

# **Frontier II Issuer Designated Activity Company**

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Directors' Report and Audited Financial Statements for the financial  
year ended 31 December 2024

**Frontier II Issuer Designated Activity Company**  
*Directors' Report and Audited Financial Statements*

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## Frontier II Issuer Designated Activity Company

*Directors' Report and Audited Financial Statements*

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### Company information

**Directors** Ronan Donohoe (retired on 10 November 2025)  
Maira Scott  
Lean Jason Albesa (appointed 10 November 2025)

**Company registration number** 717695

**Company secretary** Cafico Secretaries Limited  
3rd Floor  
Waterloo Exchange  
Waterloo Road  
Dublin 4  
Ireland  
D04E5W7

**Registered office** 3rd Floor  
Waterloo Exchange  
Waterloo Road  
Dublin 4  
Ireland  
D04E5W7

**Solicitors** Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland  
D02 T380

**Bankers** HSBC Bank PLC  
London Branch  
8 Canada Square  
London  
United Kingdom  
E14 5HQ  
National Bank of Greece  
86 Eolou Street  
GR 1105 59  
Athens  
Greece

**Corporate services provider** Cafico Corporate Services Limited  
3rd Floor  
Waterloo Exchange  
Waterloo Road  
Dublin 4  
Ireland  
D04 E5W7

## **Frontier II Issuer Designated Activity Company**

*Directors' Report and Audited Financial Statements*

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### **Company information**

<b>Servicer</b>	DoValue Greece Loans and Credits Claim Management Société Anonyme 27 Kyprou and Archimidou Street Municipality of Moschato Attica Greece
<b>Trustee to the noteholders</b>	HSBC Bank Plc 8 Canada Square London United Kingdom E14 5HQ
<b>Independent auditors</b>	Grant Thornton Chartered Accountant and Statutory Audit Firm 13-18 City Quay Dublin 2 Ireland D02 ED70

## Frontier II Issuer Designated Activity Company

### Directors' Report and Audited Financial Statements

## Directors' report for the financial year ended 31 December 2024

The Directors present the Directors' Report and the Audited financial statements of Frontier II Issuer Designated Activity Company (the "Company") for the financial year ended 31 December 2024.

### Principal activity

The Company was incorporated on 21 April 2022 as a Designated Activity Company under the laws of Ireland with registration number 717695. The Company was incorporated to participate in a financing transaction arranged by National Bank of Greece SA ("NBG").

On 16 February 2024, the Company entered into a loan sale agreement ("Loan Sale Agreement") with NBG to acquire a portfolio of performing and non-performing loans (the "Portfolio" or the "Loans") for a total consideration of €391 million. The Loans are secured over residential or other real estate properties located in Greece. The Company also acquired the REOCo Bond Loans and the receivables (including future receivables) arising in respect of the REOCo Bond Loans and the REOCo Reserve Bond Loan and the receivables arising in respect of the REOCo Reserve Bond Loan.

The amounts paid by the Company were as follows:

€391,243,684 for the Portfolio (the "Loan Portfolio Consideration"); €15,000,000 for the REOCo Reserve Bond Loan (the "REOCo Reserve Bond Loan Consideration"); and €1,800,000 for the Seller Servicing Reimbursement Amount.

As at 31 December 2024, the Company has the following asset-backed notes (collectively, the "Notes"):

Classes of notes	Issue date	Interest rate	Maturity date	Outstanding nominal as at 31 Dec 2024 €	Nominal value at issuance as at 31 Dec 2024 €
Class A	16 February 2024	1.50%	24 January 2081	326,445,711	360,000,000
Class B	16 February 2024	6.75%	24 January 2081	31,224,207	31,224,207
Class Z	16 February 2024	variable	24 January 2081	19,478	19,478
				<b>357,689,396</b>	<b>391,243,685</b>

The Notes have different levels of seniority: the Class B Notes and the Class Z Notes are junior to the Class A Notes and the Class Z Notes are junior to the Class B Notes. Accordingly, the interests of the Class B Noteholders and the Class Z Noteholders are subordinated to the interests of the Class A Noteholders (so long as any Class A Notes remain outstanding) and the interests of the Class Z Noteholders are subordinated to the interests of the Class B Noteholders (so long as any Class B Notes remain outstanding). This hierarchy is reflected in the Priority of Payments order: interest on Class A Notes; Class A Notes Reserve Fund; interest on Class B Notes; principal on Class A Notes; principal on Class B Notes; principal on Class Z Notes; then interest on Class Z Notes. The payment of the Class A Notes is also guaranteed by the Hellenic Asset Protection Scheme (the "HAPS Guarantee") implemented by the Greek government.

The Notes are listed on the exchange regulated market of the Vienna Stock Exchange (the "Vienna MTF"). Class B Noteholders have a call option to purchase the entire portfolio, which is exercisable on or after 24 months from 16 February 2024. The Company has a call option to redeem the Notes for taxation purposes or for the occurrence of a regulatory event or for risk retention regulatory change. More details about the call options are disclosed in note 11 of the financial statements.

## Frontier II Issuer Designated Activity Company

Directors' Report and Audited Financial Statements

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### Directors' report for the financial year ended 31 December 2024 (continued)

#### Results and dividends

The results for the financial year and the Company's financial position are set out on pages 15 and 16.

The Company's profit for the financial year before taxation amounted to €1,000 (2023: €Nil). The Company did not pay any dividends during the financial year (2023: €Nil). The Directors do not recommend payment of dividends.

#### Business review

Coupon income on financial assets and net gains on investment in financial assets at fair value through profit and loss ("FVTPL") during the financial year amounted to €9.18 million and €67.30 million, respectively (2023: Nil). The fair value of the Notes as of 31 December 2024 amounted to €399.89 million (2023: Nil).

#### Key performance indicator

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

	<b>for the financial year ended 31 Dec 2024 €</b>	<b>(Unaudited) for the financial year ended 31 Dec 2023</b>
Net gain on investment in financial assets at FVTPL	76,482,585	-
Net loss on notes issued designated at FVTPL	(63,563,576)	-

#### Principal risks and uncertainties

The principal risks and uncertainties facing the Company and Company's objectives for the use of financial instruments and its financial risk management policies are set out in note 14 of the financial statements. The Company is exposed to (a) credit risk; (b) market risk; and (c) liquidity risk from the use of financial instruments.

#### Directors of the Company

The names of the persons who were Directors of the Company at any time during the financial year are:

Ronan Donohoe (retired on 10 November 2025)

Moira Scott

The following director was appointed after the year end:

Lean Jason Albesa (appointed 10 November 2025)

#### Directors, secretary, and their interests

In accordance with Section 329 of the Companies Act 2014, the Directors and secretary who held office at 31 December 2024 had no interest in shares or debentures of the Company at the beginning or at the end of the financial year.

#### Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act, 2014 with regard to keeping of accounting records by employing persons with appropriate expertise and by providing adequate resources to the financial function. The accounting records are held at the Company's business address at 3rd Floor, Waterloo Exchange, Waterloo Road, Dublin 4, Ireland, D04 E5W7.

## **Directors' report for the financial year ended 31 December 2024 (continued)**

### **Going concern**

The Directors have assessed the current geopolitical landscape, the wars in Middle East, US tariffs, the current political and economic situation in Ukraine, as well as ongoing international sanctions against certain Russian organisations and citizens, and will continue to do so on an ongoing basis. Due to the developing nature of these events, it is not possible to accurately estimate the financial effect, if any, that these events may have on the Company's financial results or position.

The Directors have also assessed the presence of call option for Class B Notes and have determined that this is unlikely to be exercised and as such, no impact on the going concern basis of the Company.

The Directors are confident that any potential exposure will be limited and that the Company has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

### **Political donations**

The Company did not make any political donations during the financial year (2023: Nil).

### **Directors' compliance policy statement**

The Directors note that the Company has, during the financial year ended 31 December 2024, exceeded the thresholds specified in Section 225 of the Companies Act 2014, namely a balance sheet total of €12.5 million and turnover of €25 million. Accordingly, the Directors are required to include a Director's Compliance Statement in this report.

