-	-	-	-	-	-	-	2,328
Interest payable	3	219	91	-	-	-	-	-	-	313
	17,603	6,434	1,881	(19)	10	(46)	80	(75)	99	25,967

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Company. The policy of the Company to managing liquidity risk is to have sufficient liquidity to meet its liabilities as and when due without incurring undue losses or risking damage to the reputation of the Company.

Liquidity risk is minimised by the fact the Wells Fargo facilities and the subordinated loan facility are limited recourse in nature and that due to the deferred purchase price structure in this transaction all assets required where not paid for in full. Please see table outlining the Company's exposure to liquidity risk below:

2021	Between 1 and 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
Liabilities	GBP	GBP	GBP	GBP
Deferred purchase price	(3,020,871)	-	-	-
Intercompany AP	19,519,257	-	-	-
GBP loan facility	10,100,000	-	-	-
USD loan facility	892,908	-	-	-
EURO loan facility	6,147,630	-	-	-
Subordinated debt	3,364,187	-	-	-
Accrued expenses	2,237,156	-	-	-
Interest payable	2,550,146	-	-	-
	41,790,413	-	-	-

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NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. Financial Risk Management (continued)

Liquidity risk (continued)

2020	Between 1 and 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
	GBP	GBP	GBP	GBP
Deferred purchase price	8,476,888	-	-	-
Intercompany AP	6,811,963	-	-	-
GBP loan facility	2,200,000	-	-	-
USD loan facility	648,538	-	-	-
EURO loan facility	1,613,116	-	-	-
Subordinated debt	3,574,020	-	-	-
Accrued expenses	2,328,619	-	-	-
Interest payable	313,494	-	-	-
	<u>25,966,638</u>	<u>-</u>	<u>-</u>	<u>-</u>

Credit risk

Credit risk is the risk of the financial loss to the Company if a counterparty to a receivable fails to meet its contractual obligations. Financial assets held by the company are primarily the receivables purchased. The maximum exposure to the credit risk at the financial year end is as follows:

	31-Dec-21	31-Dec-20
	GBP	GBP
Trade receivables	24,631,002	21,493,927
Other Receivables	17,160,573	4,473,715
Other debtors	841	905
	<u>41,792,416</u>	<u>25,968,547</u>

The Company purchases high quality receivables originated by Neovia group companies and they are selected using strict eligibility criteria as specified in the Receivables Securitisation Agreements. These criteria are in place to ensure the quality of receivables and to reduce the Company's exposure to credit risk. The management of the receivables is undertaken by Neovia Logistics LP who have procedures in place to ensure that the availability of credit is made only to customers whose creditworthiness is confirmed. Also, the deferred purchase price structure within the transaction provides credit enhancement and minimises credit risk.

Market Risk

Market risk refers to the potential loss arising from changes in interest rates and foreign currency exchange rates. The Company holds receivable assets denominated in British Sterling, Euro, Australian Dollar, Hungarian Forint, Swedish Krona, Czech Koruna, Canadian Dollar, US Dollar and UAE Dirham. All receivable assets are funded by corresponding loans in the same currency and therefore the Company is not exposed to foreign currency risk. No sensitivity analysis is presented as the exposure to market risk is limited. The nature of the company, while working through different currencies, limits itself by its nature to the currency risk.

(i) Interest Rate Risk

The Company is exposed to interest rate risk since no interest is being earned on the receivables purchased, while the Company is paying interest on the Wells Fargo facilities and the subordinated loan facilities. Please see table below outlining the Company's exposure to interest rate risk.

NEOVIA FINANCING DAC

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. Financial Risk Management (continued)

(i) Interest Rate Risk (continued)

2021	Fixed Interest Rate	Floating Interest	Non-Interest	Total
Interest Rate Sensitivity	GBP	Rate	Bearing	GBP
Assets		GBP	GBP	
Trade receivables	-	-	24,631,002	24,631,002
Other Receivables	-	-	17,160,573	17,160,573
Other debtors	-	-	841	841
Total assets	-	-	41,792,416	41,792,416
Liabilities				
Deferred Purchase Price	-	-	(3,020,871)	(3,020,871)
Intercompany AP	-	-	19,519,257	19,519,257
GBP loan facility	10,100,000	-	-	10,100,000
USD Loan facility	892,908	-	-	892,908
EURO loan facility	6,147,630	-	-	6,147,630
Subordinated loan facility	3,364,187	-	-	3,364,187
Accrued expenses	-	-	2,237,156	2,237,156
Interest payable	(44,499)	72,686	2,521,959	2,550,146
Total Liabilities	20,460,226	72,686	21,257,501	41,790,413
Interest Rate Sensitivity Gap	(20,460,226)	(72,686)	20,534,915	2,003

2020	Fixed Interest Rate	Floating Interest	Non-Interest	Total
Interest Rate Sensitivity	GBP	Rate	Bearing	GBP
Assets		GBP	GBP	
Trade receivables	-	-	21,493,927	21,493,927
Other Receivables	-	-	4,473,715	4,473,715
Other debtors	-	-	905	905
Total assets	-	-	25,968,547	25,968,547
Liabilities				
Deferred Purchase Price	-	-	8,476,888	8,476,888
Intercompany AP	-	-	6,811,963	6,811,963
GBP loan facility	2,200,000	-	-	2,200,000
USD Loan facility	648,538	-	-	648,538
EURO loan facility	1,613,116	-	-	1,613,116
Subordinated loan facility	3,574,020	-	-	3,574,020
Accrued expenses	-	-	2,328,619	2,328,619
Interest payable	9,486	2,624	301,384	313,494
Total Liabilities	8,045,160	2,624	17,918,854	25,966,638
Interest Rate Sensitivity Gap	(8,045,160)	(2,624)	8,049,693	1,909

NOTES TO THE DRAFT FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. Dividend

The directors of the Company do not recommend the payment of a dividend.

14. Controlling party and related party transactions

The ultimate controlling party is Neovia Logistics Holdings Ltd (Bermuda) a company located at Canon's Court, 22 Victoria Street, Hamilton, Hm 12, Bermuda.

In accordance with Section 33 of FRS 102 the group has availed of an exemption from disclosing transactions between group companies on the basis all parties to the transactions were wholly owned members of the group.

IQ-EQ Corporate Services (IRE) Limited, the Administrator, provides corporate services pursuant to the Corporate Services Agreement with the Company. Hugh McGrath and Caroline O'Sullivan, directors of the Company, were also directors of the Administrator and in that capacity had a material interest in the transactions conducted with the Company. There were no other contracts of any significance in relation to the business of the Company in which the director had any interest, as defined in the act, at any time during the financial year. The Administrator was paid £19,541 (2020: £16,632) for corporate administrative services which includes the provision of directorship services by its employees in the amount of £1,127 (2020: £959).

15. Ownership of the Company

The principal shareholder of the Company is IQ EQ Nominees (Ireland) Limited who owns 1,000 shares of the Company. The shares are held on trust for charitable purposes.

The shareholders have appointed a Board of Directors to run the day-to-day activities of the Company.

16. Subsequent events

On 28 October 2022, the role of Administrative Agent and Lender transferred from Wells Fargo Bank, N.A. to PNC Bank, National Association. There were no other subsequent events since the year end until the date of signing of the audit report that would require an adjustment of the figures or disclosures in the financial statements.

17. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 December 2021. Contingent liabilities are assessed continually to determine whether transfer of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the financial year in which the changes in probability occur.

18. Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 13 November 2025.