
SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

COMPANY INFORMATION

DIRECTORS	Michael Drew ¹ Mark Gordon ¹ (resigned 20 February 2025) Jason Lee ¹ (appointed 20 February 2025)
COMPANY REGISTRATION NUMBER	708114
COMPANY SECRETARY	MFD Secretaries Limited 32 Molesworth Street Dublin 2 D02 Y512 Ireland
REGISTERED OFFICE	32 Molesworth Street Dublin 2 D02 Y512 Ireland
CORPORATE ADMINISTRATOR	Maples Fiduciary Services (Ireland) Limited 32 Molesworth Street Dublin 2 D02 Y512 Ireland
COLLATERAL CUSTODIAN AND BANKER	Wells Fargo Bank N.A. 420 Montgomery Street San Francisco CA 94104 United States of America
INDEPENDENT AUDITOR	Deloitte Ireland LLP Chartered Accountants & Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace D02 AY28 Dublin 2 Ireland
LEGAL ADVISORS	Arthur Cox 10 Earlsfort Terrace D02 T380 Dublin 2 Ireland
NOTEHOLDER AND INITIAL PURCHASER	Spruce Investors IV L.P. PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
INVESTMENT MANAGER	KKR Credit Advisors (US) LLC 50 th Floor, 555 California Street San Francisco CA 94104 United States of America

¹ Non-executive director

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements of Spruce Investors IV Designated Activity Company (the "Company") for the financial year ended 31 December 2024.

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

The Company is a designated activity company which was incorporated on 16 November 2021, under the laws of Ireland with a registration number 708114.

The Company has been formed for the purpose of taking part in a transaction the purpose of which is the acquisition and financing of certain debt obligations and other assets. The Company has not commenced operations or acquired any financial assets to date.

On 30 May 2022, the Company entered into a profit participating loan facility with Spruce Investors IV L.P. (the "Initial Purchaser") (the "Note Purchase Agreement"). In accordance with the Note Purchase Agreement, the Initial Purchaser will make available to the Company funding of up to USD 10,000,000,000 ("Available Commitment") under a Delayed Draw Note with a maturity date of 31 December 2052 (the "Note"). The Notes were listed on the multilateral trading facility of the Vienna Stock Exchange on 20 July 2022. The Notes were de-listed from the multilateral trading facility of the Vienna Stock Exchange on 16 February 2026.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company was dormant during the financial year and did not undertake any investment activity.

The ongoing conflicts in various locations around the world during the year have led to continued disruption, instability and volatility in global markets, economies and industries that has negatively impacted our business, results of operations and financial condition. There has been significant volatility in certain equity, debt and currency markets, material increases in certain commodity prices, and economic uncertainty. The long-term impact of these conditions is currently unknown.

The Directors have considered the impact of these conflicts when assessing the performance of the company, subsequent events and determining the status of the company as a going concern.

The key performance indicators for the Company are as follows:

	2024	2023
	USD	USD
(a) Profit before taxation	-	-
(b) Interest income on financial assets at fair value through profit or loss ("FVTPL")	-	-
(c) Interest expense on financial liabilities at FVTPL	-	-
(d) Fair value movement on financial assets at FVTPL	-	-
(e) Financial assets at FVTPL	-	-
(f) Financial liabilities at FVTPL	-	-

(a) Profit before taxation

The Company made a profit before taxation of USD Nil for the financial year ended 31 December 2024 (2023: Nil).

(b) Interest income on financial assets at FVTPL

During the financial year, the interest income on financial assets held was USD Nil (2023: Nil).

(c) Interest expense on financial liabilities at FVTPL

During the financial year, the interest expense on financial liabilities issued was USD Nil (2023: Nil).

(d) Fair value movement on financial assets at FVTPL

During the financial year, the unrealised loss on financial assets held was USD Nil (2023: Nil).

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

(e) Financial assets at FVTPL

During the current and prior financial year, the Company did not purchase or dispose of any financial assets.

