

Cabot Financial (Ireland) Limited

Directors' Report and Financial Statements

For the financial year ended 31 December 2024

Cabot Financial (Ireland) Limited

Company Information

Directors	Sean Webb Niall Sorohan (resigned 13/12/24) Tom Dillon Paul Doddrell (British) Lynn Cruickshanks (British)
Company secretary	Tom Dillon
Registered number	144084
Registered office	Block D, Cookstown Court Old Belgard Road Tallaght Dublin 24
Independent auditors	BDO Statutory Audit Firm Block 3 Miesian Plaza 50-58 Baggot Street Lower Dublin 2
Bankers	Bank of Ireland plc Newlands Cross Clondalkin Dublin 22 Allied Irish Banks plc 98 Sandymount Road Dublin 4
Solicitors	McCann Fitzgerald Riverside One Sir John Rogerson's Quay Dublin 2 Belgard Solicitors Block B Cookstown Court Old Belgard Road Tallaght Dublin 24

Cabot Financial (Ireland) Limited

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Cabot Financial (Ireland) Limited
Directors' Responsibilities Statement
For the financial year ended 31 December 2024

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2024.

Principal activities

The principal activity of the company is offering specialist services in the areas of debt purchase, contingency collections, financial service outsource solutions and the provision of debt recovery services in respect of defaulted consumer loan portfolios, "the portfolios", purchased by the Company.

Business review

In September 2024, Cabot Financial Ireland Limited ("CFI") was subject to a cyber incident in which a third party gained unauthorised access to part of CFI's information technology systems and exfiltrated company data. To contain the incident and the impact to CFI's business and its customers, CFI isolated the affected systems from its network. CFI engaged Cyber forensic experts to support the incident response.

CFI took immediate action to report the incident to the Central Bank of Ireland, the Data Protection Commissioner and the Garda Síochána. CFI continues to work through the impact of the cyber incident including the notification of data subjects whose personal information may have been compromised and continues to provide support and advice to impacted data subjects, including access to a specialist service that helps detect possible misuse of personal information and provides identity monitoring support.

As a result of the Cyber incident, CFI's activities were constrained from mid-September 2024 until early January 2025 when all services were fully operational. The impact of the Cyber incident was €4.2m on revenue and €4.3m on incurred costs.

The company in 2025 will continue to look for additional revenue streams from financial service outsourcing and to purchase more non-performing loan ("NPL") portfolios in the Irish market.

Results and dividends

The loss for the financial year, after taxation, amounted to **€9m** (2023 – Loss **€1.13m**) of which **€8.5m** can be attributed to the cyber incident.

The company did not pay an interim or final dividend during the financial year (2023 – *€Nil*).

Directors

The directors who served during the financial year were:
Sean Webb
Niall Sorohan (resigned 13/12/2024)
Tom Dillon
Paul Doddrell
Lynn Cruickshanks

The names of the persons who were directors and secretary at any time during the financial year ended 31 December 2024 are set out on the company information page. Except where indicated they served as directors for the entire financial year. In accordance with the Articles of Association, the directors are not required to retire by rotation.

The share interests of the directors and secretary in the share capital of any group undertaking is less than one percent of the relevant issued share capital and has therefore not been disclosed in these financial statements in accordance with Section 260 of the Companies Act 2014.

KPI's

The company uses the following KPI's

KPI's	FY24 €'000	FY23 €'000	Definition	Strategic Relevance	Performance
Portfolio Collections	24,070	17,531	Portfolio collections are the actual cash collected from the purchased NPL's loan books.	Portfolio collections is a key measure of the gross cash generated from the portfolios	Portfolio collections in FY24 grew by 37% year over year, mainly due to increased portfolio purchases in FY24 as compared to FY23, however missed budget target by €3.7m due to Cyber incident and impacted revenue by €4.2m
(Loss)/Profit Before Tax	(8,844)	(1,166)	Earnings before tax	Profit before Tax is a key measure of the profitability generated from portfolio & subsidiary investments	The increase in Loss before Tax was driven by increased administrative expenses due to the Cyber event.

Cabot Financial (Ireland) Limited

Directors' Responsibilities Statement For the financial year ended 31 December 2024

Principal risks and uncertainties

The income of the business is derived from debt collection services in an outsourced capacity and debt collections of owned NPL portfolios.

The debt collection services provided are governed by various contracts held with customers of the business. The contracts vary in renewal dates and termination clauses and any inherent risks of the business lie within these clauses.