We, the directors of the company who held office at the date of approval of these Financial Statements are responsible for securing the company's compliance with its relevant obligations; and

We confirm that the following matters have been done under section 225(2) in fulfilling its responsibilities

- drawing up of a compliance policy statement setting out the company's policies (that, in our opinion, are appropriate to the company) respecting compliance by the company with its relevant obligations;
- putting in place appropriate arrangements or structures (that, in our opinion) are, designed to secure material compliance with the company's relevant obligations; and
- conducting a review during the financial year of any arrangements or structures that have been put in place.

### **Subsequent events**

In December 2024, the Company entered into a commitment to sell portfolios of receivables ("Palmyra Portfolio A") and ("Palmyra Portfolio B") to Creditable Opportunities Fund SCA SICAV-RAIF with a base purchase price of €25,142,292 (Portfolio A) and €7,857,708 (Portfolio B). The loan sale agreement was completed on May 2025.

On 4 November 2025, the Company received instruction from the Class B Noteholders to enter into a loan sale agreement with Corinth Financial Investor Designated Activity Company to sell part of the portfolio of loan receivables ("Project Melfi") with a base purchase price of €27,000,448. The loan sale agreement was completed on 7 November 2025.

Other than those that were already disclosed, there are no other events since the balance sheet date, that require adjustment to, or disclosure in, these financial statements.

### **Independent auditors to continue in office**

The auditors, Grant Thornton, Chartered Accountant and Statutory Audit Firm, have been appointed as the auditor of the Company during the financial period pursuant to Section 383(1) of the Companies Act 2014.

**Directors' report for the financial year ended 31 December 2024 (continued)**

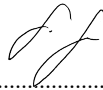
**Audit committee statement**

Statutory audits in Ireland are regulated by SI No.312 of 2016 giving effect in Ireland the European Union (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No.537/2014 Regulations 2016 (the "Regulations"). Pursuant to the Regulations, public interest entities are required to establish an audit committee subject to certain exemptions. The Company has availed of the exemption included in the Regulations from establishing an audit committee as the sole business of the Company relates to the issuing of asset backed securities. In that respect, the Company has not established an audit committee.

Approved by the Board on 4 February 2026 and signed on its behalf by:



.....  
Moira Scott  
Director



.....  
Lean Jason Albesa  
Director

## Frontier II Issuer Designated Activity Company

Directors' Report and Audited Financial Statements

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### Statement of directors' responsibilities

The Directors acknowledge their responsibilities for preparing these financial statements in accordance with applicable law and regulations.

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 International Financial Reporting Standards ("IFRS") accounting standards as adopted by European Union and applicable law. Under Irish Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and profit and loss of the Company for the financial year.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS accounting standards as adopted by European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

Approved by the Board on 4 February 2026 and signed on its behalf by:



Moira Scott  
Director



Lean Jason Albesa  
Director

# Independent auditor's report to the members of Frontier II Issuer Designated Activity Company

## Opinion

We have audited the financial statements of Frontier II Issuer Designated Activity Company (the “company”), which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of cash flows for the financial year ended 31 December 2024, and the related notes to the financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRS Accounting Standards as adopted by EU (‘IFRS’) (“the relevant accounting framework”).

In our opinion, Frontier II Issuer Designated Activity Company’s 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 or loss and cash flows for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the company. 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 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 as a going concern basis of accounting included:

- Obtained and reviewed the management’s going concern assessment covering a period of at least twelve months from the date of the approval of financial statements;
- Discussed the use of going concern basis of accounting with management and challenged their conclusion by assessing the Company’s current year’s financial performance and its year end financial position including the assessment of any impact of conflict in Europe and Middle East;
- Considered the limited recourse nature of the Company’s financial liabilities, the operation of the priorities of payment during the financial year and the impact of the existing call option on Class B Notes on the Company’s going concern, including consideration of any potential risk indicators, the likelihood of the call option being exercised, together of the company and discussions with management;
- Performed enquiries with management and reviewed the board minutes and written communication available up to and including the date of authorisation of the financial statements to understand the future plans of the company and to identify potential contradictory information;

# Independent auditor's report to the members of Frontier II Issuer Designated Activity Company

## Conclusions relating to going concern (continued)

- Assessed subsequent events that may warrant significant attention regarding the going concern assumption, and
- Reviewed the company's going concern disclosures included in the annual report to assess that the disclosures were appropriate and in conformity with the reporting standards.

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 the foreseeable future.

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

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of 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 therefore we do not provide a separate opinion on these matters.

### *Overall audit strategy*

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example, in respect of significant accounting estimates that involved in determining the fair value of financial instruments that are not traded in an active market by using valuation techniques. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus included:

- Existence, valuation of financial assets at fair value through profit or loss.

### *How we tailored the audit scope*

The company is a special purpose vehicle, which purchased a loan portfolio financed by Loan notes issued on Vienna Stock exchange. The Directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties, the accounting processes and controls, and the industry in which the company operates.

The Directors have delegated certain responsibilities to Cafico Corporate Services Limited (the "Corporate service provider"). The financial statements. Which remain the responsibility of the Directors, are prepared on their behalf by the Corporate service provider. The Company has appointed DoValue Greece Loans and Credits Claim Management Société Anonyme as long term servicer and National Bank of Greece to act as interim period servicer.

# Independent auditor’s report to the members of Frontier II Issuer Designated Activity Company

## *How we tailored the audit scope (continued)*

In establishing the overall approach to our audit, we assessed the risk of material misstatement taking into account the nature, likelihood, and potential magnitude of any misstatement. As part of our risk assessment, we considered the company’s interaction with the Corporate Service Provider and the loan servicer, and we assessed the control environment in place at the Corporate Service Provider.

## *Materiality and audit approach*

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the company and its environment, the history of misstatements, the complexity of the company and the reliability of the control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the company as follows: 1% of total assets as at 31 December 2024. We have applied this benchmark because the main objective of the company is focused on growing the value of its total assets.

We have set Performance materiality for the company at 60% of materiality, having considered risk of misstatements, business risks and fraud risks associated with the company and its control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## *Significant matters identified*

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

<b>Significant matter</b>	<b>Description of Significant Matter and Audit Response</b>
Existence and valuation of financial assets at fair value through profit or loss (Loan Portfolio) (Notes 2, 8,15 and 16)	<p>There is a risk that the balances of the Financial assets (Loan portfolio) held by the company at fair value in the Statement of financial position as at 31 December 2024 do not exist, are not correctly valued and are not accurately recorded or disclosed at the correct amount in line with the recognition and measurement provisions of the relevant accounting framework.</p> <p>Significant auditor’s attention was deemed appropriate because this represents a principal element of the financial statements and significantly impact Company’s performance and total assets value. In addition, significant auditor’s judgment was required due to high degree of estimation uncertainty associated with the fair value of these unquoted financial instruments such as the evaluation of the valuation techniques, including significant unobservable inputs and the methodology used by management. As a result, we considered these as key audit matter.</p>

## Independent auditor's report to the members of Frontier II Issuer Designated Activity Company

### *Significant matters identified (continued)*

Significant matter	Description of Significant Matter and Audit Response
	<p>The following audit work has been performed to address the risks:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding and evaluated the design and implementation of relevant controls in place in relation to existence, and valuation of the financial assets at fair value through profit or loss, by completing walkthroughs and management questionnaires.</li> <li>• Obtained Loan portfolio held at year end and verified the existence and ownership of the loans by tracing to independently received confirmation from the Loan servicer;</li> <li>• Agreed repayment of principal and coupon to underlying investor reports and bank statements on a sample basis;</li> <li>• Obtained the valuation report of the financial assets at fair value through profit or loss prepared by management's independent valuer. With the assistance of our internal valuation experts we developed an understanding of the report, and reviewed and challenged the basis of assumptions and methodology used . Our assessment covered; <ul style="list-style-type: none"> <li>- model input values, assumptions, and cash flows;</li> <li>-appropriateness of the projected cash flows i.e. the conceptual soundness of the modelling approach and underlying methodology; and</li> <li>- analysis of the model to assess if design and key model assumptions are in line with industry standards and reviewing the scenario-based approach to determine its reasonableness.</li> </ul> </li> <li>• Performed an assessment of management's independent valuers' objectivity, competency and capability to perform the valuation; and</li> <li>• Assessed and challenged the fair value hierarchy classification and adequacy of the disclosures made in the financial statements for compliance with IFRS .</li> </ul> <p>We completed our planned audit procedures, with no exceptions noted.</p>

### **Other matter**

For the financial year ended 31 December 2023, the company was not required to obtain audited financial statements as the company qualified as a dormant company under company law and availed of the dormant company exemption. Therefore the corresponding figures have not been audited.

