Company registered number: 707600
Date of incorporation: 9 November 2021

GROSVENOR PLACE CLO 2022-1 DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

CONTENTS

COMPANY INFORMATION

DIRECTORS	Deirdre Brennan (Irish) (appointed 9 November 2021) Chandrima Bhushan (Indian) (appointed 3 April 2024) Jane McCullough (Irish) (appointed 13 July 2022 and resigned 3 April 2024) Jose Gomes (Portuguese) (alternate, appointed on 13 May 2024 and resigned 14 May 2024)
COMPANY SECRETARY, REGISTERED OFFICE AND ADMINISTRATOR	TMF Administration Services Limited Ground Floor, Two Docklands Central, Guild Street, Dublin 1, Ireland
INDEPENDENT AUDITORS	Ernst & Young, Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland
COLLATERAL MANAGER	CQS (UK) LLP 4th Floor One Strand London WC2N 5HR United Kingdom
COLLATERAL ADMINISTRATOR AND INFORMATION AGENT	U.S. Bank Global Corporate Trust Limited 125 Old Broad Street Fifth Floor London EC2N 1AR United Kingdom
TRUSTEE	U.S. Bank Trustees Limited 125 Old Broad Street Fifth Floor London EC2N 1AR United Kingdom
REGISTRAR, TRANSFER AGENT, CALCULATION AGENT, PRINCIPAL PAYING AGENT, ACCOUNT BANK AND CUSTODIAN	US Bank Europe DAC (formerly Elavon Financial Services DAC) Block F1 Cherrywood Park Cherrywood, Dublin 18 D18 W2X7 Ireland
LEGAL ADVISERS	Cadwalader, Wickersham & Taft LLP 100 Bishopsgate London, EC2N 4AG United Kingdom A&L Goodbody LLP 3 Dublin Landings Dublin 1 Ireland
LISTING AGENT	A&L Listings Limited 3 Dublin Landings Dublin 1 Ireland D02 T360

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of Grosvenor Place CLO 2022-1 Designated Activity Company (the "Company") for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a designated activity company, incorporated in accordance with the laws of Ireland, please refer to the cover page for the Company registration number and date of incorporation.

The Notes were listed on the Global Exchange Market of Euronext Dublin on the 24 November 2022.

On 17 May 2024, Rated Notes of €308m were redeemed and refinanced by the issue of Rated Notes of €372m. Refer to Note 14 for details.

The sole purpose of the Company is to acquire a portfolio (the “Portfolio”) of primarily senior secured loans financed through the issuance of limited recourse listed debt obligations (the “Notes”) to investors (the “Noteholders”).

During the re-investment period ending 28 November 2028 the Investment Manager shall use reasonable endeavours to purchase substitute Collateral Debt Obligations meeting the eligibility criteria. Following expiry of the reinvestment period, only sale proceeds from the sale of credit impaired obligations, credit improved obligations and unscheduled principal proceeds received, may be used to re-invest in eligible financial assets.

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 offering circular of the Notes.

Please refer to the financial liabilities at FVTPL note to the financial statements for more detail.

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.

The directors have no plans to change significantly the activities and operations of the Company in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The current economic environment presents several risk factors. Since 2023 the biggest risk across the portfolio has been inflationary pressures. Whilst inflation risk is not as pronounced as it was in 2023 there continues to be a risk. The new political landscape in America and potential tariff policies may result in increased costs to companies that the Investment Manager has exposure to. The investment manager is carefully monitoring this risk, focusing on companies’ ability to pass on costs to preserve margins and also their ability to deal with higher borrowing costs. The investment manager undertakes regular reviews of its investments to gauge companies’ headroom to meet interest payments (interest coverage tests). As at the date of the report there is sufficient headroom across the majority of portfolio today and on a forward looking basis. Certain individual companies will face greater challenges going forward due to a combination of idiosyncratic and interest rate risks, however these are limited in number.

The ongoing conflicts in Ukraine and Gaza have had, and could continue to have, severe adverse effects on regional and global economic markets. The outcome of these conflicts is difficult to predict at this time, but the broader consequences and any further conflict may include regional instability and geopolitical shifts, heightened regulatory scrutiny related to sanctions compliance, increased inflation, further increases or fluctuations in commodity and energy prices, decreases in global travel, disruptions to the global energy supply and other adverse effects on macroeconomic conditions. The investment manager is currently invested across over 110 different borrowers, none of which are Russian, Ukraine or Israel headquartered businesses, and the indirect exposure to these markets is minimal.

In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and have concluded that these do not have a material direct or indirect impact on the Company.

PORTFOLIO MONITORING

The Company's compliance with its covenants, including the collateral quality tests, concentration limitation tests and coverage tests, needs to be reported on a monthly basis to the Noteholders by the Collateral Administrator. These monthly reports provide details of the credit quality of the Portfolio, interest and principal coverage of the Notes and details about significant credit events.

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 secured realisable assets held by the Company.

If the net proceeds from the realisation of the financial assets and other secured 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 Fair Value Through Profit or Loss (“FVTPL”).

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 (2023: none).

Key performance indicators	**Financial year ended 31 December 2024 €**	**Financial year ended 31 December 2023 €**	**Change %**
Number of failed collateral quality and portfolio profile tests	-	-	-%
Profit for the financial year after taxation	750	750	-%
Default recovery amount	-	-	-%
Interest and similar income	29,594,701	25,579,523	16%
Interest expense on financial liabilities at FVTPL - Senior Notes	(22,460,315)	(19,389,918)	16%
Interest expense on financial liabilities at FVTPL - Subordinated Notes	(11,544,517)	(8,030,743)	44%
Fair value movement on financial assets at FVTPL	(5,457,443)	13,944,492	-139%
Fair value movement on financial liabilities at FVTPL	8,588,904	(13,946,282)	162%

Collateral quality and portfolio profile tests

There were no failed collateral quality and portfolio tests during the year. (2023: none)

Default recovery amount

There were no defaulted obligation during the year. (2023: none)

Interest and similar income

Interest and similar income increased by 16% during the year compared to prior year. The interest earned on the Portfolio increased during the year as a result of the increase in interest rates during the year.

Interest expense

The interest expense paid by the Company was primarily based 3 month EURIBOR. Interest expense increased by 16% during the year compared to prior year due to an increase in interest rates in Q3 and Q4 on account of positive Euribor rate.

Interest expense on financial liabilities at FVTPL - Subordinated Notes

Interest expense on financial liabilities at FVTPL - Subordinated Notes increased by 44% during the year compared to prior period. Payment of interest on the Subordinated Notes is made to the extent of the funds available after payment of expenses and interest on rated Notes.

Fair value movement on financial assets at FVTPL

The fair value of the financial assets has decreased by 139% compared to prior period due to the under performance of several financial assets in the Portfolio.

Fair value movement on financial liabilities at FVTPL

The fair value movement of the financial liabilities at FVTPL is dependent on the fair value movement of the financial assets at FVTPL and the net current assets at the financial year end. There is an unrealised gain on the financial liabilities at FVTPL which was mainly attributable to the unrealised loss on the portfolio, and the realised loss on redemption of the financial liabilities at FVTPL during the financial year.

INTERESTS OF DIRECTORS AND COMPANY SECRETARY

The directors and company secretary of the Company are listed on the company information page, and except where indicated, have served for the entire financial year.

The directors and company secretary who held office on 31 December 2024 did not hold any shares, share options, debentures, deferred shares or loan stock of the Company on that date or during the financial year, requiring disclosure in the directors' report pursuant to Section 329 of the Companies Act 2014. They had no material interest in any contract of significance other than as detailed in the related party transactions note to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

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.

GOING CONCERN

The Company 's financial statements for the financial year 31 December 2024 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 's liabilities as they fall due.

Please refer to financial liabilities at FVTPL note for further details on the notes including maturity date. The financial liabilities are limited recourse obligations of the Company that are payable solely out of amounts received in respect of the financial assets.

SIGNIFICANT SUBSEQUENT EVENTS

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

ACCOUNTING RECORDS

The Directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281-285 of the Companies Act 2014, are kept by the Company. The measures taken by director to ensure compliance with the Company's obligation to keep adequate accounting records, are the use of appropriate systems and procedures and by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at the registered office, as detailed on the company information page.