(f) Financial liabilities at FVTPL

During the financial period, the Company drew down USD Nil (2023: USD Nil) and made repayments of USD Nil (2023: USD 100,000) on the Note. The fair value of the Note at 31 December 2024 amounted to USD Nil (2023: USD Nil).

RESULTS AND DIVIDENDS FOR THE FINANCIAL YEAR

The results for the financial year and the Company's financial position at the end of the financial year are set out on pages 15 and 16 respectively. The profit before taxation for the financial year was USD Nil (2023: Nil). The Directors do not recommend the payment of a dividend during the financial year (2023: none).

DIRECTORS, THE COMPANY SECRETARY AND THEIR INTERESTS

The Directors and Secretary of the Company are listed below and except where indicated, have served for the entire financial year.

Michael Drew
Mark Gordon (resigned 20 February 2025)
Jason Lee (appointed 20 February 2025)
MFD Secretaries Limited

The Directors and Company Secretary had no material interest in any contract of significance in relation to the business of the Company other than that disclosed below. During the financial year, the Directors and Secretary did not hold an interest in the shares of the Company and the interests that they held in other holding companies within the KKR group were not in excess of 1% of the nominal value of shares having voting rights in such holding companies.

RELATED PARTY TRANSACTIONS

There were no significant related party transactions other than those disclosed in note 12 to the financial statements.

SIGNIFICANT SUBSEQUENT EVENTS

The Notes were de-listed from the multilateral trading facility of the Vienna Stock Exchange on 16 February 2026.

The Directors have evaluated all events that have occurred up to the date of approval of the financial statements and determined that no other events have occurred that would require recognition or additional disclosures in the financial statements.

FINANCIAL RISK MANAGEMENT

The operations of the Company are subject to various risks. Information about the financial risk management objectives and policies of the Company, along with exposure of the Company to market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk, concentration risk, and prepayment risk, are disclosed in note 9 to the financial statements.

POWER OF DIRECTORS

The Board is responsible for managing the business affairs of the Company in accordance with the Company's Constitution. The Board may delegate certain functions to the Corporate Administrator and other parties, subject to the supervision and direction by the Board. The Board consists of four Directors. The Board have delegated the day-to-day administration of the Company to Maples Fiduciary Services (Ireland) Limited (the "Corporate Administrator") and the investment management and distribution functions to KKR Credit Advisors (US) LLC (the "Investment Manager"). Consequently, none of the Directors are executive Directors of the Company.

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

ISSUE OF SHARES

The authorised share capital of the Company is EUR 100,000 and is divided into 100,000 shares of EUR 1 each, of which 1 share has been issued. The issued share is held by MaplesFS Trustee Ireland Limited (the "Shareholder") in trust. The share capital is disclosed in Note 8.

SHAREHOLDERS' 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 a general meeting each financial year as its annual general meeting. The annual general meeting is specified in the notice sent out for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by the Companies Act 2014.

POLITICAL DONATIONS

The Company did not make any political donations during the financial year (2023: none).

GOING CONCERN

As of the reporting date, the Company has not yet made any investments and does not have sufficient assets to support future expenditures which may cast significant doubt on its ability to continue as going concern. However, the Company has received assurance from the Noteholder who has committed to providing financial support to meet its obligation as they fall due for at least 12 months from the date of signing the financial statements.

In addition, the Company is within the Opps II structure, Spruce Investors IV Limited Partnership is one of the master funds within the Opps II structure. It provides PPN to Spruce Investors IV DAC. The Opps II is still in its investment period as such the Company is actively exploring potential investment opportunities and will finance this through drawdown of Notes in place. Accordingly, the Directors believe the Company will continue to operate for a period of at least 12 months from the date of signing the financial statements.

ADEQUATE ACCOUNTING RECORDS

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 - 285 of the Companies Act 2014, are kept by the Company. The measures taken by Directors to ensure compliance with the Company's obligation to keep adequate accounting records are 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 32 Molesworth Street, Dublin 2.