### **Other information**

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Directors' report. 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 course of the audit, or otherwise appears to be materially misstated.

## Independent auditor's report to the members of Frontier II Issuer Designated Activity Company

### Other information (continued)

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.

### Opinion on the matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which to the best of our knowledge and belief, we considered 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 statement of financial position and the statement of comprehensive income are in agreement with the accounting records and returns.

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

- the information given in the Directors' report for the financial period is consistent with the financial statements.
- the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

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

### Matters on which we are required to report by exception

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

### Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework, and for such internal control as they determine 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, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process, and for the preparation of financial statements that give a true and fair view.

# Independent auditor's report to the members of Frontier II Issuer Designated Activity Company

## **Auditor's responsibilities for the audit of the financial statements**

The objectives of an auditor 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 the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

### *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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The company is subject to laws and regulations that directly affect the financial statements, including companies and financial reporting legislation such as Companies Act 2014 and Vienna Stock Exchange listing rules. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to other laws and regulations, for example, Irish tax legislation, where the consequences of non-compliance could have a material impact on amounts or disclosures in the financial statements, such as through the imposition of fines or litigation.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with those charged with governance and management. There is an inherent risk that an audit may not detect all material misstatements in the financial statements, despite properly planning and performing our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional misrepresentations and omissions, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

In response to these principal risks, our audit procedures included, but were not limited to:

- Application of professional scepticism throughout the audit.
- Consideration by the audit engagement partner of the experience and expertise of the engagement team, and the Valuation Specialist to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulations.
- Gaining an understanding of the company's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud.

## Independent auditor's report to the members of Frontier II Issuer Designated Activity Company

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

- Discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit.
- Evaluating management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).
- Enquiries of management board on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected, or alleged fraud.
- Inspection of the company's regulatory and legal correspondence and review of minutes of board meetings during the year to corroborate enquiries made.
- Identifying and testing journal entries to address the risk of inappropriate journals and management override of controls.
- Designing audit procedures to incorporate unpredictability around the nature, timing, or extent of our testing.
- Challenging assumptions and judgements made by management in their significant accounting estimates, including fair valuation of the financial assets at fair value through profit or loss; and
- Review of the financial statement disclosures in line with underlying supporting documentation and inquiries of management.

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

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Shahnawaz Mirza  
For and on behalf of  
Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
Dublin  
Ireland  
05 February 2026

**Statement of comprehensive income  
for the year ended 31 December 2024**

		<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	<b>Note</b>	<b>€</b>	<b>31 Dec 2023</b>
			<b>€</b>
Net gain on investment in financial assets at FVTPL	4	76,482,585	-
Net loss on notes issued designated at FVTPL	5	(63,563,576)	-
		12,919,009	-
Administrative expenses	6	(12,918,009)	-
Profit on ordinary activities before taxation		1,000	-
Taxation	7	(250)	-
<b>Profit for the financial year</b>		<b>750</b>	<b>-</b>

**Statement of financial position  
as at 31 December 2024**

	Note	2024 €	(Unaudited) 2023 €
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in financial assets at FVTPL	8	363,205,892	-
<b>Current assets</b>			
Cash and cash equivalents	10	42,393,624	-
Other receivables	9	251	1
		42,393,875	1
<b>Total assets</b>		<b>405,599,767</b>	<b>1</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	14	1	1
Retained earnings		750	-
Total equity		751	1
<b>Non-current liabilities</b>			
Notes issued designated at FVTPL	11	397,530,922	-
<b>Current liabilities</b>			
Trade and other payables	12	5,706,188	-
Interest payable on Notes		2,361,656	-
Corporation tax liability		250	-
Total liabilities		405,599,016	-
<b>Total equity and liabilities</b>		<b>405,599,767</b>	<b>1</b>

Approved by the Board on 4 February 2026 and signed on its behalf by:

.....  
Moira Scott  
Director

.....  
Lean Jason Albesa  
Director

**Statement of changes in equity  
for the financial year ended 31 December 2024**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2024	1	-	1
Profit for the financial year	-	750	750
<b>At 31 December 2024</b>	<b>1</b>	<b>750</b>	<b>751</b>

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2023	1	-	1
Profit/(loss) for the financial year	-	-	-
<b>At 31 December 2023</b>	<b>1</b>	<b>-</b>	<b>1</b>

**Statement of cash flows  
for the financial year ended 31 December 2024**

	Note	31 Dec 2024 €	(Unaudited) 31 Dec 2023 €
<b>Cash flows from operating activities</b>			
Profit for the financial year		750	-
Adjustments to cash flows from non-cash items			
Net gains on investment in financial assets at FVTPL	4	(67,297,598)	-
Net gains on notes issued designated at FVTPL	5	39,841,526	-
Interest expense		23,722,050	-
Interest income		(9,184,987)	-
Income tax expense		250	-
		(12,918,009)	-
<b>Working capital adjustments</b>			
Increase in trade and other receivables	9	(250)	-
Increase in trade and other payables	12	5,706,189	-
Net cash flows used in operating activities		(7,212,070)	-
<b>Cash flows from investing activities</b>			
Investment in financial assets at FVTPL*	8	(50,000,000)	-
Reserve replenishment		(15,047,500)	-
Interest received		9,184,987	-
Proceeds from sale of loan portfolio		7,095,609	-
Collections from investment in financial assets at FVTPL		153,287,281	-
Net cash flows from investing activities		104,520,377	-
<b>Cash flows from financing activities</b>			
Proceeds from Note issuance*	11	-	-
Repayment of Notes	11	(33,554,289)	-
Interest paid		(21,360,394)	-
Net cash flows used in financing activities		(54,914,683)	-
Net increase in cash and cash equivalents		42,393,624	-
Cash and cash equivalents at the beginning of the financial year		-	-
<b>Cash and cash equivalents at the end of the financial year</b>		<b>42,393,624</b>	<b>-</b>

*\*Refer to the supplemental schedule on the next page for the cash flows on investment in financial assets at FVTPL and Notes issuance.*

## Frontier II Issuer Designated Activity Company

### Directors' Report and Audited Financial Statements

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See below for the reconciliation of cash flows from the proceeds of issuance of notes to the investments in financial assets at FVTPL:

	Non-cash offset €	Cash settlement €	Net cash offset €
<b>Cash inflows</b>			
Proceeds from issuance of notes	391,243,684	-	391,243,684
Collections from cut-off to closing	-	112,581,098	112,581,098
Collections retained by seller	-	(50,000,000)	(50,000,000)
Seller servicing reimbursement amount	-	(1,800,000)	(1,800,000)
Servicing fees	-	(2,387,372)	(2,387,372)
	<hr/>	<hr/>	<hr/>
	391,243,684	58,393,726	449,637,410
<b>Cash outflows</b>			
Purchase consideration for portfolio of loan	(441,243,684)	-	(441,243,684)
Collections retained by seller	50,000,000	-	50,000,000
Transfer to deferred purchase consideration account	-	(9,250,000)	(9,250,000)
Transfer to REOCo reserve fund account	-	(15,000,000)	(15,000,000)
Transfer to Class A reserve	-	(12,600,000)	(12,600,000)
	<hr/>	<hr/>	<hr/>
	(391,243,684)	(36,850,000)	(428,093,684)

The notes on pages 20 to 46 form an integral part of these unaudited financial statements.