FINANCIAL RISK MANAGEMENT

The disclosures in relation to the Company's policies for financial risk management including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk (including concentration risk), liquidity risk and the policies and procedures in place to manage these risks are disclosed in financial risk management note to the financial statements.

DIRECTORS' REPORT (CONTINUED)

RELATED PARTY TRANSACTIONS

Please refer to the related party transactions note in Notes to the financial statements for further details on related party transactions.

POLITICAL DONATIONS

There have been no political donations during the financial year ended 31 December 2024 (2023: none).

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.

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.

INDEPENDENT AUDITOR

Ernst & Young, Chartered Accountants, were appointed on 19 July 2024 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 30 March 2026 and signed on its behalf by:

Deirdre B	CBhushan
....	....
Deirdre Brennan	Chandrima Bhushan
Director	Director

DIRECTORS' RESPONSIBILITY STATEMENT

The directors 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 year. Under that law the directors have elected to prepare the financial statements in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union ("relevant financial reporting framework").

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting 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 caused 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.

These financial statements comply with the aforementioned requirements.

Approved and authorised for issue on behalf of the Board

Deirdre B	CBhushan
....	....
Deirdre Brennan Director	Chandrima Bhushan Director

Date: 30 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR PLACE CLO 2022-1 DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Grosvenor Place CLO 2022-1 Designated Activity Company ('the Company') for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including the material accounting policy information set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) 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.

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:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment.
- We obtained management's going concern assessment which covers a year from the date of signing this audit opinion.
- We considered the nature and liquidity of the assets held by the Company along with the liabilities to identify any liquidity mismatches. We confirmed that there was no event of default triggered in relation to the notes issued by the Company.
- We reviewed the Company's going concern disclosures included in the Directors' report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR PLACE CLO 2022-1 DESIGNATED ACTIVITY COMPANY (CONTINUED)

Conclusion

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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 year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that 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.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
Risk of management override of controls in relation to valuation of financial assets at fair value through profit or loss ('FVTPL') and the related unrealised gain or loss **Financial assets at fair value through profit or loss: €392,584,405 (2023: €339,910,077)** **Net unrealised loss on fair value of financial assets: €5,457,443 (2023: Gain €13,944,492)** The financial assets at FVTPL in the Statement of Financial Position of the Company primarily comprise of investments in collateralised loan obligations ('the CLOs'). Further details on investments can be found in Note 2.3, 2.10, 2.11, 3,4 and Note 12 of the financial statements. The valuation of investments in CLOs are solely performed by the Investment Manager of the Company and no	We performed the following testing to address the key audit matter: • Assessed the appropriateness of accounting policies governing the valuation of financial assets at FVTPL. • Assessed the design effectiveness of controls over the valuation of financial instruments including appropriate governance procedures and management review. • Tested the valuation of financial assets at FVTPL using the independent pricing sources available to us. • For a sample of single broker quote investments, we performed the following: - Back testing through agreeing valuations to recent purchases/sales.	Our planned audit procedures were completed without any material exception.

Shape the future with confidence

Risk	Our response to the risk	Key observations communicated to the Board of Directors
independent re-pricing is performed by the administrator, which enhances risk of management override of controls as the higher valuation of investments may provide incentive to investment manager. There is a risk that investments may not be valued correctly. The nature and size of the balance and its importance to the Company are such that we have identified this as a key audit matter.	- Verified the valuation pre and post year-end to check the reasonability of the year-end valuation.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be €7,983,061 (2023: €6,896,054), which is 2% (2023: 2%) of notes issued at fair value through profit and loss. We believe that notes issued at fair value through profit and loss provides us with the most appropriate basis for materiality having considered the expectation of the users of the financial statement and the overall business environment.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely €5,987,296 (2023: €5,172,067). We have set performance materiality at this percentage based on our knowledge of the Company and industry, effectiveness of the control environment, our assessment of the risks associated with the engagement. We increased our performance materiality to 75% based on our prior year experience with the Company and that we did not identify any material misstatements in the financial statements.

Reporting threshold

Reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR PLACE CLO 2022-1 DESIGNATED ACTIVITY COMPANY (CONTINUED)

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of €399,153 (2023: €344,804), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Directors' Responsibility Statement . 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROSVENOR PLACE CLO 2022-1 DESIGNATED ACTIVITY COMPANY (CONTINUED)

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

Respective responsibilities

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent 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 irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedure will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2014 and IFRS as adopted by the European Union.

- We understood how the Company is complying with those frameworks by performing a review of the entity level controls. The Board has established processes regarding internal control and risk management systems to seek to ensure its effective oversight of the financial reporting process. The internal control process includes the appointment of the administrator to maintain the accounting records of the Company independently of the custodian

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by making enquiries of those charged with governance. We considered the general risk of management override of controls and the specific risk relating to the valuation of financial assets at fair value through profit or loss and the associated net unrealised loss/gain as significant and fraud risks. Our procedures involved assessing the appropriateness of policies governing the accounting treatment and valuation of financial assets at FVTPL, obtaining an understanding of the process over the valuation of financial instruments including appropriate governance procedures and management review and testing the valuation of the financial assets at FVTPL using pricing sources available to us. We also performed a review of the appropriateness of journal entries and other adjustments made in the preparation of the financial statements, assessing accounting estimates for evidence of management bias and evaluating the business rationale for related party transactions and any significant unusual transactions.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

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

Aidan Tiernan
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 30 March 2026

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Net interest income			
Interest and similar income	5	29,594,701	25,579,523
Interest expense	6	(34,004,832)	(27,420,661)
		(4,410,131)	(1,841,138)
Other income and expenses			
Net unrealised foreign exchange gain/(loss) on cash and cash equivalents		94	(60)
Net realised gain on disposal of financial assets at FVTPL	7	5,439,782	3,714,886
Fair value movement on financial liabilities at FVTPL	14	8,588,904	(13,946,282)
Fair value movement on financial assets at FVTPL	12	(5,457,443)	13,944,492
Other (expense)/income		(108,041)	278,422
Interest expense paid on cash and cash equivalents		-	(24,875)
		8,463,296	3,966,583
Operating expenses			
Administrative expenses	8	(4,052,165)	(2,124,445)
Profit before taxation		1,000	1,000
Corporation tax charge		(250)	(250)
Profit for the year after taxation		750	750
Other comprehensive income		-	-
Total comprehensive income for the year		750	750

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	As at 31 December 2024 €	As at 31 December 2023 €
Assets			
Cash at bank	10	25,649,455	16,631,343
Trade and other receivables	11	2,905,604	2,613,820
Unsettled trades	15	2,977,463	3,960,000
Financial assets at FVTPL	12	392,584,405	339,910,077
Total assets		424,116,927	363,115,240
Liabilities			
Trade and other payables	18	336,012	254,250
Interest payable on financial liabilities at FVTPL	16	2,021,510	6,265,742
Unsettled trades payable	15	22,602,310	11,789,999
Financial liabilities at FVTPL	14	399,155,594	344,804,498
Total liabilities		424,115,426	363,114,489
Equity			
Called-up share capital	17	1	1
Retained earnings		1,500	750
Total equity		1,501	751
Total equity and liabilities		424,116,927	363,115,240

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

The financial statements were approved and authorised for issue by the Board on 30 March 2026 and signed on its behalf by:

....	....
Deirdre Brennan	Chandrima Bhushan
Director	Director

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Called-up share capital €	Retained earnings €	Total €
As at 1 January 2024	1	750	751
Total comprehensive income for the financial year	-	750	750
As at 31 December 2024	1	1,500	1,501

	Called-up share capital €	Retained earnings €	Total €
As at 1 January 2023	1	-	1
Total comprehensive income for the financial year	-	750	750
As at 31 December 2023	1	750	751