DIRECTORS' COMPLIANCE STATEMENT

The Company does not meet the qualifying conditions in accordance with Section 225(7) of the Companies Act 2014 for the requirement to provide a "Compliance Policy Statement".

AUDIT COMMITTEE

The Board of Directors, having given due consideration to Section 167(1) and Section 167(3) of the Companies Act 2014 and noting the contractual obligations of the Administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors concluded that there is currently no need for the Company to have an audit committee in order for the Board of Directors to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each of the Directors in office at the date of approval of the financial statements are aware:

- There is no relevant audit information of which the Company's auditor is 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 auditor is 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.

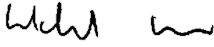
SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

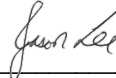
INDEPENDENT AUDITOR

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

This report was approved by the Board and authorised for issue on 19 February 2026 and signed on its behalf by:



Michael Drew
Director



Jason Lee
Director

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion on the financial statements of Spruce Investors IV Designated Activity Company ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flows ; and
- the related notes 1 to 14, including material accounting policy information as set out in note 2.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Directors' Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Audited Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

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

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

Matters on which we are required to report by exception

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

Use of our report

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



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

20 February 2026

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

	Financial year ended 31 December 2024 USD	Financial year ended 31 December 2023 USD
Net interest income/(expense)		
Interest income on financial assets at FVTPL	-	-
Interest expense on financial liabilities at FVTPL	-	-
	-	-
Other income/(expenses)		
Fair value movement on financial assets at FVTPL	-	-
Fair value movement on financial liabilities at FVTPL	-	-
Foreign exchange movement	-	-
Other income	-	-
	-	-
Operating profit for the financial year before taxation	-	-
Corporation tax charge	-	-
	-	-
Profit for the financial year after taxation	-	-
Other comprehensive income for the financial year	-	-
	-	-
Total comprehensive income for the financial year attributable to the shareholders	-	-

All amounts relate to continuing operations.

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


SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	As at 31 December 2024 USD	As at 31 December 2023 USD
Non-current assets			
Financial assets at FVTPL		-	-
Current assets			
Cash and cash equivalents	5	-	-
Other receivables	6	1	1
Total assets		<u>1</u>	<u>1</u>
Current liabilities			
Interest payable on financial liabilities at FVTPL		-	-
Other payables		-	-
Non-current liabilities			
Financial liabilities at FVTPL	7	-	-
Total liabilities		-	-
Equity			
Called-up share capital presented as equity	8	1	1
Retained earnings		-	-
Total Equity		<u>1</u>	<u>1</u>
Total equity and liabilities		<u>1</u>	<u>1</u>

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

The financial statements were approved by the Board on 19 February 2026 and signed on its behalf by:



Michael Drew
Director



Jason Lee
Director

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

Financial year ended 31 December 2024	Called-up share capital USD	Retained earnings USD	Total USD
As at 1 January 2024	1	-	1
Total comprehensive income for the financial year	-	-	-
As at 31 December 2024	<u>1</u>	<u>-</u>	<u>1</u>

Financial year ended 31 December 2023	Called-up share capital USD	Retained earnings USD	Total USD
As at 1 January 2023	1	-	1
Total comprehensive income for the financial year	-	-	-
As at 31 December 2023	<u>1</u>	<u>-</u>	<u>1</u>

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

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

	Financial year ended 31 December 2024 USD	Financial year ended 31 December 2023 USD
Cash flows from operating activities		
Operating profit before taxation	-	-
Net cash generated from operating activities	-	-
Cash flows from investing activities		
Net cash generated from investing activities	-	-
Cash flows from financing activities		
Repayment on Profit Participating Note	-	(100,000)
Net cash used in financing activities	-	(100,000)
Net increase in cash and cash equivalents	-	(100,000)
Cash and cash equivalents at the beginning of the financial year	-	100,000
Cash and cash equivalents at the end of the financial year	-	-

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

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company was incorporated on 16 November 2021, with registration number 708114 and has a registered office at 32 Molesworth Street, Dublin 2. The Company is a designated activity company with limited liability and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA in respect of taxable profits.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied to the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with EU endorsed IFRS and the Companies Act 2014. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments at fair value through profit and loss.