The company is exposed, through the normal course of its operations, to a number of classes of risk. The most significant of these are credit and operational risk.

Credit risk is the risk of non-payment from customers. For loan portfolios owned by the company it deploys highly sophisticated computer technology and collection techniques to reduce the risk.

In addition, the company selectively offers debt collection outsourced services to credit worthy customers who are in a strong financial position.

Operational risk is the risk of an interruption to business activities due to an unforeseen event, or a systems/IT failure. The risk is managed through business continuity and disaster recovery plans that the company has in place and are tested on a regular basis.

Compliance Statement

As required by Section 225 of the Companies Act, 2014 the Directors acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations" (as defined in that legislation). The Directors further confirm that the parent company Cabot Financial Debt Recovery Services Ltd has a compliance policy statement and that appropriate arrangements and structures have been put in place that are, in the Directors opinion designed to secure material compliance with the relevant obligations.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24.

Statement on relevant audit information

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

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

Post balance sheet events

There have been no significant events affecting the Company since the financial year end.

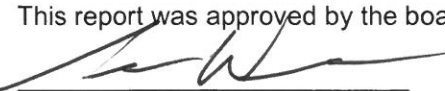
Future Developments

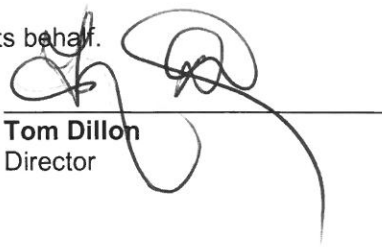
The company intends to continue to look for additional revenue streams from financial service outsourcing and to purchase more non-performing loan ("NPL") portfolios in the Irish market.

Auditors

The auditors, BDO, express their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.


Sean Webb
Director


Tom Dillon
Director

Date: 13/1/26

Cabot Financial (Ireland) Limited

Directors' Responsibilities Statement For the financial year ended 31 December 2024

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

Irish company law requires the Directors to prepare the financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- notify the Company shareholders in writing of the Company taken advantage of the exemption available under FRS102 paragraph 1.12(b) from preparing a statement of cash flows; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

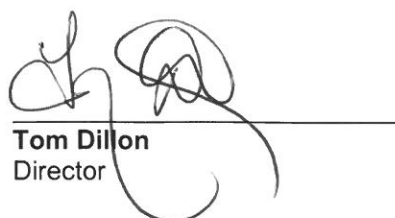
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Sean Webb
Director

Date: 13/1/26



Tom Dillon
Director



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Ireland

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CABOT FINANCIAL (IRELAND) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cabot Financial (Ireland) Limited ('the Company') for the year ended 31 December 2024, which comprise the Balance Sheet as at year ended 31 December 2024, the Statement of Comprehensive Income and Statement of Changes in Equity for the year ended 31 December 2024 and notes to the financial statements, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

In our opinion the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and the Companies Act 2014. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

Other Offices:

103/104 O'Connell St
Limerick, V94 AT85

Brian McEnery (Managing Partner)
Simon Carbery
Stewart Dunne
Chris Fogarty
Patrick Glover

Brian Hughes
Ronan Harbourne
Diarmuid Hendrick
Liam Hession
Ken Kilmartin

Stephen McCallion
Aine McInerney
Teresa Morahan
Ursula Moran
Siobhan Phelan

Donal Ryan
Richard Sammon
Gavin Smyth
Richard Warren-Tangney
Paul Creedon



Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

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

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

Matters on which we are required to report by exception.

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

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

Respective responsibilities

Responsibilities of directors and those charged with governance for the financial statements

As explained more fully in the Directors' Responsibilities Statement set on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 IAASA's website at: https://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

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

A handwritten signature in black ink, appearing to read 'Donal Ryan', written over a horizontal line.