The accompanying notes form an integral part of these financial statements. Please see share capital note to the financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Cash flows from operating activities			
Interest received	5	29,302,917	24,175,508
Other (expense)/income		(108,041)	278,422
Payments made for Administrative expenses		(3,970,152)	(2,167,777)
Corporation tax paid	9	(500)	-
Net cash flow generated from operating activities		25,224,224	22,286,153
Cash flows generated from/(used in) investing activities			
Purchase of financial assets at FVTPL	12, 15	(140,518,113)	(228,615,140)
Proceeds from disposal of financial assets at FVTPL	12, 15	99,620,971	100,297,895
Net cash flows used in investing activities		(40,897,142)	(128,317,245)
Cash flows generated from/(used in) financing activities			
Interest paid	13	(38,249,064)	(22,941,259)
Issue of financial liabilities at FVTPL	14	370,940,000	-
Redemption of financial liabilities at FVTPL		(308,000,000)	-
Net cash flows generated from/(used in) financing activities		24,690,936	(22,941,259)
Net increase/(decrease) in cash and cash equivalents		9,018,018	(128,972,351)
Cash and cash equivalents at 1 January		16,631,343	145,603,754
Net unrealised foreign exchange gain/(loss) on cash and cash equivalents		94	(60)
Cash and cash equivalents at 31 December		25,649,455	16,631,343

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

1 Background to the Company

The Company was incorporated on 9 November 2021 with a registration number 707600. The Company's registered office is at Ground Floor, Two Docklands Central, Guild Street, North 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 policy information

2.1 Statement of compliance and basis of preparation

The financial statements have been prepared under the historical cost basis except for financial instruments classified at FVTPL which have been measured at fair value. The financial statements have been prepared in accordance with IFRS as adopted by the EU and those parts of Companies Act 2014 applicable to companies reporting under IFRS. The accounting policies adopted by the Company have been applied consistently.

Going concern

The ongoing conflicts in Ukraine and Gaza have had, and could continue to have, severe adverse effects on regional and global economic markets. The outcome of these conflicts is difficult to predict at this time, but the broader consequences and any further conflict may include regional instability and geopolitical shifts, heightened regulatory scrutiny related to sanctions compliance, increased inflation, further increases or fluctuations in commodity and energy prices, decreases in global travel, disruptions to the global energy supply and other adverse effects on macroeconomic conditions.

The Company’s financial statements for the financial year 31 December 2024 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's liabilities as they fall due. The financial liabilities issued are limited recourse, with all gains and losses passed on to the Noteholders, and no residual risk remaining for the Company. The Notes have set maturity dates, which are further detailed in the financial liabilities at FVTPL note to the financial statements, and the directors do not foresee the Notes being redeemed in advance of their maturity date.

2.2 New and amended standards and interpretations

New accounting pronouncements and amended standards adopted by the Company

In preparing the financial statements, the Company has adopted all relevant accounting standards applicable for accounting periods beginning on or after 1 January 2024. The Company has consistently applied the accounting policies as set out in Note 2 to the period presented in these financial statements.

New standards, interpretations and amendments effective from 1 January 2024

The following standards and amendments to standards are required to be applied for future annual periods and some are available for early adoption.

Description	Effective date (financial year beginning)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

The Directors have reviewed those standards and interpretations that are effective from 1 January 2024 and assessed that none of those standards and interpretations have had a material impact to the Company’s financial statements.

2 Material accounting policy information (continued)

2.2 New and amended standards and interpretations (continued)

New standards, amendments and interpretations not yet adopted

Description	Effective date (financial year beginning) *
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
Contracts Referencing Nature-dependent Electricity – 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
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Indefinitely deferred**

*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.

**In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

For IFRS 18 Presentation and Disclosure in Financial Statements and Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7, the Company is currently identifying the impact of the amendments on the primary financial statements.

The Directors have considered the new standards, amendments and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements and do not plan to adopt these standards early. The application of all of these standards, amendments or interpretations have been considered in detail in advance of the confirmed effective date by the Company, with no material impact anticipated for the financial statement.

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 period 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 at FVTPL, 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. Such techniques may include 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 fair value of 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. The carrying amounts of assets and liabilities are set out in Note 12 Financial Assets at FVTPL and Note 14 Financial Liabilities issued at FVTPL.

For Level 2 and Level 3 financial assets, the fair values are 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 Price Risk Note.

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 Material accounting policy information (continued)

2.4 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in Euro denoted by the symbol "€" which is the Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the 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 at amortised cost using the effective interest method. For financial instruments at FVTPL interest income and expense are recognised using nominal interest. Interest on the Subordinated Notes is determined in accordance with the interest proceeds priority of payments as set out in the offering circular. Payment of interest on the Subordinated Notes will only be made to the extent of the funds available after payments of expenses and interest on rated Notes, as per the priority of payments, as set out in the offering circular regardless of the amount accrued during an accounting period.

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 temporary differences. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of reporting year date. Deferred tax is provided to the extent that it is recoverable, 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, other short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents are subsequently measured at amortised cost.

2.9 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.

2.10 Financial instruments

The financial instruments held by the Company include the following:

- Financial assets;
- Financial liabilities;

2 Material accounting policy information (continued)

2.10 Financial instruments (continued)

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, cash and cash equivalents and unsettled trades.

At year end, the total of expected credit losses on the interest receivable on financial assets at FVTPL, cash and cash equivalents and unsettled trades was immaterial and on which a nil loss allowance had been recognised (2023: Nil). No assets are considered impaired and no amounts have been written off in the period.

Financial assets measured at FVTPL

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

- 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. The bonds and loans are mandatorily classified as measured at FVTPL.

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 or if has been designated at FVTPL. 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.

The Company includes in this category, Notes issued and designated at FVTPL. Notes issued are recognised initially at fair value and are subsequently measured at FVTPL.

2 Material accounting policy information (continued)

2.10 Financial instruments (continued)

Financial liabilities (continued)

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 payable on financial liabilities at FVTPL.

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 marketplace (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 Statement of Comprehensive Income.

Financial assets and financial liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus/minus 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 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 subsequently at amortised cost using the effective interest method. Gains and losses are recognised in Statement of Comprehensive Income 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:

- 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.

2 Material accounting policy information (continued)

2.10 Financial instruments (continued)

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets classified as measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses which are measured as the present value of all cash shortfalls which is the difference between the cash flows due to the Company in accordance with the contract and the cash flows the Company expects to receive. An approach similar to the simplified approach for expected credit losses is used by the Company in estimating these losses. As all such financial assets held by the Company are short-term in nature, changes in credit risk are not tracked and instead loss allowances calculated will be estimated lifetime expected credit losses. The Company considers both historical analysis and forward-looking information (including macroeconomic and market data) in determining any expected credit loss. If a loss allowance on financial assets classified as measured at amortised cost is recognised, this amount is deducted from the gross carrying amount of the assets. In the event that the Company has no reasonable expectations of recovering a financial asset, the gross carrying amount is written off in its entirety.

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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of financial assets and financial liabilities that are traded in active markets, Level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques.

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 price risk 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 Material accounting policy information (continued)

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

Unrealised 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.

2.12 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.

2.13 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.

2.14 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 calculation agent 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.

2.15 Administrative expenses

All operating expenses are accounted for on an accruals basis. Administrative expenses include amounts accrued for expenses such as investment management fees, audit and tax fees incurred at the year -end.

3 Financial Risk Management

Background to financial risks

The Company has been established with a specific purpose to issue debt obligations, and generate a risk adjusted return for the investors through the acquisition of Portfolio Assets. The Company invests in a portfolio of assets consisting of predominantly:

- Senior Secured Loans;
- Senior Secured Bonds;
- Unsecured Obligations;
- Second Lien Loans;
- Mezzanine Obligations; and
- High Yield Bonds.

All such financial assets have greater credit and liquidity risk than investment grade sovereign or corporate loans. The lower rating of below investment grade collateral reflects a greater possibility that adverse changes in the financial condition of an issuer or borrower or in general economic conditions or both may impair the ability of the relevant borrower or issuer, as the case may be, to make payments of principal or interest.

3 Financial Risk Management (continued)

Background to financial risks (continued)

Senior Obligations, Second Lien Loans and Mezzanine Obligations are of a type generally incurred by the Obligors in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the borrower in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Senior Obligations and Second Lien Loans are typically at the most senior level of the capital structure with Second Lien Loans and Mezzanine Obligations being subordinated to any Senior Obligations or to any other senior debt of the Obligor.

Senior Secured Loans and Senior Secured Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto.