2.2 New and amended standards and interpretations

The Company applied for the first-time the standards and amendments to standards listed below. These accounting standards and amendments to standards are effective for annual periods beginning on or after 1 January 2024 unless otherwise stated.

- IFRS 7 Financial Instruments: Disclosures and IAS 7 Statement of Cash Flows- Supplier Finance Arrangements
- IFRS 16 Leases – Lease Liability in a Sale and Leaseback
- IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The above standards do not have material impact on the financial statements of the Company.

New standards, amendments and interpretations not yet adopted

The Directors have reviewed those standards and interpretations that are issued and effective subsequent to financial period end but not adopted early. The Directors assessed that none of those new standards and interpretations will have an impact to the Company's financial statements.

Description	Effective date (financial period beginning)*
Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7 – Power Purchase Agreements	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and do not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors have concluded that the above standards will have no material impact to the financial statements of the Company.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Judgements

The preparation of the financial statements requires the Directors to make judgements apart from those involving estimations that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates, and those differences could be material.

2.4 Estimates

In addition to the above judgements, Directors are required to make assumptions and estimates which may have a significant impact on the reported amounts of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. There are no significant estimates used in the preparation of the financial statements.

2.5 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in US Dollar denoted by the symbol "USD" 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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

2.6 Cash and cash equivalents

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

2.7 Taxation

The tax expense represents the sum of the tax payable for the current reporting year. The tax currently payable is based on taxable profit for the year as calculated in accordance with Irish tax laws. Taxable profits may differ from profit before tax as reported in the Statement of Comprehensive Income because they exclude items of income or expenses that are not taxable or deductible. 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 the reporting year date. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting year date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

2.8 Financial assets and liabilities

Valuation of financial instruments

Financial assets and liabilities designated at fair value through profit or loss at inception are those financial assets and liabilities that are revalued at the statement of financial position date at their fair values as determined using generally accepted valuation techniques.

The Company determines the classification of its financial assets and liabilities on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

i. Classification

The Company classifies its financial assets and liabilities into the categories below.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets and liabilities (continued)

i. Classification (continued)

The Company classifies its financial assets and liabilities into the categories below.

Financial assets and liabilities at fair value through profit or loss

The Company designates all financial assets at fair value through profit or loss on initial recognition as it manages these instruments on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities are on a fair value basis.

Financial assets and liabilities at amortised cost

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

Financial assets include financial assets at FVTPL, cash and cash equivalents, interest receivable on financial assets at FVTPL and other receivables. Financial liabilities include financial liabilities at FVTPL, interest payable on financial liabilities at FVTPL and other payables.

Impairment

The introduction of IFRS 9 replaces the model used to calculate impairments under IAS 39, which was based primarily on incurred losses, with a model based on the expected credit losses. The scope of the new model consistently includes all financial assets and liabilities that are recognised at amortised cost being balances due to/from brokers, cash and cash equivalents, other receivables, and other payables.

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. Where applicable, the Company recognises a loss allowance for such losses at each reporting date. As at 31 December 2024 expected credit losses were USD Nil (2023: Nil).

The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

ii. Recognition / derecognition

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular purchase of financial assets is recognised using trade-date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income. Any interest in such transferred financial assets that are created or retained by the Company is recognised as a separate asset or liability.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets and liabilities (continued)

ii. Recognition / derecognition (continued)

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

iii. Measurement

Financial assets and financial liabilities are measured initially at cost which is the fair value of the consideration given or received.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income in the period in which they arise.

Subsequent to initial recognition, an expected credit loss allowance is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in the Statement of Comprehensive Income when an asset is newly originated. Interest income from these financial assets is included in the Statement of Comprehensive Income using the effective interest rate method. Other financial assets and financial liabilities are initially measured at cost and subsequently carried at amortised cost using the effective interest rate method, except for redeemable shares, which is measured at the redemption amount.