Donal Ryan
for and on behalf of BDO
Statutory Audit Firm
Block 3, Miesian Plaza,
50-58 Baggot Street Lower,
Dublin 2, D02 Y754
Ireland

14 January 2026

Date

Cabot Financial (Ireland) Limited

**Statement of Comprehensive Income
For the financial year ended 31 December 2024**

	Note	2024 €	2023 €
Turnover	4	17,428,027	19,104,440
Cost of sales		<u>(5,447,189)</u>	<u>(5,577,098)</u>
Gross profit		11,980,838	13,527,342
Administrative expenses		<u>(19,235,400)</u>	<u>(13,753,682)</u>
Operating (loss) / profit	5	(7,254,562)	(226,340)
Interest expense	8	<u>(1,589,573)</u>	<u>(940,074)</u>
(Loss) / Profit on ordinary activities before taxation		(8,844,135)	(1,166,414)
Taxation on (loss) / profit on ordinary activities	9	<u>(177,425)</u>	<u>(171,992)</u>
(Loss) / Profit for the financial year		<u>(9,021,560)</u>	<u>(1,338,406)</u>
 Total comprehensive income for the financial year		 <u>(9,021,560)</u>	 <u>(1,338,406)</u>

All amounts relate to continuing operations.

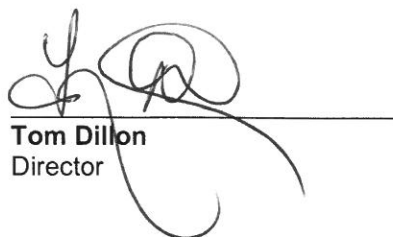
Signed on behalf of the board:



Sean Webb
Director

Date:

13/1/26



Tom Dillon
Director

The notes on pages 10 to 24 form part of these financial statements.

Cabot Financial (Ireland) Limited

**Balance Sheet
As at 31 December 2024**

	Note	2024 €	2023 €
Fixed assets			
Tangible assets	10	696,675	523,597
Investments	11	2,054,787	2,054,787
		2,751,462	2,578,384
Current assets			
Debtors: Amounts falling due within one year	12	4,278,077	12,161,741
Loan portfolios	14	32,646,802	32,957,666
Cash and cash equivalent	13	4,900,383	2,538,805
		41,825,262	47,658,212
Creditors: Amounts falling due within one year	15	(29,878,476)	(39,091,476)
		11,946,786	8,566,736
Creditors: Amounts falling due after one year	16	(12,417,753)	-
		2,280,495	11,145,120
Net assets		2,280,495	11,145,120
Capital and reserves			
Called up share capital presented as equity	18	68,515	68,515
Capital contribution	19	2,871,447	2,714,512
Capital redemption reserve	19	3,916,743	3,916,743
Profit and loss account	19	(4,576,210)	4,445,350
Shareholders' funds		2,280,495	11,145,120

Signed on behalf of the board:



Sean Webb
Director

Date: 13/11/26



Tom Dillon
Director

The notes on pages 10 to 24 form part of these financial statements.

Cabot Financial (Ireland) Limited

**Statement of Changes in Equity
As at 31 December 2024**

	Share capital	Share premium €	Capital contribution €	Capital redemption reserve €	Profit & (Loss) €	Total equity €
At 1 January 2024	68,515	-	2,714,512	3,916,743	4,445,350	11,145,120
Loss for the financial year	-	-	-	-	(9,021,560)	(9,021,560)
Return of capital contribution	-	-	-	-	-	-
Capital contribution			156,935			156,935
At 31 December 2024	<u>68,515</u>	<u>-</u>	<u>2,871,447</u>	<u>3,916,743</u>	<u>(4,576,210)</u>	<u>2,280,495</u>

**Statement of Changes in Equity
As at 31 December 2023**

	Share capital	Share premium €	Capital contribution €	Capital redemption reserve €	Profit & (Loss) €	Total equity €
At 1 January 2023	68,515	-	63,598,486	3,916,743	5,783,756	73,367,500
Loss for the financial year	-	-	-	-	(1,338,406)	(1,338,406)
Return of capital contribution	-	-	(63,065,907)	-	-	(63,065,907)
Capital contribution	-	-	2,181,933	-	-	2,181,933
At 31 December 2023	<u>68,515</u>	<u>-</u>	<u>2,714,512</u>	<u>3,916,743</u>	<u>4,445,350</u>	<u>11,145,120</u>

The notes on pages 10 to 24 form part of these financial statements.

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

1. General

Cabot Financial (Ireland) Limited (the "Company") is incorporated and domiciled in Ireland. The address of its registered office in Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24.

The principal activity of the company is offering specialist services in the areas of debt purchase, contingency collections, financial service outsource solutions and the provision of debt recovery services in respect of defaulted consumer loan portfolios, "the portfolios", purchased by the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and Irish statute comprising of the Companies Act 2014.