Second Lien Loans and Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Obligations do not have the benefit of such security. Senior Obligations usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

The financial markets periodically experience substantial fluctuations in prices, and limited liquidity for such Portfolio Assets. A decrease in the market value of the Portfolio Assets would adversely affect the proceeds of sale that could be obtained upon the sale of the Portfolio Assets and could ultimately affect the ability of the Company to pay in full or redeem the Notes.

Financial Risks

The Company is exposed to a variety of financial risks as a result of the above trading activity, as outlined below:

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to Noteholders through the optimisation of the debt and equity balances. The capital managed by the Company comprises of ordinary share outstanding, retained earnings and the Notes issued and outstanding as at the year-end, please refer to the Financial liabilities issued at FVTPL note to the financial statements. The Company is not subject to externally imposed capital requirements. There were no changes to the policies and procedures during the period with respect to the Company's approach to its capital management program.

Interest rate risk

There is a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Portfolio Assets and Eligible Investments (such as Portfolio Asset principal proceeds). Such a mismatch may change from time to time as the composition of the related Portfolio Assets and Eligible Investments change, and as the liabilities of the Company accrue or are repaid, and the mismatch may be material. As a result of such mismatches, changes in the level of benchmark rates could adversely affect the ability to make payments on the Notes.

Currency risk

The percentage of the Portfolio that is comprised of Non-Euro financial assets may increase or decrease over the life of the Notes within the limits set by the transaction documentation. Notwithstanding that Non-Euro financial assets may be subject to cross currency swap transactions, losses may be incurred due to fluctuations in the currency exchange rates for currencies in which Portfolio Assets are denominated and in the event of a default by the cross currency swap counterparty which, in each case, may lead to the proceeds of the Portfolio being insufficient to pay all amounts due to the respective classes of Noteholders. In addition, fluctuations in euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale.

Credit risk

Risks applicable to Portfolio Assets also include the possibility that earnings of the Obligor (represented in the Portfolio financial assets) may be insufficient to meet its debt service obligations. In addition, the declining creditworthiness and potential for insolvency of the obligor of such Portfolio Assets will accentuate during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and adversely affect the value thereof and the ability of the obligor to repay principal and interest.

3 Financial Risk Management (continued)

Financial Risks (continued)

Counterparty risk

In the execution of its responsibilities under the Investment Management agreement, the Investment Manager enters into transactions, which involve the Company entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Company under certain circumstances. The Company will be exposed to the credit risk of the counterparty with respect of any such payments. Similarly, the Company will be exposed to the credit risk of the Account Bank and the Custodian to the extent of all cash of the Company held in the Accounts and all Collateral of the Company held by the Custodian.

Concentration risk

Although no significant concentration with respect to any particular obligor, industry or country is expected to materialise due to the investment criteria established, the concentration of the Portfolio in any one obligor would subject the Notes to a greater degree of risk with respect to defaults by such obligor, and the concentration of the Portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry.

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 make-whole. 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.

Reinvestment risk

Any inability of the Company to reinvest payments or other proceeds in Portfolio Assets with comparable interest rates in compliance with the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Notes. There can be no assurance that the Company will be able to reinvest proceeds in Portfolio Assets with comparable interest rates in compliance with the Reinvestment Criteria or as to the length of any delays before such investments are made.

To the extent the Investment Manager maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, portfolio income will be reduced which will result in reduced amounts available for payment on the Notes. In general, the larger the amount and the longer the time period during which cash balances remain uninvested the greater the adverse impact on portfolio income which will reduce amounts available for payment on the Notes, especially the Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. 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.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. To manage the price risk, the Investment Manager ensures that all financial assets acquired are within the eligibility criteria as set out per the offering circular and the relevant portfolio tests are observed. The financial assets are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect profit or loss. The market price risk of the financial assets is borne by the holders of financial liabilities issued and thus market price changes have no net impact on the equity or the results of the Company.

3 Financial Risk Management (continued)

Management of Financial Risks

The financial risks which are described above are managed in the following manner:

Notes are limited recourse obligations

The Notes are limited recourse obligations of the Company. Therefore, amounts due on the Notes are payable solely from the Portfolio Assets and all other Collateral secured by the Company for the benefit of the Noteholders and other Secured Parties pursuant to the Priorities of Payment. Consequently, Noteholders must rely solely on distributions on the Portfolio Assets for payments on the Notes. If distributions on such Portfolio Assets are insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency and all obligations of the Company and any claims against the Company in respect of the Notes will be extinguished and will not revive. Following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payment, the obligations of the Company to pay such deficiency shall be extinguished. Such shortfall will be borne by the Noteholders and the other Secured Parties in accordance with the Priorities of Payment.

The limited recourse nature of the obligations contribute to the management of liquidity risk.

Transaction structure

The transaction incorporating the issuance of Notes has been established based on detailed and granular projections, and the Company is designed to be resilient in challenging trading conditions, with the diversion of interest and principal proceeds to the Rated Notes in defined circumstances. The issuance of the Notes has been structured so that the Notes are assumed to be able to withstand certain assumed losses relating to defaults on the underlying Portfolio Assets. The risk remains that actual losses will exceed such assumed losses. However, in such a circumstance, the priority of payments included in the transaction documentation, and the limited recourse provisions have been established to protect the Company.

These key features of the transaction structure assist the Company in the management of financial risk.

Engagement of a reputable investment manager

The Company has engaged a reputable investment manager to manage the financial risks regarding the Portfolio. Pursuant to the terms of the Investment Management Agreement, the Investment Manager is appointed to:

- identify, select, assess and purchase on behalf of the Company Portfolio Assets which the Investment Manager determines satisfy the Eligibility and Reinvestment Criteria;
- evaluate, determine and monitor the Portfolio on behalf of the Company, and to effect on behalf of the Company such changes to the Portfolio from time to time as the Investment Manager considers appropriate taking account of the objectives of the Company, the Eligibility Criteria and the Reinvestment Criteria.

The appointment of a reputable investment manager is a key feature in the management of all of the afore-mentioned risks.

Management of Portfolio trading

- The Investment Manager, in respect of each Portfolio Asset, is required to determine in accordance with the Investment Management Agreement that the Eligibility Criteria are satisfied as at the time of the Investment Manager entering into a binding commitment to acquire such a Portfolio Asset.
- The Investment Manager is authorised to enter into the Interest Rate Hedge Transactions in order to mitigate an interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation.
- The Company may reduce currency risk by entering into cross currency derivative financial instruments which covers both the principal and interest aspects of a non-Euro denominated financial assets.
- Counterparties in respect of trading transactions are required to satisfy the applicable Rating Requirement, upon entry into the applicable contract or instrument. The respective Portfolio Asset is retained as security until the settlement of trades.
- If the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Company shall use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement and within the time limits prescribed for such action in the applicable Transaction Documents.

These key features of the Investment Management Agreement and Offering Circular assist the Company in the management of all of the aforementioned risks.

3 Financial Risk Management (continued)

Management of Financial Risks (continued)

Adherence to Portfolio Profile Tests and Collateral Quality Tests

The Portfolio Profile Tests and Collateral Quality Tests are used as the criteria for purchasing Portfolio Assets, and monitoring the Portfolio performance, in the management of the above-mentioned financial risks.

The Collateral Administrator measures the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date.

The Portfolio Profile Tests and the Collateral Quality Tests must be satisfied after giving effect to the purchase of any Substitute Portfolio Assets or, but only to the extent expressly permitted in the Investment Management Agreement in the case of any purchase, if not satisfied prior to such purchase, the relevant thresholds and amounts calculated pursuant thereto must be maintained or improved after giving effect to such purchase when compared with the result of such tests immediately prior to such purchase of the relevant Substitute Portfolio Asset.

Payment priorities

Interest and Principal payments on the Notes are determined in accordance with the proceeds priority of payments per the offering circular, and executed under the periodic waterfall based on the remaining funds available from the proceeds. The Company manages the interest rate and liquidity risk through the application of a waterfall process and adhering to the priority of payments due to the limited recourse nature of the Notes issued by the Company and the residual return applicable to its Subordinated Notes. The interest and principal priority of payment are critical mechanisms used by the Company in the management of liquidity risk. Further to the description of the financial risks encountered by the Company and the management of those risks, included below is the quantitative information required to understand the nature of the financial risks at the financial year end.