There are three different Business Model categories:

- 1) Holding to collect contractual cash flows;
- 2) Holdings held to collect and sell the contractual cash flows; and
- 3) Other strategies.

Following review of the three categories it has been determined that business model of the Company is the "hold to collect and sell contractual cash flows" on the basis that both collecting contractual cash flows and sales are integral to achieving the objectives of the Company.

Under IFRS 9 there's a requirement to determine if the financial instruments generate cash flows that are solely payments of principal and interest (SPPI test). This test is a complex framework to determine whether the generated cash flows are caused solely by payments of principal and interest. Following review, no financial instrument is deemed to meet the criteria as set out in the SPPI test.

iv. Fair value estimation

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

Where quoted market prices are unavailable the financial assets are valued independently using Markit and Lincoln loan pricing methodologies.

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Going concern

Spruce Investors IV Designated Activity Company is considered as a going concern. As of the reporting date, the Company has not yet made any investments and does not have sufficient assets to support future expenditures which may cast significant doubt on its ability to continue as going concern. However, the Company has received assurance from the Noteholder who has committed to providing financial support to meet its obligation as they fall due for at least 12 months from the date of signing the financial statements.

In addition, the Company is within the Opps II structure, Spruce Investors IV Limited Partnership is one of the master funds within the Opps II structure. It provides PPN to Spruce Investors IV DAC. The Opps II is still in its investment period as such the Company is actively exploring potential investment opportunities and will finance this through drawdown of Notes in place. Accordingly, the Directors believe the Company will continue to operate for a period of at least 12 months from the date of signing the financial statements.

2.10 Share capital

Ordinary shares are classified as equity, as per the Company's Constitution.

2.11 Segment reporting

A segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to other reportable segments. The Company has only one reporting segment and all activities are carried out in Ireland.

2.12 Limited recourse of Note issued

If the net proceeds of realisation of the assets secured against the Note are less than the aggregate amount payable by the Company to the Noteholder, the obligations of the Company will be limited to such net proceeds, which shall be applied in accordance with the final Note agreements.

In such circumstances, the other assets of the Company will not be available for payment of such shortfall which shall be borne by the Noteholder, in accordance with the final offering circular applied at the time of final settlement.

Interest expense to the Noteholder is calculated by the calculation agent based on the applicable rate as defined in the final note agreement. As this is a limited recourse transaction the return of interest and principal to the Noteholder is contingent on the realisable value of the assets. The returns made to the Noteholder over the life of the Company would include the effect of capital gains/losses 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.

3. ADMINISTRATIVE EXPENSES

The Company has no employees, and the Directors received no remuneration during the financial year. Accounting and other services have been outsourced to the Corporate Administrator.

Administration and depositary fees, tax compliance fees, corporate administration fees and audit fees are all discharged by KKR Fund Advisors (US) LLC, as the originator of the investment transaction and as such are not separately accrued or disclosed in these financial statements.

Auditors' remuneration (excluding VAT)	Financial year ended 31 December 2024 USD	Financial year ended 31 December 2023 USD
Audit of individual accounts	15,857	10,666
Tax compliance services	4,662	4,266
Other assurance services	-	-
Other non-audit services	-	-
	<u>20,519</u>	<u>14,932</u>

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

4. CORPORATION TAX CHARGE	Financial year ended 31 December 2024 USD	Financial year ended 31 December 2023 USD
Corporation tax based on profit for the financial period	-	-

The current tax charge for the financial period is higher than the current charge that would result from applying the standard rate of Irish corporation tax to profit on ordinary activities. The differences are explained below:

	Financial year ended 31 December 2024 USD	Financial year ended 31 December 2023 USD
Operating profit before taxation	-	-
Profit on ordinary activities at the standard rate of Irish corporation tax for the financial year of 12.5%	-	-
Effect of:		
Higher rate of tax applicable under Section 110 of the TCA, 1997 of 25%	-	-
Current tax charge for the financial year	-	-

The Company is a qualifying Company within the meaning of Section 110 of the TCA, 1997. As such, the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA.