The company made a significant Loss after tax for the year of €9m (2023: €1.3m) and had net assets of €2.2m at 31 December 2024 (2023: €11.1m). The Loss after tax was primarily due to the Cyber incident. Group companies have undertaken to continue to provide such financial support to the company as it may require. The Directors have assessed the financial position of the company and support offered by group and have concluded it is appropriate to continue to adopt the going concern basis in the preparation of the accounts.

The Company's financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The company has taken advantage of the exemption available under FRS102 paragraph 1.12(b) from preparing a Statement of Cash Flows as Encore Capital Group, Inc, includes the company's cash flows in its own consolidated financial statements.

As the consolidated financial statements of Encore Capital Group, Inc, include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of certain disclosures required by FRS 102.26 share-based payments.

The following principal accounting policies have been applied:

2.2 Turnover

Debt Purchase turnover represents amounts collected from customers which are recognised on receipt.

Debt Service turnover represents invoice price, less trade discounts and excluding value added tax. Turnover consists of fixed and variable income. Fixed income is invoiced in line with the terms of the contracts in place. Variable income is based on the commission received on the debt collected on behalf of clients. Sales are recognised once the invoice has been raised. Where fixed income is received in advance it is deferred until it is earned.

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis;

Long-term leasehold property	-	12.5%	Straight line
Fixtures and fittings	-	20%	Straight line
Office equipment	-	20%	Straight line
Computer equipment	-	33%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2.4 Valuation of investments

Investments in subsidiaries are initially measured at fair value (transaction price) in accordance with FRS102 section 11 and 12.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

2.7 Financial instruments

On initial recognition, FRS 102 requires that financial instruments be classified into the following categories; at fair value through profit and loss, loans and receivables, held-to-maturity investments or available for sale.

Financial instruments are required to be measured using a fair value hierarchy that reflects the significance of the inputs used in measuring the fair value of those instruments. The fair value hierarchy has the following levels:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

On initial recognition, purchased loan portfolios (comprising loans and receivables) are recognised at fair value of the consideration paid or payable, plus directly attributable transaction costs. The initial yield is derived by establishing the rate that discounts expected future cash receipts from the portfolio to its carrying value on initial recognition.

Subsequently, the carrying amount of the portfolios is adjusted to its current value by updating expected future cash receipts and discount them using the initial yield. (see note 14 for more detail) Where fair value is not available the entity's last available measure is treated as cost and recognised at cost less impairment.

Debtors are classified as loans and receivables and measured at amortised cost using the effective interest method, less any impairment.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank and Intercompany loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within "Administration expenses".

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income and over the term of the debt using the effective interest method.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Operating leases: Lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for certain directors and employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Taxation

Current tax

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax asset are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgments:

Purchased loan portfolios

The purchased loan portfolios held on the balance sheet represent trading assets of the business and are classified as recoverable within or outside of the one year depending on the expected recovery profile. The key judgements and assumptions relate to the future cash receipts expected.

On initial recognition, purchased loan portfolios (comprising loans and receivables) are recognised at fair value of the consideration paid or payable, plus directly attributable transaction costs. The initial yield is derived by establishing the rate that discounts expected future cash receipts from the portfolio to its carrying value on initial recognition.

Subsequently, the carrying amount of the portfolio is adjusted to its current value by updating expected future cash receipts and discount them using the initial yield.

The discounted cash flow projection is developed at a portfolio level based on projected cash receipts over the forecast cash collection period for each individual portfolio ("the forecast period"). The portfolio value is determined in the manner described in note 14 and is highly sensitive to the collections achieved and the forecast algorithm used to project forward collections. The current value of the loan portfolios at the financial year end was **€32,646,802** (2023: €32,957,666)

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

4. Analysis of turnover

	2024 €	2023 €
Collections on portfolios (Debt Purchase Turnover)	24,070,806	17,531,307
Software income and servicing fee (Debt Servicer Turnover)	9,283,345	10,932,579
Less: Portfolio amortisation	(15,926,124)	(9,359,446)
	17,428,027	19,104,440
All turnover arose in Ireland		

5. Operating profit

The operating profit is stated after charging

	2024 €	2023 €
Depreciation of tangible fixed assets	301,591	418,629
Auditors' remuneration	53,943	30,000
Postage	960,107	712,490
Computer costs	3,038,266	1,644,354
Legal & Professional(includes Cyber costs)	3,944,024	396,352
Foreign exchange (Gain)/Loss	(9,407)	308
Rent – operating leases	257,280	272,186