Quantitative Information regarding the Management of Financial Risks

3.1 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 instrument. The interest rate risk profile of the financial assets and financial liabilities is disclosed below.

31 December 2024	Weighted Average Rate*	Interest bearing Fixed €	Interest bearing Variable €	Non-interest bearing €	Total €
Financial assets					
Cash and cash equivalents	-	-	25,649,455	-	25,649,455
Financial assets at FVTPL	6.81%	6,290,421	386,293,984	-	392,584,405
Trade and other receivables	-	-	-	2,905,604	2,905,604
Unsettled trades receivable	-	-	-	2,977,463	2,977,463
		6,290,421	411,943,439	5,883,067	424,116,927
Financial liabilities					
Financial liabilities at FVTPL	5.43%	-	(399,155,594)	-	(399,155,594)
Trade and other payables	-	-	-	(336,012)	(336,012)
Interest payable on financial liabilities at FVTPL	-	-	-	(2,021,510)	(2,021,510)
Unsettled trades payable	-	-	-	(22,602,310)	(22,602,310)
		-	(399,155,594)	(24,959,832)	(424,115,426)

3 Financial Risk Management (continued)

Quantitative Information regarding the Management of Financial Risks (continued)

3.1 Interest rate risk (continued)

31 December 2023	Weighted Average Rate*	Interest bearing Fixed €	Interest bearing Variable €	Non-interest bearing €	Total €
Financial assets					
Cash and cash equivalents	-	-	16,631,343	-	16,631,343
Financial assets at FVTPL	7.8%	10,133,553	329,776,524	-	339,910,077
Trade and other receivables	-	-	-	2,613,820	2,613,820
Unsettled trades receivable	-	-	-	3,960,000	3,960,000
		10,133,553	346,407,867	6,573,820	363,115,240
Financial liabilities					
Financial liabilities at FVTPL	7.05%	-	(344,804,498)	-	(344,804,498)
Trade and other payables	-	-	-	(254,250)	(254,250)
Interest payable on financial liabilities at FVTPL	-	-	-	(6,265,742)	(6,265,742)
Unsettled trades payable	-	-	-	(11,789,999)	(11,789,999)
		-	(344,804,498)	(18,309,991)	(363,114,489)

*The weighted average rate presented above is the average of the EURIBOR rates and the margin of the interest bearing variable financial assets at FVTPL and financial liabilities at FVTPL. The weighted average rate for financial liabilities at FVTPL is exclusive of Subordinated Notes.

The impact of a ±100 bps (2023: ±100bps) movement in the interest rate on the Statement of Comprehensive Income is shown as follows:

Sensitivity to a ±100bps (2023: ±100bps) movement	As at 31 December 2024 €	As at 31 December 2023 €
Movement on financial assets with variable rates	4,119,434	3,503,679
Movement on financial liabilities issued at variable rates	(3,991,556)	(3,448,045)
Adjustment on financial liabilities at FVTPL	(127,878)	(55,634)
Changes in profit for the year	-	-

As the Company has limited recourse Notes issued, all gains and losses on interest rate risk fluctuations are passed on to the Noteholders with no residual risk remaining. The sensitivity analysis refers to a percentage amount multiplied by the carrying amount of those financial instruments denominated in interest rate risk. There will be no impact on equity on account of sensitivity analysis.

3.2 Foreign exchange risk

Foreign exchange risk is the potential change in the value of foreign currency assets and liabilities caused by movement in the foreign exchange rates. The Notes issued by the Company are denominated in Euro. The proceeds of the Notes were used to buy assets in various currencies. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company has no material exposure to foreign currency at 31 December 2024 and 31 December 2023.

As the Company has limited recourse Notes issued, all gains and losses on foreign exchange fluctuations are passed on to the Noteholders with no residual risk remaining.

3 Financial Risk Management (continued)

Quantitative Information regarding the Management of Financial Risks (continued)

3.3 Credit risk

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

Standard and Poor's Ratings - Financial assets at FVTPL	As at 31 December 2024	As at 31 December 2023
A	28,182,341	15,427,860
AA	113,368,785	154,610,791
AA-	78,598,811	2,007,040
AA+	34,126,325	41,784,580
AAA	133,302,243	115,139,865
BBB	5,005,900	3,994,720
B	-	2,989,680
B-	-	1,964,531
BB-	-	1,991,010
	392,584,405	339,910,077

The S&P long term credit rating profile of the principal bankers holding the cash and cash equivalents balance is as follows:

Credit ratings	As at 31 December 2024	As at 31 December 2023
US Bank Europe DAC	A+	A+
U.S. Bank Global Corporate Trust Limited	A+	A+
Blackrock ICS Euro Liquidity Premier	Aaa	Aaa

The Investment Manager monitors the Company's exposure to various risks including obligor concentrations, and in particular industry concentrations as outlined below, and geographic concentrations, as outlined in the Segment risk and reporting note in Notes to the financial statements.

(i) Interest receivable on financial assets at FVTPL

The credit rating profile of the Interest receivable on financial assets at FVTPL would be in line with that of the financial assets disclosed above as they mainly relate to accrued interest income.

(ii) Unsettled trades

Unsettled trades include purchases or sales which are normally settled with three months after trade date. The counterparties for these financial assets are not rated.

At year end, the total of expected credit losses on the interest receivable on financial assets at FVTPL, cash and cash equivalents and unsettled trades was immaterial and on which a nil loss allowance has been recognised (2023: nil). No assets are considered impaired and no amounts have been written off in the period.

3 Financial Risk Management (continued)

Quantitative Information regarding the Management of Financial Risks (continued)

3.3 Credit risk (continued)

Financial assets not subject to IFRS 9 impairment requirements

The Company is exposed to credit risk on bonds and loans. These classes of financial assets are not subject to IFRS 9's impairment requirements as they 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 over-collateralisation tests monitor the quality of the assets used by the Company to meet its obligations to Noteholders. At year end, the total of expected credit losses on the interest receivable on financial assets at FVTPL, cash and cash equivalents and unsettled trades was immaterial and on which a nil loss allowance had been recognised (2023: nil). No assets are considered impaired and no amounts have been written off in the period.

The table below represents the maximum exposure to credit risk:

Credit risk exposures relating to financial instruments	As at 31 December 2024 €	As at 31 December 2023 €
(i) Cash and cash equivalents	25,649,455	16,631,343
(ii) Trade and other receivables	2,905,604	2,613,820
(iii) Unsettled trades receivable	2,977,463	3,960,000
(iv) Financial assets at FVTPL	392,584,405	339,910,077
	424,116,927	363,115,240

3 Financial Risk Management (continued)

Quantitative Information regarding the Management of Financial Risks (continued)

3.4 Concentration risk

The industry exposures are shown below:

S&P Industry - Financial assets at FVTPL

	% Exposure as at 31 December 2024	% Exposure as at 31 December 2023
Auto Components	2%	-
Automobiles	1%	3%
Building Products	4%	4%
Chemicals	5%	4%
Commercial Services & Supplies	2%	3%
Construction & Engineering	2%	1%
Containers & Packaging	1%	2%
Diversified Consumer Services	8%	8%
Diversified Financial Services	5%	2%
Diversified Telecommunication Services	5%	6%
Electrical Equipment	-	1%
Energy Equipment & Services	1%	-
Food & Staples Retailing	7%	5%
Food Products	5%	2%
Healthcare Equipment & Supplies	1%	3%
Healthcare Providers & Services	7%	6%
Hotels, Restaurants & Leisure	3%	3%
Industrial Conglomerates	1%	1%
Insurance	2%	-
Internet Software and Services	2%	2%
Leisure Products	-	2%
Machinery	1%	1%
Media	7%	6%
Multiline Retail	3%	4%
Others	2%	9%
Pharmaceuticals	9%	7%
Professional Services	2%	2%
Real Estate Management & Development	-	1%
Semiconductors & Semiconductor Equipment	-	1%
Software	6%	7%
Technology Hardware, Storage & Peripherals	2%	1%
Textiles, Apparel & Luxury Goods	2%	2%
Wireless Telecommunication Services	1%	1%
IT Services	1%	-
	100%	100%