5. CASH AND CASH EQUIVALENTS	As at 31 December 2024 USD	As at 31 December 2023 USD
Cash and cash equivalents	-	-

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

6. OTHER RECEIVABLES	As at 31 December 2024 USD	As at 31 December 2023 USD
Share capital receivable	1	1
	<u>1</u>	<u>1</u>

7. FINANCIAL LIABILITIES AT FVTPL	As at 31 December 2024 USD	As at 31 December 2023 USD
Maximum facility available	10,000,000,000	10,000,000,000
Balance at the beginning of the financial year	-	(100,000)
Repayment in financial year	-	100,000
Balance at the end of the financial year	<u>-</u>	<u>-</u>

The final maturity date of the Note is 31 December 2052. The Company shall have the right to redeem the Note in full or in part on any payment date with the consent of the Noteholder. The Noteholder shall be permitted at any time to require the Issuer to redeem the Note in full or in part. In any such case, the Company shall sell such proportion of the assets comprised in the Portfolio as would permit the Company to redeem the Note or the proportion thereof the subject of the redemption request on the relevant early redemption date at the redemption amount.

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

7. FINANCIAL LIABILITIES AT FVTPL (CONTINUED)

On each quarterly collection period, the interest due on the Note is computed as an amount equal to the greater of: (i) zero or (ii) the accumulated net profits for accounting purposes after tax excluding a reserved profit for the Issuer of USD 250 for that collection period. If the net proceeds of realisation of the Portfolio are less than the aggregate amount payable in such circumstances by the Company in respect of the Note and its obligations to its other creditors the obligations of the issuer in respect of the Note and its obligations to its other creditors in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the priorities of payments.

8. CALLED-UP SHARE CAPITAL	As at 31 December 2024 USD	As at 31 December 2023 USD
Authorised		
100,000 ordinary shares of EUR 1 each	109,000	109,000
Allotted and called up		
1 ordinary share of EUR 1	1	1

Ordinary shares are not redeemable and are classified as equity as per the Company's Constitution. The Company has issued 1 share which is held by MaplesFS Trustees Ireland Limited in trust.

9. FINANCIAL RISK MANAGEMENT

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

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

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of the financial liabilities at fair value through profit and loss disclosed in Note 7 and equity comprising issued capital and retained earnings as disclosed in Note 8 and in the Statement of Changes in Equity respectively. The company is not exposed to any externally imposed capital requirements.

(a) Market risk

Market risk is the potential change in the value caused by the movements in the interest rates, foreign exchange rates or market prices of the financial instruments.

(i) Currency risk

The Note issued by the Company is denominated in USD. The Company is not exposed to foreign exchange risk as all foreign currency gains or losses will be borne by the noteholder. There is no material exposure to currency risk in the current financial year.

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

The table on below summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts categorised by the earlier of contractual repricing or maturity dates. The interest rate risk profile of the financial assets is disclosed below:

31 December 2024	Fixed USD	Floating USD	Non-interest bearing USD	Total USD
Assets:				
Interest and other receivables	-	-	1	1
	-	-	1	1
Liabilities:				
Financial liabilities at FVTPL	-	-	-	-
	-	-	-	-
31 December 2023				
	Fixed USD	Floating USD	Non-interest bearing USD	Total USD
Assets:				
Interest and other receivables	-	-	1	1
	-	-	1	1
Liabilities:				
Financial liabilities at FVTPL	-	-	-	-
	-	-	-	-

Interest rate sensitivity

The Company did not hold any interest bearing assets or liabilities in the current or prior financial year. Therefore, no sensitivity analysis has been prepared for either financial year.

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Price risk is not deemed a significant risk to the Company as the risk of fluctuation in the value of the investments held by the Company will be borne by the Noteholders due to the limited recourse nature of the Notes.