## **Notes to the financial statements for the financial year ended 31 December 2024**

### **1 General information**

Frontier II Issuer Designated Activity Company (the "Company") was incorporated on 21 April 2022 as a Designated Activity Company under the laws of Ireland with registration number 717695. The Company was incorporated in order to engage in a securitisation transaction relating to a portfolio of loans (being primarily non-performing exposures) (the "Loan Portfolio"), predominately denominated in Euro, originated by (a) National Bank of Greece S.A. ("NBG") and (b) other originators which have been previously acquired by NBG, and (in the majority of cases) secured over residential or other real estate properties located in Greece.

NBG (as the "Seller") will agree to sell and the Company will agree to purchase: (i) the Loan Receivables, Ancillary Rights and Related Security (the "Assets"); (ii) the REOCo Bond Loans Receivables; and (iii) the REOCo Reserve Bond Loan Receivables, on the terms and subject to the conditions set out in a loan sale agreement (the "Loan Sale Agreement"). NBG will agree to assign all of its interest arising from the Assets, the REOCo Bond Loans Receivables and the REOCo Reserve Bond Loan Receivables comprised in the Loan Portfolio to the Company pursuant to the terms of a Greek law assignment agreement.

The transaction was executed on 16 February 2024. The initial loan portfolio consideration was equal to €441,243,684. The Notes of Classes A, B and Z were issued to finance the purchases from NBG. They are listed on the exchange regulated market of the Vienna Stock Exchange (the "Vienna MTF") and the payment Class A Notes is guaranteed by the Hellenic Asset Protection Scheme (the "HAPS Guarantee") implemented by the Greek government.

### **2 Material accounting policies**

#### **Statement of compliance**

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") accounting standards as adopted by the European Union ("EU") including standards and interpretations issued by the International Accounting Standards Board and Irish statute comprising the Act.

The Directors of the Company who held office at the date of approval of these financial statements are responsible for securing the Company's compliance with its relevant obligations.

#### **Summary of material accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out in the next page. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

The Company's 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 method used to measure fair values is discussed further in financial instruments note and fair values note to the financial statements.

In order to avoid the accounting mismatch that would otherwise arise, the Company has designated the financial liabilities issued to be at fair value through the profit or loss as the financial assets are measured on fair value basis based on the business model of the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The most significant judgement affecting the amounts reported in the financial statements relate to the fair valuation of financial instruments under IFRS 13 'Fair Value Measurements'. The critical accounting judgements and key management's estimates adopted by the Company in preparing these financial statements are disclosed in note 3.

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **2 Material accounting policies (continued)**

#### **Functional and presentation currency**

These financial statements are presented in Euro ("€") which is the Company's functional currency being the currency of the Company's primary economic environment.

#### **Going concern**

The Directors have assessed the current geopolitical landscape, the wars in Middle East, US tariffs, the current political and economic situation in Ukraine, as well as ongoing international sanctions against certain Russian organisations and citizens, and will continue to do so on an ongoing basis. Due to the developing nature of these events, it is not possible to accurately estimate the financial effect, if any, that these events may have on the Company's financial results or position.

The Directors have also assessed the presence of call option for Class B Notes and have determined that this is unlikely to be exercised and as such, no impact on the going concern basis of the Company.

The Directors are confident that any potential exposure will be limited and that the Company has sufficient resources to continue in operational existence for the foreseeable future and therefore continue to prepare the financial statements on a going concern basis.

#### **Changes in accounting policy and estimates**

##### **New and amended accounting standards adopted**

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2024:

The standards and amendments that are effective for the first time in 2024 and could be applicable to the Company are:

<b>Description</b>	<b>Effective date</b>
Classification of liabilities as current or non-current (amendment to IAS 1)	1 January 2024
Lease liability in a sale and leaseback (amendments to IFRS 16)	1 January 2024
Supplier finance arrangements (amendments to IAS 7 and IFRS 7); and	1 January 2024
Non-current liabilities with covenants (amendments to IAS 1)	1 January 2024

These amendments do not have a significant impact on the Company's financial results or position during the period and therefore no disclosures have been made.

##### **New standards, interpretations and amendments not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<b>Description</b>	<b>Effective date</b>
Lack of exchangeability (amendments to IAS 21);	1 January 2025
Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures);	1 January 2026
Annual improvements to IFRS accounting standards - amendments to:	1 January 2026

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **2 Material accounting policies (continued)**

#### **New standards, interpretations and amendments not yet effective (continued)**

• IFRS 1 First-time adoption of International Financial Reporting Standards;	1 January 2026
• IFRS 7 Financial Instruments: Disclosures and its accompanying guidance on implementing IFRS 7;	1 January 2026
• IFRS 9 Financial Instruments;	1 January 2026
• IAS 7 Statement of Cash Flows;	1 January 2026
• IFRS 10 Consolidated Financial Statements;	1 January 2026
• IFRS 18 Presentation and Disclosure in Financial Statements; and	1 January 2027
• IFRS 19 Subsidiaries without Public Accountability: Disclosures.	1 January 2027

These amendments are effective for annual reporting periods beginning on or after 1 January 2025 and not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

#### **Financial instruments**

The financial instruments held by the Company include the following:

- Financial assets (loan receivables, interest receivables, REOCo reserve bond loan receivables, cash and cash equivalents and other receivables);
- Financial liabilities (notes issued, trade and other payables).

#### **Recognition and initial measurement**

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade 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.

#### **Initial measurement**

Financial assets at fair value through profit or loss ("FVTPL") and financial liabilities designated at FVTPL are initially recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss. 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.

#### **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.

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **2 Material accounting policies (continued)**

#### **Financial assets measured at FVTPL**

##### ***Business model assessment***

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's Directors;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the Collateral Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Company includes in this category investment in financial assets that are held under a business model to manage them on a fair value basis. The business model assessment has taken into consideration the optional redemption held by the class B noteholders after the expiry of the non-call period.

The remaining financial assets of the Company which includes cash and cash equivalents and other receivables are classified under the held-to-collect contractual cash flows and are measured at amortised cost.

#### **Financial liabilities**

The Company classifies its financial liabilities as 'Notes issued designated at FVTPL' and 'Trade and other payables'.

##### ***Financial liabilities designated at FVTPL***

The Company includes in this category the notes issued which are 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.

##### ***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.

##### ***Financial liabilities measured at amortised cost***

This category includes all financial liabilities, other than those designated at fair value through profit or loss. The Company includes in this category trade and other payables.

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **2 Material accounting policies (continued)**

#### ***Subsequent measurement***

After initial measurement, the Company measures financial instruments which are designated as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of comprehensive income. For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method.

Financial liabilities designated at FVTPL are measured at fair value and net gains and losses, including any coupon expense, are recognised in profit or loss. In determining whether changes in fair value for financial liabilities designated at FVTPL should be presented in other comprehensive income or profit or loss, the Company has concluded that presenting fair value changes through other comprehensive income would lead to split presentation of changes in fair value and would create an accounting mismatch between financial assets and financial liabilities. Therefore, all fair value changes will be presented through profit or loss.

Other liabilities are subsequently measured at amortised cost using the effective interest method.

#### ***Fair value measurement principles***

Fair value is defined by IFRS 13 as 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. IFRS 13 requires that 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: inputs that are quoted market prices (unadjusted) in active markets for identical instruments (Level 1);
- Level 2: inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data (Level 2); and
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the observable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments (Level 3).

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed.

Financial assets are classified as Level 3. Financial assets fair values have been determined by the directors based on values obtained from the management's valuation expert, Pegasus Capital, as outlined in note 16 of the financial statements.

Due to their limited recourse nature, the fair value of the Notes issued by the Company (financial liabilities designated at FVTPL) is determined by reference to the fair value of associated financial assets less all other liabilities of the Company. Any future change in the fair value of financial assets will have an equal but opposite impact on the fair value of financial liabilities.