3.5 Liquidity risk

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

3 Financial Risk Management (continued)

Quantitative Information regarding the Management of Financial Risks (continued)

3.5 Liquidity risk (continued)

31 December 2024

Financial liabilities	Carrying amount €	Gross Contractual Cashflows €	Up to 1 year €	1-2 years €	2-5 years €	Over 5-years €
Trade and other payables	336,012	(336,012)	(336,012)	-	-	-
Interest payable on financial liabilities at FVTPL	2,021,510	(273,240,768)	(20,215,100)	(20,215,100)	(60,645,300)	(172,165,268)
Unsettled trades payable	22,602,310	(22,602,310)	(22,602,310)	-	-	-
Financial liabilities at FVTPL	399,155,594	(406,550,000)	-	-	-	(406,550,000)
	424,115,426	(702,729,090)	(43,153,422)	(20,215,100)	(60,645,300)	(578,715,268)

31 December 2023

Financial liabilities	Carrying amount €	Gross Contractual Cashflows €	Up to 1 year €	1-2 years €	2-5 years €	Over 5-years €
Trade and other payables	254,250	(254,250)	(254,250)	-	-	-
Interest payable on financial liabilities at FVTPL	6,265,742	(249,485,684)	(21,720,640)	(21,720,640)	(65,161,920)	(140,882,484)
Unsettled trades payable	11,789,999	(11,789,999)	(11,789,999)	-	-	-
Financial liabilities at FVTPL	344,804,498	(342,550,000)	-	-	-	(342,550,000)
	363,114,489	(604,079,933)	(33,764,889)	(21,720,640)	(65,161,920)	(483,432,484)

Interest payable on Notes has been calculated using the assumption that the year end EURIBOR rate would remain unchanged in the future. Interest on Subordinated Notes was not included since it will be determined in accordance with the interest proceeds priority per offering circular.

4 Price Risk

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

Valuation methodologies

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

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

1. Quoted (unadjusted) prices in active markets for identical assets or liabilities;
2. Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
3. Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The tables below provide an analysis of the basis of measurement used by the Company for its financial instruments that are carried at fair value as per the above hierarchy.

31 December 2024	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Financial assets at FVTPL - Loans	-	368,856,678	8,732,636	377,589,314
Financial assets at FVTPL - Bonds	-	14,995,091	-	14,995,091
	-	383,851,769	8,732,636	392,584,405
Financial liabilities				
Financial liabilities at FVTPL	-	-	399,155,594	399,155,594
	-	-	399,155,594	399,155,594

31 December 2023	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Financial assets at FVTPL - Loans	-	318,181,184	4,972,500	323,153,684
Financial assets at FVTPL - Bonds	-	16,756,393	-	16,756,393
	-	334,937,577	4,972,500	339,910,077
Financial liabilities				
Financial liabilities at FVTPL	-	-	344,804,498	344,804,498
	-	-	344,804,498	344,804,498

Level 3 reconciliation - Financial assets at FVTPL	As at 31 December 2024 €	As at 31 December 2023 €
Loans and Bonds		
Balance at the beginning of the year	4,972,500	-
Purchases of financial assets at FVTPL	5,945,038	4,850,000
Disposal of financial assets at FVTPL	(2,022,686)	-
Fair value movements	(162,216)	122,500
Balance at the end of the year	8,732,636	4,972,500

4 Price Risk (continued)

The fair values of financial assets classified under Level 2 are determined by quoted prices and latest prices executed for a similar asset. The financial assets at FVTPL in the portfolio are primarily priced using broker quotes sourced from Markit. The Company does not make any adjustments to the broker quotes obtained. During the year assets are transferred to Level 3 if there is less liquidity in the market for those assets.

Similarly, assets are transferred out of Level 3 if there is increased observability of prices in the market for those assets. Fair values are obtained by reference to recent market transactions, counterparty quotes and valuation techniques, including discounted cash flow models and options pricing models as appropriate. Other Level 3 investments may be valued by the Investment Manager's internal credit analysts who use comparable market data and the underlying performance of the asset and quotes from brokers. When there are only single broker quote(s) available, the Company considers that the security is trading in an illiquid or inactive market. The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. No such transfers occurred during the period ending 31 December 2024.

As per IFRS 13, an entity is not required to create quantitative information for Level 3 instruments to comply with the disclosure requirements of the standard if the quantitative unobservable inputs are not developed by the entity when measuring fair value. Based on this, The Board believes that there is no need to disclose further the quantitative unobservable inputs used to determine the fair value and the sensitivity analysis, as the quantitative unobservable inputs are not developed by the entity when measuring fair value. The entity is using third-party pricing information without any adjustment.

The carrying value of all other financial assets and liabilities (that are not at FVTPL) closely approximate fair value due to short term maturity. Please refer to the financial liabilities at FVTPL note 14 of the financial statements for the reconciliation of Level 3 financial liabilities at FVTPL.

Sensitivity analysis

Any changes in the prices of the financial assets at FVTPL 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.

A 5% movement in prices would have the following impact:

Description	As at 31 December 2024 €	As at 31 December 2023 €
5% net movement in market price	19,629,220	16,746,879
Adjustment on Notes issued at FVTPL	(19,629,220)	(16,746,879)
Changes in profit for the year	-	-

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

5 Interest and similar income

	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Interest income on financial assets at FVTPL	29,594,701	25,579,523

6 Interest expense

	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Interest expense on financial liabilities at FVTPL - Senior Notes	(22,460,315)	(19,389,918)
Interest expense on financial liabilities at FVTPL - Subordinated Notes	(11,544,517)	(8,030,743)
	(34,004,832)	(27,420,661)

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

	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Gain on disposal of financial assets at FVTPL	5,838,270	3,931,032
Loss on disposal of financial assets at FVTPL	(398,488)	(216,146)
	5,439,782	3,714,886

8 Administrative expenses

	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Legal and professional fees	99,519	1,323
Collateral manager fees	1,930,677	1,719,932
Trustee, custody and collateral administration fees	99,452	92,583
Auditors' fees	60,594	33,920
Tax compliance fees	4,305	2,460
Arranger fees	772,500	-
Refinancing expenses	761,945	-
Other expenses	208,189	212,361
Rating fees	114,984	61,866
	4,052,165	2,124,445

Refinancing expenses and Arranger fees refer to the Reset from 14 May 2024. The Company has no employees (2023: nil). No fees were paid to directors during the year (2023: nil). Accounting and corporate secretarial services have been outsourced to the Administrator. The scope of corporate services agreement with the Administrator includes directorship service and hence administration fees paid to Administrator includes fees paid for directorship service. This is consistent with the provisions of Sections 305A of the Companies Act 2014 (as amended), that consideration paid, is paid to the Administrator for making available the services of directors of the Company. Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) TMF Administration Services Limited received an estimate of €3,500 (2023: €3,500) as consideration for the making available of individuals to act as directors of the Company. The terms of the corporate service 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). As a result, the allocation of fees for directorship is a subjective calculation. There was nil outstanding at year end. 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, the directors of the Company do not receive any remuneration for acting as directors of the Company.

8 Administrative expenses (continued)

The table below details fees payable to the auditors (inclusive of VAT):

	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Audit of individual accounts	60,594	33,920
	60,594	33,920

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

9 Corporation Tax

	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Profit on ordinary activities before tax	1,000	1,000
Profit on ordinary activities at the standard rate of Irish corporation tax for the year of 12.5%	125	125
Effects of:		
Higher rate tax applicable under Section 110 TCA, 1997 of 12.5%	125	125
Current tax charge for the year	250	250

The Company is a qualifying company within the meaning of Section 110 of the TCA. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of Schedule D.

10 Cash and cash equivalents

	As at 31 December 2024 €	As at 31 December 2023 €
Cash and cash equivalents	25,649,455	16,631,343

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.There are no restrictions on the cash as at 31 December 2024 (2023: none).

The Money Market Funds balance for the financial year is €22,598,793 (2023: €Nil).

Money Market Funds are deemed to be cash equivalents as they are used in the management of the Company’s short term commitments and have a weighted average maturity of 90 days or less. The Money Market Funds are held by Blackrock ICS Euro Liquidity Premier. These balances are not restricted. The remaining cash and cash equivalents are held by Elavon Financial Services DAC (2023: same).