(b) Credit risk

Credit risk arises from the possibility of obligors failing to meet their obligations to the Company and represents the most significant category of risk. The Company manages the credit risk by engaging in full analysis of possible investments and limiting investments to high credit quality institutions. The table below represents the maximum exposure to credit risk:

	As at 31 December 2024 USD	As at 31 December 2023 USD
Credit risk exposures relating to financial instruments		
Interest and other receivable	1	1
	1	1

- (i) The credit rating profile of the trade and other receivables would be in line with that of the share capital receivable disclosed above.

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) The Moody's credit rating profile of the bank holding the cash and cash equivalents balance is as follows:

Cash and cash equivalents	Long term Credit rating	As at 31 December 2024 USD
Wells Fargo Bank N.A.	Aa1	-

Cash and cash equivalents	Long term Credit rating	As at 31 December 2023 USD
Wells Fargo Bank N.A.	Aa1	-

(iii) The Moody's credit rating profile of Collateral Administrator is as follows:

Wells Fargo Bank N.A. acts as the Collateral Administrator. As at 31 December 2024, Wells Fargo Bank N.A. had a credit rating of Aa1 (2023: Aa1).

(c) Liquidity risk

Prudent liquidity risk management means that the Company maintains sufficient cash and liquid investments. The ability of the Company to meet its ongoing obligations towards the Noteholder is dependent on the receipt of interest and principal from the Portfolio of financial assets. The Company has not entered into any agreements with a liquidity facility provider during the financial period.

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 shown are the contractual undiscounted cash flows whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

31 December 2024	Carrying amount USD	Contractual amount USD	Up to 1 year USD	1-2 years USD	2-5 years USD	Over 5 years USD
Financial liabilities at FVTPL	-	-	-	-	-	-
	-	-	-	-	-	-
31 December 2023	Carrying amount USD	Contractual amount USD	Up to 1 year USD	1-2 years USD	2-5 years USD	Over 5 years USD
Financial liabilities at FVTPL	-	-	-	-	-	-
	-	-	-	-	-	-

(d) Concentration risk

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

The Investment Manager monitors the exposure of the Company to various risks including Country/Geographical, and Industry categories/segments. There is no concentration risk for the current financial period.

SPRUCE INVESTORS IV DESIGNATED ACTIVITY COMPANY

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

10. FAIR VALUE

IFRS 13 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs to the valuation of the Company's financial instruments.

The Company uses the following hierarchy to disclose the basis for determining fair value:

- **Level 1** - Quoted market price in an active market for an identical instrument.
- **Level 2** - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3** - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

31 December 2024	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets and financial liabilities not measured at fair value				
Interest and other receivables	-	1	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Financial assets and financial liabilities not measured at fair value				
Interest and other receivables	-	1	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

Level 3 reconciliation - Financial liabilities at FVTPL

	Financial year ended 31 December 2024 USD	Financial year ended 31 December 2023 USD
Balance at the beginning of the financial year	-	100,000
Repayment in financial year	-	(100,000)
Balance at the end of the financial year	<u>-</u>	<u>-</u>

11. 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.

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

12. RELATED PARTY TRANSACTIONS

The Company is managed and controlled by the Board.

The Corporate Administrator provides corporate administration services to the Company at arm's length commercial rates. Jason Lee and Michael Drew, Directors of the Company during the financial year, were also employees of the Corporate Administrator during the financial year and in that capacity may be deemed to have an interest in transactions conducted with the Company. There were no other contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year. No corporate administration fee was paid and payable during the financial year by the Company.

No investment manager fee was paid and payable during the financial year by the Company (2023: none).

During the financial year the Company drew down USD Nil (2023: USD Nil) and repaid USD Nil (2023: USD 100,000) under the Note due to Spruce Investors IV L.P.

13. SIGNIFICANT SUBSEQUENT EVENTS

The Notes were de-listed from the multilateral trading facility of the Vienna Stock Exchange on 16 February 2026.

The Directors have evaluated all events that have occurred up to the date of approval of the financial statements and determined that no other events have occurred that would require recognition or additional disclosures in the financial statements.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board and signed on 19 February 2026.