#### ***Derecognition***

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 on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **2 Material accounting policies (continued)**

#### ***Financial liability and equity***

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Net gain on financial assets at FVTPL includes realised and unrealised fair value changes, foreign exchange difference (if applicable) and coupon income on the investment in financial assets.

Net loss on financial liabilities designated at FVTPL comprises of coupon payments, realised and unrealised fair value changes arising on the Notes.

Coupon expenses are payable quarterly in arrears. Coupon expenses shall be paid on the Z Notes on each payment date to the extent funds are available in accordance with the priority of payments.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the translation to the exchange rate at the reporting date or resulting from the settlement of such transactions are recognised in the statement of comprehensive income.

#### **Administrative expenses**

Administrative expenses are recognised in the statement of comprehensive income on an accrual basis in accordance with the terms stated in the relevant contracts.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **2 Material accounting policies (continued)**

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. In case the invoice related to the current financial year have not been received, such as for servicer fees, the liability and its related expense are recognised on an accrual basis.

#### **Share capital**

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

### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the critical judgements, and estimates, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### **Judgements**

##### **Investments purchased and Notes issued at fair value through profit or loss**

For Level 3 financial assets, the fair values have been determined by the directors based on values obtained from the management's valuation expert as outlined in note 16 of the financial statements. The determination of what inputs are "observable" requires judgement by the directors. Information about assumptions is included in the fair value note to the financial statements.

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**3 Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future periods affected.

Because of its limited recourse nature, the fair value of the Notes issued by the Company are determined by reference to the fair value of associated financial assets less all other liabilities of the Company. The fair value of the assets measured at fair value through profit and loss are also a source of estimation uncertainty.

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 16).

**Notes to the financial statements**  
**for the financial year ended 31 December 2024 (continued)**

**4 Net gain on investment in financial assets at FVTPL**

The analysis of the Company's net gain on investment in financial assets at FVTPL for the financial year is as follows:

	<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	€	31 Dec 2023
		€
Coupon income on financial assets at FVTPL	9,184,987	-
Net gains on investment in financial assets at FVTPL	67,297,598	-
	<b>76,482,585</b>	<b>-</b>

**5 Net loss on notes issued designated at FVTPL**

The analysis of the Company's net loss on notes issued designated at FVTPL for the financial year is as follows:

	<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	€	31 Dec 2023
		€
Interest expense on issued notes	(23,722,050)	-
Net loss on notes issued designated at FVTPL	(39,841,526)	-
	<b>(63,563,576)</b>	<b>-</b>

**6 Administrative expenses**

The account consists of:

	<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	€	31 Dec 2023
		€
Professional fees	130,280	-
Audit fees	87,500	-
Tax compliance fees	5,500	-
Legal fees	1,442,444	-
Levy	343,235	-
Rating agency fees	34,898	-
Servicer fees	8,106,645	-
Insurance fees	650,407	-
HAPS Guarantee fee	2,081,407	-
Bank charges	3,098	-
Other expense	32,595	-
	<b>12,918,009</b>	<b>-</b>

**Notes to the financial statements**  
**for the financial year ended 31 December 2024 (continued)**

**6 Administrative expenses (continued)**

**6.1 Auditor's remuneration (excluding VAT)**

Information required by Section 322(1) of the Companies Act 2014 is as follows:

	<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	€	31 Dec 2023
		€
Audit fees	87,500	-
Tax compliance fees	5,500	-
	<b>93,000</b>	<b>-</b>

**7 Taxation**

Tax charged in the statement of comprehensive income:

	<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	€	31 Dec 2023
		€
<b>Current taxation</b>		
Corporation tax for the financial year	250	-
	<b>250</b>	<b>-</b>

The tax assessed for the financial year is higher than the standard rate of corporation tax in the Republic of Ireland of 12.5%.

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

The difference between the corporate tax charge based on the standard income tax rate in Ireland and the Company's effective tax rate is shown below:

	<b>31 Dec 2024</b>	<b>(Unaudited)</b>
	€	31 Dec 2023
		€
Profit before tax	1,000	-
Profit before tax multiplied by the standard rate of corporation tax in Republic of Ireland of 12.5%	125	-
Effect of higher tax rate applicable under Section 110 TCA 1997	125	-
<b>Total tax charge</b>	<b>250</b>	<b>-</b>

**Notes to the financial statements**  
**for the financial year ended 31 December 2024 (continued)**

**8 Investment in financial assets at FVTPL**

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
Fair value of loan receivables	348,158,392	-
Fair value of REOCo reserve bond loan receivables	15,047,500	-
	<b>363,205,892</b>	<b>-</b>

The movements of the account are as follows:

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
Opening balance	-	-
Loan receivable purchases	441,243,684	-
Loan receivables sold	(7,095,609)	-
Loan receivable collections	(153,287,281)	-
REOCo reserve bond loan	15,047,500	-
Net gains on investment in financial assets at FVTPL	67,297,598	-
	<b>363,205,892</b>	<b>-</b>

The carrying value of the assets of the Company represents their maximum exposure to credit risk.

The investment in financial assets primarily consists performing and non-performing loans. The assets held by the Company are pledged as security for the Notes issued.

As at 31 December 2024, the investments also include the purchase of REOCo Reserve Bond Receivable for the amount of €15 million (2023: Nil) which was part of the securitised loan portfolio sold by NBG to the Company at the securitisation date.

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**8 Investment in financial assets at FVTPL (continued)**

The contractual maturity of the financial assets at FVTPL detailed above is shown below.

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
Amount due within 1 year	28,628,175	-
Amount due within 1-5 years	166,244,213	-
Greater than 5 years	168,333,504	-
	<b>363,205,892</b>	<b>-</b>

**9 Other receivables**

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
Other receivables	250	-
Share capital receivable	1	1
	<b>251</b>	<b>1</b>

The carrying amount of the accounts above classified as financial instruments approximates their fair value.

**10 Cash and cash equivalents**

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
Cash at bank	42,393,624	-
	<b>42,393,624</b>	<b>-</b>

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**11 Notes issued designated at FVTPL**

	<b>as at 31 Dec 2024 €</b>	<b>(Unaudited) as at 31 Dec 2023 €</b>
Class A Notes	326,445,711	-
Class B Notes	31,224,207	-
Class Z Notes	19,478	-
Net loss on Notes issued designated at FVTPL	39,841,526	-
	<b>397,530,922</b>	<b>-</b>

The interest payable balance on Class A and B Notes as at year end is €938,531 and €1,423,125, respectively (2023: €Nil).

Repayment details of the Notes during the year are as follow:

	<b>Notes issued €</b>	<b>Repayments €</b>	<b>31 Dec 2024 €</b>
Class A Notes issued	360,000,000	(33,554,289)	326,445,711
Class B Notes issued	31,224,207	-	31,224,207
Class Z Notes issued	19,478	-	19,478
Net gains on issued Notes	-	-	39,841,526
	<b>391,243,685</b>	<b>(33,554,289)</b>	<b>397,530,922</b>

	<b>2024 €</b>	<b>2023 €</b>
More than 1 year	397,530,922	-
	<b>397,530,922</b>	<b>-</b>

<b>Classes of notes</b>	<b>Issue date</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Outstanding nominal as at 31 Dec 2024 €</b>	<b>Nominal value at issuance as at 31 Dec 2024 €</b>
Class A	16 February 2024	1.50%	24 January 2081	326,445,711	360,000,000
Class B	16 February 2024	6.75%	24 January 2081	31,224,207	31,224,207
Class Z	16 February 2024	variable	24 January 2081	19,478	19,478
				<b>357,689,396</b>	<b>391,243,685</b>

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**11 Notes issued designated at FVTPL (continued)**

The Notes issued are subject to different call options: Class B Noteholder call option, regulatory event call option and a risk retention call option.