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2024 €	2023 €
Wages and salaries	7,538,512	7,617,569
Employers' PRSI	870,836	860,933
Defined contribution pension cost	147,773	135,205
Other compensation costs	328,575	23,503
Incentives non-cash	60,418	24,679
Share option charge	154,661	149,220
Redundancy and severance payment	130,390	69,788
Temporary personnel	210	-
Share based payment	309,141	337,642
	9,540,516	9,218,539

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

The average monthly number of employees, including the directors, during the financial year was as follows:

	2024	2023
	No.	No.
Customer service	87	86
Administration and management	38	46
	125	132

7. Directors' remuneration

	2024	2023
	€	€
Directors' emoluments incl PRSI	1,227,846	1,181,867
Defined contribution pension cost	28,777	28,030
Other compensation costs	3,600	3,600
Share option charge	297,791	340,077
	1,558,014	1,553,574

8. Interest Expense

	2024	2023
	€	€
Interest on loans from group companies	1,589,573	940,074

9. Taxation

	2024	2023
	€	€
Corporation tax		
Current tax on (loss)/profit for the financial year	-	-
Deferred tax charge on (loss)/profit for the financial year	177,425	171,992
Taxation on (loss)/profit on ordinary activities	177,425	171,992

Factors affecting the tax charge for the financial year

The tax assessed for the financial year is higher than (2023 - *higher than*) the standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%). The differences are explained below:

	2024	2023
	€	€
(Loss)/Profit on ordinary activities before tax	(8,844,135)	(1,166,414)
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2022 - 12.5%)	(1,105,516)	(145,802)
Effects of:		
Expenses not deductible for tax purposes	37,131	44,777
Capital Allowances in excess of depreciation	(29,099)	(70,967)
Changes in deferred tax balances	177,425	-
Unutilised tax losses	1,097,484	343,984
Total tax charge for the financial year	177,425	171,992

No deferred tax asset is currently recognised in respect of carried forward losses €1,229,921(2023 €0) due to uncertainty as to whether they will be used. Tax charge is due to reversal of DTA from prior year.

Cabot Financial (Ireland) Limited

**Notes to the Financial Statements
For the financial year ended 31 December 2024**

10. Tangible fixed assets

	Long-term leasehold property €	Fixtures and fittings €	Office equipment €	Computer equipment €	Total €
Cost					
At 1 January 2024	442,181	478,186	81,124	5,950,809	6,952,300
Additions	36,278	5,841	-	554,799	596,918
Disposals				(122,249)	(122,249)
At 31 December 2024	478,459	484,027	81,124	6,383,359	7,426,969
Depreciation					
At 1 January 2024	435,013	426,237	81,124	5,486,329	6,428,703
Charge for the financial year	8,357	22,213	-	271,021	301,591
At 31 December 2024	443,370	448,450	81,124	5,757,350	6,730,294
Net book value					
At 31 December 2024	<u>35,089</u>	<u>35,577</u>	<u>-</u>	<u>626,009</u>	<u>696,675</u>
<i>At 31 December 2023</i>	<u>7,168</u>	<u>51,949</u>	<u>-</u>	<u>464,480</u>	<u>523,597</u>

Cabot Financial (Ireland) Limited

**Notes to the Financial Statements
For the financial year ended 31 December 2024**

11. Investments

	Investment in subsidiaries
Cost	€
At 1 January 2024	2,054,787
Additions	-
	2,054,787
At 31 December 2024	<u>2,054,787</u>
At 31 December 2023	<u>2,054,787</u>

Subsidiary undertakings

The following are subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Cabot Asset Purchases (Ireland) Limited (a)	Republic of Ireland	Ordinary	100 %	Debt purchase and collection
Cabot Securitisation Europe Limited (b)	Republic of Ireland	Ordinary	100 %	Investment in defaulted loan portfolios
LSF7 Silverstone S.à.r.l. (c)	Luxembourg	Ordinary	100 %	Management of loan portfolios
Cabot (Portugal) Unipessoal LDA (d)	Portugal	Ordinary	100 %	Management of loan portfolios
Cabot Assets (Spain) S.A.U (e)	Spain	Ordinary	100 %	Management of loan portfolios
Molanda Commercial Limited (f)	Republic of Ireland	Ordinary	100 %	Holding Company
Torrington Commercial Limited (g)	Republic of Ireland	Ordinary	100 %	Holding company
Propiedades Residenciales SAU (h)	Spain	Ordinary	100 %	Management of loan portfolios
Grimnall Business SLU (i)	Spain	Ordinary	100 %	Management of loan portfolios
Cabot Assets Portugal Unipessoal LDA (j)	Portugal	Ordinary	100 %	Management of loan portfolios
Cabot L1 Luxembourg (k)	Luxembourg	Ordinary	100%	Management of loan portfolios