11 Trade and other receivables

	As at 31 December 2024 €	As at 31 December 2023 €
Accrued interest on financial assets at FVTPL	2,850,253	2,613,511
Other receivables	55,351	309
	2,905,604	2,613,820

The Company's exposure to credit and market risks, relating to trade and other receivables is disclosed in financial risk management note.

Trade and other receivables are recoverable within 12 months from the Statement of Financial Position date.

12 Financial assets at FVTPL

	As at 31 December 2024 €	As at 31 December 2023 €
Balance at the beginning of the year	339,910,077	321,683,849
Purchases of financial assets at FVTPL	151,330,424	103,014,744
Disposal of financial assets at FVTPL	(98,638,435)	(102,447,895)
Net realised gain on disposal of financial assets at FVTPL	5,439,782	3,714,886
Fair value movement on financial assets at FVTPL	(5,457,443)	13,944,493
Balance at the end of the year	392,584,405	339,910,077

Please refer to the interest rate risk disclosure in the Financial Risk Management Note 3 for details on the weighted average interest rate.

The Portfolio primarily consists of bonds and loans in EUR. The assets held by the Company are pledged as security for the Notes issued. All financial assets at FVTPL have contractual maturity of more than 12 months from statement of financial position date.

13 Changes in liabilities arising from financing activities

	31 December 2024		31 December 2023	
	Financial liabilities at FVTPL €	Interest payable €	Financial liabilities at FVTPL €	Interest payable €
Balance at the beginning of the year	344,804,498	6,265,742	330,858,216	1,761,465
Cash flows				
Issuance of financial liabilities at FVTPL	370,940,000	-	-	-
Redemption of financial liabilities at FVTPL	(308,000,000)	-	-	-
Interest paid	-	(38,249,064)	-	(22,916,384)
Non-cash				
Interest expense accrued	-	34,004,832	-	27,420,661
Fair value movement	(8,588,904)	-	13,946,282	-
	399,155,594	2,021,510	344,804,498	6,265,742

14 Financial Liabilities issued at FVTPL

The details of the Notes issued on the Euronext Dublin are as follows:

Class	As at Par Value €	Initial Credit Rating	Initial stated interest rate*	Alternative stated interest rate***	Final maturity	Initial offer price
A	240,000,000	AAA	3-month Euribor + 1.60%	6-month Euribor + 1.60%	24 May 2038	100.00%
B	52,000,000	AA	3-month Euribor + 2.30%	6-month Euribor + 2.30%	24 May 2038	100.00%
C	26,000,000	A	3-month Euribor + 3.00%	6-month Euribor + 3.00%	24 May 2038	100.00%
D	25,000,000	BBB-	3-month Euribor + 4.05%	6-month Euribor + 4.05%	24 May 2038	100.00%
E	17,000,000	BB-	3-month Euribor + 7.08%	6-month Euribor + 7.08%	24 May 2038	98.00%
F	12,000,000	B-	3-month Euribor + 8.37%	6-month Euribor + 8.37%	24 May 2038	94.00%
Subordinated Notes**	34,550,000	Not Rated	N/A*	N/A*	24 May 2038	100.00%
Total	406,550,000					

* Interest on the Subordinated Notes is determined in accordance with the interest proceeds priority of payments as set out in the offering circular. Payment of interest on the Subordinated Notes will only be made to the extent of the funds available after payments of expenses and interest on other class Notes, as set out in the priority of payments, regardless of the amount accrued during an accounting period.

** The Subordinated Notes, issued on the Original Issue Date with a principal amount outstanding of €34,550,000 are not being offered pursuant to this Offering Circular. Payment of interest on the Subordinated Notes will be made on an available funds basis in accordance with the Priorities of Payment.

*** Applicable at all times following the occurrence of a Frequency Switch Event, provided that the rate of interest of the Rated Notes of each Class for the period from, and including, the final Payment Date before the Maturity Date to, but excluding, the Maturity Date will, if such first mentioned Payment Date falls on February 2038, be determined by reference to three month EURIBOR.

14 Financial Liabilities issued at FVTPL (continued)

Class	As at 1 January 2024 €	Issued during the year €	Redeemed during the year €	Fair value movement €	As at 31 December 2024 €
Class A-R	-	240,000,000	-	-	240,000,000
Class B-R	-	52,000,000	-	-	52,000,000
Class C-R	-	26,000,000	-	-	26,000,000
Class D-R	-	25,000,000	-	-	25,000,000
Class E-R	-	17,000,000	-	-	17,000,000
Class F-R	-	12,000,000	-	-	12,000,000
A	210,000,000	-	(210,000,000)	-	-
B	35,000,000	-	(35,000,000)	-	-
C	24,500,000	-	(24,500,000)	-	-
D	22,500,000	-	(22,500,000)	-	-
E	16,000,000	-	(16,000,000)	-	-
Subordinated Notes	34,550,000	-	-	-	34,550,000
Discount on Notes	(8,724,000)	(1,060,000)	-	8,724,000	(1,060,000)
Fair value adjustments on Notes*	10,978,498	-	-	(17,312,904)	(6,334,406)
	344,804,498	370,940,000	(308,000,000)	(8,588,904)	399,155,594

Class	As at 1 January 2023 €	Issued/ (Redeemed) during the year €	Fair value movement €	As at 31 December 2023 €
A	210,000,000	-	-	210,000,000
B	35,000,000	-	-	35,000,000
C	24,500,000	-	-	24,500,000
D	22,500,000	-	-	22,500,000
E	16,000,000	-	-	16,000,000
Subordinated Notes	34,550,000	-	-	34,550,000
Discount on Notes	(8,724,000)	-	-	(8,724,000)
Fair value adjustments on Notes*	(2,967,784)	-	13,946,282	10,978,498
	330,858,216	-	13,946,282	344,804,498

*Fair value adjustments on notes will be borne by the Subordinated Noteholders up to the extent of its holdings in accordance with the "Subordination of the Notes" clause per prospectus.

Level 3 reconciliation - Financial liabilities at FVTPL	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Balance at the beginning of the year	344,804,498	330,858,216
Issuance of Notes at FVTPL	370,940,000	-
Redemption of financial liabilities at FVTPL	(308,000,000)	-
Fair value movements	(8,588,904)	13,946,282
Balance at the end of the year	399,155,594	344,804,498

The Changes in fair value on level 3 notes of gain €8,591,464 (2023: loss €13,944,492) is included in the fair value movement on financial liabilities issued at FVTPL line in the Statement of Comprehensive Income.

14 Financial Liabilities issued at FVTPL (continued)

The changes in fair value of Notes issued is predominantly attributable to the change in fair value of the Company's investment securities due to the limited recourse arrangement in place. Net fair value gain/loss is allocated to the Subordinated class of notes. Any excess in net fair value gain/loss is allocated over the next class of notes in reverse order of seniority as follows: Class F-R, Class E-R, Class D-R, Class C-R, Class B-R, Class A-R.

On the 17 May 2024, the Rated Notes were redeemed and refinanced to take advantage of more favourable terms, including lower interest rates and improved maturity profile. Please refer to the final maturity date in the table below. The Notes may be redeemed before their final legal maturity in certain circumstances, in whole or in part, on any payment date if the relevant coverage tests are not satisfied. The Company may redeem the Notes sequentially in order of seniority according to payment priority, using available principal, interest and sale proceeds. The Notes issued are limited recourse debt obligations which are payable solely out of amounts received by or on behalf of the Company in respect of the Portfolio and other collateral securing the Notes. There are no failed profile tests as of year end, and this does not create a mandatory redemption of financial liabilities at FVTPL.

Interest on the senior Notes is payable quarterly in arrears on each payment date in accordance with the priority of payments. Pursuant to the priority of payments, if interest is not paid on the Rated Notes on any payment date, such amounts will be deferred and will bear interest at the interest rate applicable to such Notes. The failure to pay such amounts will not be an event of default under the offering circular. The following events would constitute an event of default: non-payment of principal when principal amounts become due and payable on all classes of Notes, default under the priorities of payment, breach of conditions of the trust deed, insolvency proceedings and illegality.