**Class B Noteholder Call option**

The Class B Noteholders Representative may, on any Interest Payment Date falling on or after 15 February 2026 (24 months from the Closing Date), by giving written notice (the "Class B Call Notice") to the Issuer of not more than sixty (60) days and not less than thirty (30) days prior to the Interest Payment Date on which it intends to exercise the option to offer to purchase (which the Issuer must accept) all (but not part) of the Portfolio and all rights attaching thereto in full (the "Class B Call Option Date"), exercise such option (the "Class B Call Option"), subject to certain conditions.

The purchase price of the Portfolio on exercise of the Class B Call Option will be equal to the Call Option Purchase Price on the Class B Call Option Date. As at the financial year end, the Class B Noteholders are yet to exercise this option.

**Regulatory Event Call Option**

The Seller may, any time after the occurrence of a Regulatory Event, by giving written notice (the "Regulatory Event Call Notice") to the Issuer (who shall cause such notice to be delivered or notified to the Class B Noteholders Representative and the Noteholders in accordance with Condition 15 (Notices to Noteholders)) of not more than sixty (60) days and not less than thirty (30) days prior to the Interest Payment Date on which it intends to exercise the option to purchase (which the Issuer may or may not accept) all (but not part) of the Portfolio and all rights attaching thereto in full, exercise such option (the "Regulatory Event Call Option") on the next Interest Payment Date (the "Regulatory Event Call Date"), subject to certain conditions.

The Class B Noteholders Representative or a Class B Noteholder or Class B Noteholders holding more than 50% of the aggregate outstanding principal amount of the Class B Notes (the "Regulatory Event Call Option Exercising Noteholder") may exercise the Regulatory Event Call Option and purchase all (but not part) of the Portfolio and all rights attaching thereto in full on the Regulatory Event Call Date instead of the Seller subject to certain conditions set out in Clause 13.1 (Regulatory Event Call Option) of the Loan Sale Agreement.

The purchase price of the Portfolio on exercise of the Regulatory Event Call Option will be equal to the Call Option Purchase Price on the Regulatory Event Call Date.

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**11 Notes issued designated at FVTPL (continued)**

**Risk Retention Regulatory Change Event Call Option**

The Risk Retention Regulatory Change Option Holder may, on any Interest Payment Date following the occurrence of a Risk Retention Regulatory Change Event, by giving written notice (the "Risk Retention Regulatory Change Event Call Notice") to the Issuer of not more than sixty (60) days and not less than thirty (30) days prior to the Interest Payment Date on which it intends to exercise the option to purchase (which the Issuer may or may not accept) all (but not part) of the Portfolio and all rights attaching thereto in full (the "Risk Retention Regulatory Change Event Call Date"), exercise such option (the "Risk Retention Regulatory Change Event Call Option") subject to certain conditions.

The Class B Noteholders Representative or a Class B Noteholder or Class B Noteholders holding more than 50% of the aggregate outstanding principal amount of the Class B Notes (the "Risk Retention Regulatory Change Event Call Option Exercising Noteholder") may exercise the Risk Retention Regulatory Change Event Call Option and purchase all (but not part) of the Portfolio and all rights attaching thereto in full on the Risk Retention Regulatory Change Event Call Date instead of the Risk Retention Regulatory Change Option Holder, subject to certain conditions set out in Clause 13.3 (Risk Retention Regulatory Change Event Call Option) of the Loan Sale Agreement.

The purchase price of the Portfolio on exercise of the Risk Retention Regulatory Change Event Call Option will be equal to the Call Option Purchase Price on the Risk Retention Regulatory Change portfolio purchase completion date.

All consideration received from the Sellers following the occurrence of a call option shall be credited to the transaction account for distribution to the Noteholders.

On each relevant interest payment date, following the settlement of administrative fees, tax amounts and Hercules Asset Protection Scheme ("HAPS") Guarantee fees, the remaining available funds shall be distributed to pay, pro rata and pari passu at each level among themselves:

- 1) The interest due and payable on the Class A Notes;
- 2) To credit the Class A reserve fund account in an amount up to the Class A Reserve Fund Required Amount;
- 3) Any principal amounts due and payable by the Company under any letter of guarantee revolving credit facility agreement;
- 4) The interest due and payable on the Class B Notes;
- 5) To credit the Issuer REOCo bond loan reserve account in an amount up to the Issuer REOCo bond loans required amount;
- 6) The amount of principal due on the Class A Notes until the outstanding principal balance has been reduced to zero;
- 7) The amount of principal due on the Class B Notes until the outstanding principal balance has been reduced to zero;
- 8) The amount of principal due on the Class Z Notes until the outstanding principal balance has been reduced to €1;
- 9) For every interest payment date other than the final maturity date, the interest amount on the Class Z Notes

**Notes to the financial statements**  
**for the financial year ended 31 December 2024 (continued)**

**12 Trade and other payables**

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
Trade payables	519,349	-
Other payables	3,563,462	-
Accrued expenses	1,623,377	-
	<b>5,706,188</b>	<b>-</b>

The carrying amount of the accounts above classified as financial liabilities approximate their fair value.

**13 Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	At 1 January 2024 €	Issuance of notes €	Repayments €	Fair value changes €	At 31 December 2024 €
<b>Borrowings</b>					
Notes issued at FVTPL	-	391,243,685	(33,554,289)	39,841,526	397,530,922
	<b>-</b>	<b>391,243,685</b>	<b>(33,554,289)</b>	<b>39,841,526</b>	<b>397,530,922</b>

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)****14 Share capital****Authorised shares**

	as at 31 Dec 2024		(Unaudited) as at 31 Dec 2023	
	No.	€	No.	€
Ordinary share of €1.00	100	100	100	100

**Allotted, called and unpaid shares**

	as at 31 Dec 2024		(Unaudited) as at 31 Dec 2023	
	No.	€	No.	€
Ordinary share of €1.00	1	1	1	1

**15 Financial risk management**

The Company is exposed to various financial risks from the use of financial instruments. The Company established risk management policies to identify and analyse the risk it faces, set appropriate risk limits, monitor the risk and adhere to these limits. These risk limits are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to (a) credit risk; (b) market risk; and (c) liquidity risk from the use of financial instruments. The Company's exposure and risk mitigation policies are described in this note.

**Credit risk and impairment**

Credit risk is the risk of loss from the possibility that the Company's borrowers may fail to meet their obligations to the Company and represents the most significant risk category for the Company. The Company monitors the financial condition of the Borrowers and also monitors the Borrowers' performance of its obligations under the Loan Agreement.

The Company manages its credit risk by reviewing the credit quality of its counterparties prior to entering into any agreements. Characteristics of the loan portfolio based on its principal outstanding balance, including accumulated interest accrued as at the financial year end are shown below:

## Frontier II Issuer Designated Activity Company

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### Notes to the financial statements for the financial year ended 31 December 2024 (continued)

#### 15 Financial risk management (continued)

Status	Principal €	Total claim €
Non Performing Loan	848,545,569	2,623,128,322
Performing Loan	123,488,904	177,837,359
<b>Total</b>	<b>972,034,473</b>	<b>2,800,965,681</b>

The table below shows the Company's maximum exposure to credit risk and concentration of this risk:

	2024 €	2023 €	Country	Industry
Investment in financial assets at FVTPL	138,281,675	-	Greece	Mortgage
Investment in financial assets at FVTPL	28,909,701	-	Greece	Consumer
Investment in financial assets at FVTPL	65,352,476	-	Greece	Small business
Investment in financial assets at FVTPL	83,304,392	-	Greece	Corporate
Investment in financial assets at FVTPL	47,357,648	-	Greece	Corporate bonds
Cash and cash equivalents	33,685,086	-	France	Financial institution
Cash and cash equivalents	8,708,538	-	Greece	Financial institution
Other receivables	251	-	Greece	Corporate
	<b>405,599,767</b>	-		

	as at 31 Dec2024			(Unaudited) as at 31 Dec2023		
	Standard & Poor's	Moody's	Fitch	Standard & Poor's	Moody's	Fitch
HSBC	A+	A3	AA-	A	A	A
National Bank of Greece S.A	BBB-	Baa2	BB+	CCC	CCC	CCC

The credit risk associated with National Bank of Greece S.A. extends to both bank accounts held and the receivables due from the entity.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and includes interest rate risk, currency risk and other price risk.

The Company's risk management objective is to manage and control the market risk to within an acceptable range by ensuring that any potential effects of market prices to the fair value or future cash flows of a financial instrument will be minimised by a matching opposite effect in the fair value or future cash flow of another financial instrument.

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**15 Financial risk management (continued)**

**Foreign exchange risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company manages its foreign exchange risk by ensuring that the Company will have financial assets that are denominated in the same currency of the financial liabilities such that any movement on foreign exchange will be offset.

**Sensitivity analysis**

As shown above, the Company has no significant exposure to currency risk and therefore no sensitivity analysis is presented.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in the market interest rates.

The financial assets the Company holds are primarily subject to variable interest rates, whilst it's financial liabilities carry fixed interest rates. As the Company is only obliged to make interest payments on the financial liabilities to the extent that there are sufficient funds available, in accordance with the priority of payments of the Notes, the Company does not consider itself to be subject to interest rate risk.

2024	Fixed €	Variable €	Non-interest bearing €	Total €
<b>Assets</b>				
Investment in financial assets at FVTPL	15,047,500	348,158,392	-	363,205,892
Other receivables	-	-	251	251
Cash and cash equivalents	-	42,393,624	-	42,393,624
	15,047,500	390,552,016	251	405,599,767
<b>Liabilities</b>				
Notes issued designated at FVTPL	(397,511,444)	(19,478)	-	(397,530,922)
Other payable	-	-	(5,706,188)	(5,706,188)
Interest payable	(2,361,656)	-	-	(2,361,656)
	(399,873,100)	(19,478)	(5,706,188)	(405,598,766)
<b>Net exposure</b>	<b>(384,825,600)</b>	<b>390,532,538</b>	<b>(5,705,937)</b>	<b>1,001</b>

**Sensitivity analysis**

A change in interest rates by 100 basis points would result in a positive impact of €3,905,325 (2023: Nil) to the financial assets at FVTPL, with an equal an opposite impact in the financial liabilities at FVTPL due to their limited recourse nature. Interest rates on financial assets with variable rates are reset periodically. The interest rate risk of the financial assets is borne by the Noteholders and thus changes in interest rates have no net impact on the equity or the results of the Company. The residual interest rate risk impact will be borne in the first instance by the class Z Noteholders and subsequently by the class B Noteholders, in accordance with the priority of payments.

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)****15 Financial risk management (continued)****Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities as they fall due.

The Company manages its liquidity risk by matching maturities of its financial liabilities with its financial assets. The future cash flows of the Company's financial liabilities on an undiscounted basis as at the financial year-end dates are as follows.

<b>31 Dec 2024</b>	<b>Within 1 year</b>	<b>Between</b>	<b>More than 5</b>	<b>Contractual</b>	<b>Total</b>
	<b>€</b>	<b>2-5 years</b>	<b>years</b>	<b>value</b>	<b>Carrying</b>
		<b>€</b>	<b>€</b>	<b>€</b>	<b>Value</b>
					<b>€</b>
<b>Liabilities</b>					
Notes issued designated at FVTPL	-	-	391,243,685	357,689,396	397,530,922
Other payables	5,706,188	-	-	5,706,188	5,706,188
Interest payable	2,361,656	-	-	2,361,656	2,361,656
	8,067,844	-	391,243,685	365,757,240	405,598,766
<b>Net exposure</b>	<b>8,067,844</b>	<b>-</b>	<b>391,243,685</b>	<b>365,757,240</b>	<b>405,598,766</b>

The total contractual value is made up of the total notional amount and the accrued interest at year end. The above table does not include any future interest payments on the notes issued as given the nature of the loan portfolio, the Company is only liable to pay the interest given there is enough cash available for distribution based on the waterfall of payments.

**Capital risk management**

The Company is a structured entity within the meaning of IFRS 12. The share capital of €1 is held in trust for charitable purposes under a declaration of trust.

The Company is not subject to any externally imposed capital requirement. The share capital is not used for financing or investing activities of the Company. There is no change in the Company's capital management during the financial year.

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)****16 Fair value measurement**

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.

- 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 carrying amounts of financial instruments held at fair value were determined by reference to Level 1, Level 2 and Level 3 hierarchy categories as defined above. The valuations are determined through the use of valuation techniques as outlined in financial instruments note to the financial statements. At the reporting date, the financial instruments have been determined to be Level 3 and cash, other receivables and other payables have been determined to be Level 2.

The valuation of the financial assets was determined by the directors based on the values obtained from the managements valuation expert. The management's valuation expert segregated the financial assets into segments of performing and non-performing loans to create a recovery model to determine the fair value of the portfolio.

The performing loans were analysed using a discounted cashflow valuation with an assumption of a 4 percent constant default rate. The interest rate used was determined using the performing loans weighted average interest rate adjusted for Euribor to give an average margin of 2.3 percent. Discounts were applied to property values to reflect the blend of amicable and stressed outcomes. Residential collateral values were haircut by 30 percent, and commercial property values also by 30 percent.

The non-performing loans were analysed to follow the Servicer's collection process, with all resolutions expected to occur within a 10-year window. The real estate collateral values were stressed to reflect the costs of resolution, maintenance deficiencies and failure to invest in improvements. Residential collateral values were haircut by 35 percent and commercial property values also by 35 percent.

The aggregate values from the recovery model were then summed for each year and discounted at a risk-free rate plus a premium for illiquidity and uncertainty. A final adjustment was made for a deduction for legal costs, REOCo costs, servicer fees and Hellenic asset protection scheme fees.

Due to their limited recourse nature, the fair value of the Notes issued by the Company (financial liabilities designated at FVTPL) is determined by reference to the fair value of associated financial assets less all other liabilities of the Company. Any future change in the fair value of financial assets will have an equal but opposite impact on the fair value of financial liabilities.

	<b>Fair value at 31 Dec 24</b>	<b>Fair value at 31 Dec 23</b>	
	€	€	<b>Valuation technique</b>
Investment in financial assets at FVTPL	363,205,892	-	Discounted cash flow technique

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**16 Fair value measurement (continued)**

Description	Discount rate	Haircut	Default collection period	Sensitivity to unobservable input
Performing	Greek Government Bond rate plus 300 bps	30%	-	The estimated fair value would decrease if the discount rate and haircut were higher
Non-performing	Greek Government Bond rate plus 300 bps	35%	10	The estimated fair value would decrease if the discount rate, haircut and default collection period were higher

**Sensitivity of fair value measurement to changes in unobservable inputs**

Although management believes that its estimate of fair value is appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurement in level 3, changing one or more of the assumptions used to reasonable possible alternative assumptions would have effected on the fair value.

The impact on fair value from the change in the discount rate, default period and haircut applied on the loan portfolio is summarised below:

		Change in € 2024		
		Haircuts 20%/25%	Haircuts 30%/35%	Haircuts 40%/45%
<b>Default collection period 1 year earlier</b>				
Discount rate 2.25%	Performing loans fair value	101,853,749	98,466,548	94,727,382
	Non-performing loans fair value	347,192,830	312,935,633	274,618,955
	Fees	44,276,307	44,276,307	44,276,307
	Net fair market value	404,770,272	367,125,874	325,070,030
Discount rate 3.00%	Performing loans fair value	96,544,316	93,630,013	89,445,754
	Non-performing loans fair value	335,980,079	302,950,032	265,769,368
	Fees	42,430,217	42,430,217	42,430,217
	Net fair market value	390,094,178	354,149,828	312,784,905
Discount rate 3.75%	Performing loans fair value	91,272,732	88,539,230	84,676,288
	Non-performing loans fair value	325,343,645	292,956,890	257,466,867
	Fees	40,951,248	40,951,248	40,951,248
	Net fair market value	375,665,129	340,544,872	301,191,907
<b>Default collection period unchanged</b>				
Discount rate 2.25%	Performing loans fair value	101,853,749	98,466,548	94,727,382
	Non-performing loans fair value	342,328,169	308,029,314	270,737,363