Please refer to the re-investment period of the Company in the table below. The Notes will be subject to redemption in part by the Issuer on any payment date during the reinvestment period if the Investment Manager certifies to the Trustee that it has been unable, for a period of at least 20 consecutive business days, to identify additional assets that meet the eligibility criteria necessary to permit the investment of all or a portion of funds held in the principal account. Should these circumstances arise and the Notes are underfunded by the portfolio, leading to a special redemption, the redemption amount will be applied in accordance with priorities of payments.

Interest on the Notes is payable quarterly in arrears as listed in the table below.

Company issued Notes on:	17 May 2024
Company issued Par Value Notes of:	€ 406,550,000.00
Market of issuance	Global Exchange Market
Final maturity date:	24 May 2038
Reinvestment period:	24 November 2028
Interest payment dates:	24 February, 24 May, 24 August and 24 November

The Notes are secured by a pledge over the principal amount of financial assets except those assets attributable to the shareholder. Any reduction in the realisable value of the assets will have a corresponding and equal effect on the repayment obligation of the Notes issued by the Company. The principal amount of the financial assets at FVTPL except those assets attributable to the shareholder is €399,494,440 (2023: €346,852,834) with fair value of €392,584,405 (2023: €339,910,077).

15 Unsettled trades

	As at 31 December 2024 €	As at 31 December 2023 €
Unsettled trades for loans sold and paydowns – assets	2,977,463	3,960,000
Unsettled trades for loans purchased – liability	(22,602,310)	(11,789,999)

16 Interest payable on financial liabilities at FVTPL

	As at 31 December 2024 €	As at 31 December 2023 €
Interest payable on financial liabilities issued at FVTPL	2,021,510	6,265,742

16 Interest payable on financial liabilities at FVTPL (continued)

There was no interest that deferred due to insufficiency of proceeds during the financial year ended 31 December 2024 (2023: none).

Included in interest accrued on Notes is €Nil interest accrued on the subordinated Notes as at 31 December 2024 (2023: €4,033,343).

Interest in respect of all Notes shall only become payable to the extent that interest proceeds are available to make such payment in accordance with the priorities of payment as set out in the offering circular.

Interest is accrued from date of issue up to year end based on the coupon as disclosed in financial liabilities issued at FVTPL note. Interest on the Notes is payable quarterly in arrears on 24 February, 24 May, 24 August and 24 November in each year. All interest accrued on Notes are due within 12 months from Statement of Financial Position.

17 Share capital

Authorised	**As at 31 December 2024**		**As at 31 December 2023**	
	No.	**€**	**No.**	**€**
Ordinary shares of €1 each	10,000,000	10,000,000	10,000,000	10,000,000

Allotted, called up and paid	**As at 31 December 2024**		**As at 31 December 2023**	
	No.	**€**	**No.**	**€**
Ordinary shares of €1 each	1	1	1	1

The Company has issued 1 share, which is held by TMF Management (Ireland) Limited on behalf of a charitable trust. TMF Management (Ireland) Limited is not the beneficial owner and no individual owner will benefit from 25% or more in the Company.

As the entity is an orphan vehicle, the Company does not have immediate, ultimate parent and controlling party.

18 Trade and other payables

	As at 31 December 2024 €	**As at 31 December 2023 €**
Trade and other payables	336,012	254,000
Corporation tax payable	-	250
	336,012	254,250

All trade and other payable are due within 12 months from Statement of Financial Position.

19 Contingent liabilities and commitments

There were no contingent liabilities or commitments as of 31 December 2024 (2023: none). Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the financial year in which the changes in probability occur.

20 Related party transactions

Accounting and corporate secretarial services have been outsourced to the Administrator. The scope of corporate services agreement with the Administrator includes directorship service and hence administration fees paid to Administrator include fees paid for directorship services. This is in accordance with the provision of Sections 305A of the Companies Act 2014 (as amended), that the considerations paid, is paid to the Administrator for making available the services of directors of the Company. Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) TMF Administration Services Limited received an estimate of €3,500 (2023: €3,500) as consideration for the making available of individuals to act as directors of the Company. The terms of the corporate service 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). As a result, the allocation of fees for directorship is a subjective 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, the directors of the Company do not receive any remuneration for acting as directors of the Company.

The Collateral manager earned senior collateral management fees as stated in the table below.

The Collateral manager earned subordinated collateral management fees as stated in the table below. This fee is senior to the payments on the Subordinated Notes per annum but subordinated to the payments on the Rated Notes.

	As at 31 December 2024 €	**As at 31 December 2023 €**
Administrator’s fees	29,073	20,304
Administrator’s fees - payable at the financial year end	2,280	
Senior management fee rate	0.15%	
Senior investment management fees	506,717	343,986
Senior investment management fees - payable at the financial year end	59,385	35,261
Subordinated management fee rate	0.35%	
Subordinated investment management fees	1,423,960	1,375,946
Subordinated investment management fees - payable at the financial year end	138,565	141,042
Interest expense paid to Subordinated notes held by CQS Loan Funding Limited*	8,203,123	2,840,410
Interest payable to Subordinated notes held by CQS Loan Funding Limited*	-	2,865,950
Subordinated Notes held by CQS Loan Funding Limited*	24,550,000	24,550,000
Interest expense paid to Subordinated notes held by CQS ACS Fund Notes*	3,341,394	1,156,990
Subordinated Notes held by CQS ACS Fund Notes*	10,000,000	10,000,000
Interest payable to Subordinated notes held by CQS ACS Fund Notes*	-	1,167,393

*Subordinated notes held by CQS Loan Funding Limited and CQS ACS Fund Notes. The Company, CQS Loan Funding Limited and CQS ACS Fund Notes are managed by CQS (UK) LLP.

21 Charges

The Notes are secured in favor of the Trustee for the benefit of the Noteholders by security over the Portfolio of financial assets. The Notes are also secured by an assignment by way of security of various of the Company's other rights, including its rights under the agreements entered by the Company.

22 Significant 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.

23 Segment risk and reporting

IFRS 8 “Operating Segments” requires an entity to disclose information about its segments which enables users to evaluate the nature and financial effects of its business activities and the economic environments in which it operates. 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 financial result from this segment are equivalent to the financial statements of the Company as a whole. As required by IFRS 8 Operating Segments (“IFRS 8”), the information provided to the Board, who are the Chief Operating Decision Makers, can be classified into one segment as at 31 December 2024 and 2023.

(i) Revenue from major products and services

The Company’s revenue is generated from the Portfolio held during the year. The Company has no other product or revenue generating source. The Company has no major customer generating significant revenue.

(ii) Geographical information

The Company’s revenue by geographical location is detailed below. The calculation of the revenue is an allocation based on the investment percentage per geographical location. The result is a fair approximation of the actual revenue per geographical location.

Geographical concentration by revenue	Exposure 31 December 2024 €	Exposure 31 December 2023 €
United Kingdom	8,320,017	7,343,885
France	5,925,116	4,665,980
Netherlands	3,410,250	1,756,933
Luxembourg	3,217,163	3,774,019
United States	2,345,480	2,839,007
Germany	2,288,891	1,739,332
Spain	2,124,506	1,161,005
Sweden	1,056,784	953,846
Italy	377,366	300,618
Finland	227,110	453,279
Belgium	226,209	-
Norway	75,809	-
Canada	-	440,582
Czech Republic	-	151,037
Total	29,594,701	25,579,523

23 Segment risk and reporting (continued)

Geographical concentration of investments	Exposure 31 December 2024 €	Exposure 31 December 2023 €
United Kingdom	110,368,035	97,588,234
France	78,598,811	62,003,247
Netherlands	45,238,197	23,346,770
Luxembourg	42,676,829	50,150,548
United States	31,113,635	37,725,771
Germany	30,362,967	23,112,880
Spain	28,182,341	15,427,860
Sweden	14,018,620	12,675,055
Italy	5,005,900	3,994,720
Finland	3,012,690	6,023,340
Belgium	3,000,750	-
Norway	1,005,630	-
Canada	-	5,854,612
Czech Republic	-	2,007,040
	392,584,405	339,910,077

24 Approval of financial statements

The Board approved and authorised for issue these financial statements on the date included in the Statement of Financial Position.