**Notes to the financial statements**  
**for the financial year ended 31 December 2024 (continued)**

**16 Fair value measurement (continued)**

		<b>Change in €</b>		
		<b>2024</b>		
		<b>Haircuts</b>	<b>Haircuts</b>	<b>Haircuts</b>
		<b>20%/25%</b>	<b>30%/35%</b>	<b>40%/45%</b>
	Fees	44,276,307	44,276,307	44,276,307
	Net fair market value	399,905,611	362,219,555	321,188,438
Discount rate 3.00%	Performing loans fair value	96,544,316	93,630,013	89,445,754
	Non-performing loans fair value	330,458,514	297,437,382	261,157,127
	Fees	42,430,217	42,430,217	42,430,217
	Net fair market value	384,572,613	348,637,178	308,172,664
Discount rate 3.75%	Performing loans fair value	91,272,732	88,539,230	84,676,288
	Non-performing loans fair value	319,124,565	287,222,881	252,406,072
	Fees	40,951,248	40,951,248	40,951,248
	Net fair market value	369,446,049	334,810,863	296,131,112

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**16 Fair value measurement (continued)**

		<b>Change in € 2024</b>		
		<b>Haircuts 20%/25%</b>	<b>Haircuts 30%/35%</b>	<b>Haircuts 40%/45%</b>
<b>Default collection period 1 year later</b>				
Discount rate 2.25%	Performing loans fair value	101,853,749	98,466,548	94,727,382
	Non-performing loans fair value	330,378,647	297,722,792	261,727,842
	Fees	44,276,307	44,276,307	44,276,307
	Net fair market value	387,956,089	351,913,033	312,178,917
Discount rate 3.00%	Performing loans fair value	96,544,316	93,630,013	89,445,754
	Non-performing loans fair value	316,879,908	285,084,014	250,283,569
	Fees	42,430,217	42,430,217	42,430,217
	Net fair market value	370,994,007	336,283,810	297,299,106
Discount rate 3.75%	Performing loans fair value	91,272,732	88,539,230	84,676,288
	Non-performing loans fair value	303,876,132	273,496,069	240,136,050
	Fees	40,951,248	40,951,248	40,951,248
	Net fair market value	354,197,616	321,084,051	283,861,090

Favorable and unfavorable effects from using reasonable possible alternative assumptions for the valuation of the loan portfolio have been calculated by recalibrating model values. The reasonable possible alternative assumptions used for both performing and non-performing loans at 31 December 2023 were as follows;

**Lower range:** 1% decrease in discount rate, 10% decrease in hair-cut and 1 year decrease in default collection period

**Upper range:** 1% increase in discount rate, 10% increase hair-cut and 1 year increase in default collection period

Due to their limited recourse nature, the fair value of the Notes issued by the Company (financial liabilities designated at FVTPL) is determined by reference to the fair value of associated financial assets less all other liabilities of the Company. Any future change in the fair value of financial assets will have an equal but opposite impact on the fair value of financial liabilities.

	<b>As at 31 Dec 2024</b>		
	<b>Fair value hierarchy</b>	<b>Nominal amount €</b>	<b>Fair Value €</b>
Investment in financial assets at FVTPL	3	295,908,294	363,205,892
Notes issued designated at FVTPL	3	357,689,395	397,530,922

**Notes to the financial statements**  
**for the financial year ended 31 December 2024 (continued)**

**16 Fair value measurement (continued)**

The tables below show a reconciliation of all movements in the fair values of financial instruments categorised within Level 3:

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
<b>Movement of financial assets at FVTPL</b>		
Opening balance	-	-
Loan receivable purchases	441,243,684	-
Loan receivables sold	(7,095,609)	-
Loan receivable collections	(153,287,281)	-
REOCo reserve bond loan	15,047,500	-
Net gains on investment in financial assets at FVTPL	67,297,598	-
<b>Closing balance</b>	<b>363,205,892</b>	-

	as at 31 Dec 2024 €	(Unaudited) as at 31 Dec 2023 €
<b>Movement of financial liabilities at FVTPL</b>		
Opening balance	-	-
Class A Notes issued	360,000,000	-
Class B Notes issued	31,224,207	-
Class Z Notes issued	19,478	-
Repayments	(33,554,289)	-
Net gains on issued Notes	39,841,526	-
<b>Closing balance</b>	<b>397,530,922</b>	-

The fair value of the Loans is determined using the discounted cash flow valuation technique and is deemed to be level 3 of the fair value hierarchy. As the Loans are linked to the Notes, the Directors are of the view that the value of the notes is being driven by the loan receivables.

The amount of net gains recognised in the statement of comprehensive income from level 3 investments for the financial year was €76,481,585 (2023: Nil).

## **Notes to the financial statements for the financial year ended 31 December 2024 (continued)**

### **17 Segmental risk and reporting**

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

As required by IFRS 8 Operating Segments ("IFRS 8"), the information provided to the Board, who is the Chief Operating Decision Maker, can be classified into one segment as at 31 December 2024.

### **18 Commitment and contingent liabilities**

Under the REOCo Bond Loan Facility Agreement, the Company has agreed to pay NBG (the "REOCo Bond Loan Lender") an on-going consideration in an amount equal to the amount advanced under the REOCo Bond Loans to the REOCo in each REOCo Advance Date, with a maximum principal balance of €115,000,000.

There were no other contingent liabilities or commitments as of 31 December 2024. 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.

### **19 Charges**

The Notes are secured in favour of the Trustee for the benefit of the Noteholders by security over the Portfolio of financial assets.

### **20 Parent undertaking and related party transactions**

The Company is a structured entity, within the meaning of IFRS 12, of the Borrower. The Company's share capital is held in trust by Cafico Trust Company Limited for charitable purposes under a declaration of trust.

Cafico Corporate Services Limited (the "Administrator") provided corporate services to the Company. The Directors of the Company did not receive any Director's fees in respect of qualifying services to the Company during the financial year (2023: Nil).

The professional fees paid to Cafico Corporate Services Limited were in relation to the corporate services provided during the financial year. The estimated aggregate value of the provision of qualifying services of Directors of the Company in accordance with section 305 of the Act amounted to €10,000.

During the financial year, NBG acquired Class A, Class B and Class Z Notes with a nominal value of €1,014,485,000 and transferred to FFI III S.a.r.l. (Class B: 68.4%; Class Z: 68.4%), FYI S.a.r.l (Class B: 13.3%; Class Z: 13.3%) and Olifant Luxco S.a.r.l. (Class B: 13.3%; Class Z: 13.3%), whose Investment Manager is Bracebridge Capital, LLC and held these Notes at financial year end. During the financial year, the Company paid a total of €31,360,394 and the interest payable at year end is €2,361,656 (2023: Nil) of which, €938,531 is payable to NBG.

During the financial year, the Company entered into a bond loan facility agreement with the REOCo. As of 31 December 2024, the fair value of the loan to REOCO was €15,047,500 (2023: Nil).

**Notes to the financial statements  
for the financial year ended 31 December 2024 (continued)**

**21 Subsequent events**

In December 2024, the Company entered into a commitment to sell portfolios of receivables ("Palmyra Portfolio A") and ("Palmyra Portfolio B") to Creditable Opportunities Fund SCA SICAV-RAIF with a base purchase price of €25,142,292 (Portfolio A) and €7,857,708 (Portfolio B). The loan sale agreement was completed on May 2025.

On 4 November 2025, the Company received instruction from the Class B Noteholders to enter into a loan sale agreement with Corinth Financial Investor Designated Activity Company to sell part of the portfolio of loan receivables ("Project Melfi") with a base purchase price of €27,000,448. The loan sale agreement was completed on 7 November 2025.

Other than those that were already disclosed, there are no other events since the balance sheet date, that require adjustment to, or disclosure in, these financial statements.

**22 Approval of the financial statements**

The Directors approved these financial statements on the date indicated in the Directors' Report.