Registered Address

- (a) Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24, Ireland
- (b) Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24, Ireland
- (c) 6 rue Gabriel Lippmann, Building B, L-5365 Munsbach, Luxembourg
- (d) Avenida Do Atlantico No 16, 9º Piso, Escritorio 9.03/9.04, Distrito: Lisboa Concelho: Lisboa Freguesia: Parque das Naoe, 1990 019 Lisboa, Portugal
- (e) 46 Avenida de Manoteras, 2ª A, Madrid 28050, Spain
- (f) Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24, Ireland
- (g) Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24, Ireland
- (h) Avenida Manoteras número 46, 2ªA (CP28050), Madrid, Spain

Cabot Financial (Ireland) Limited

**Notes to the Financial Statements
For the financial year ended 31 December 2024**

Registered Address (continued)

- (i) Avenida Manteras 46, "Edificio Delta Nova 4", 2ªA Madrid, 28050, Spain
- (j) Avenida Do Atlantico No 16, 9º Piso, Escritorio 9.03/9.04, Distrito: Lisboa Concelho: Lisboa Freguesia: Parque das Naoe, 1990 019 Lisboa, Portugal
- (k) 28, Boulevard F.W. Raiffeisen, L-2411 Luxembourg

12. Debtors: Amounts falling due within one year

	2024 €	2023 €
Trade debtors	1,207,066	1,578,185
Amounts due from group undertakings (note 24)	1,802,395	3,321,672
Other debtors	123,274	6,353,371
VAT receivable	367,877	-
Prepayments	697,465	731,088
Deferred Tax	-	177,425
Accrued income	80,000	-
	<u>4,278,077</u>	<u>12,161,741</u>

13.

Cash and cash equivalents

	2024 €	2023 €
Cash at bank an in hand	<u>4,900,383</u>	<u>2,538,805</u>

Cabot Financial (Ireland) Limited

**Notes to the Financial Statements
For the financial year ended 31 December 2024**

14. Loan portfolios

	2024	2023
	€	€
Loan portfolios – at amortised cost	<u>32,646,802</u>	<u>32,957,666</u>

The following summarises the movement in current value during the financial year:

	2024	2023
	€	€
Current value at the beginning of the financial year	32,957,666	28,630,828
Portfolios purchased during the financial year	15,615,260	13,701,243
Amortisation/Impairment included in cost of sales	(15,926,124)	(9,374,405)
Current Value at end of the financial year	<u>32,646,802</u>	<u>32,957,666</u>

The company uses a discounted cash flow projection to calculate the current value of loan portfolios. The discounted cash flow projection is developed at a portfolio level based on projected cash flows over the forecast cash collection period for each individual portfolio (“the forecast period”). The method used to estimate the current value of loan portfolios changes dependent on the age of the portfolio:

-when the loan portfolio is initially purchased it is held on the balance sheet at fair value which represents the transaction price adjusted for transaction costs:

-a yield is established at the initial recognition of the loan portfolio, based on the purchase price and the timing and size of the estimated future cash receipts is calculated at the time of purchase limited to the forecast period.

-from date of purchase the current value is calculated as the net present value of the cashflow projections produced at the time of purchase. The cash flow projections forecast is limited to 84 months rolling forecast (this is known as the “forecast period”),

-During a calendar year cycle (12 months) an updated collections forecast is produced for each loan portfolio and adjustment for amortisation and then based on the re-forecasted amounts an adjustment for impairment is applied.

The current value of the portfolios is therefore highly dependent on the collections achieved on the loan portfolios in the past as these determine the initial starting point of the projection and the long-term gradient used to project the decay of the forecast collections.

Cabot Financial (Ireland) Limited

**Notes to the Financial Statements
For the financial year ended 31 December 2024**

15. Creditors: Amounts falling due within one year

	2024 €	2023 €
Trade creditors	11,249	47,137
Amounts owed to group undertakings (note 22)	21,199,793	34,910,070
Taxation and social security (see below)	198,152	214,242
Corporation tax payable	192,470	198,443
Other creditors	278,953	317,987
Client monies due	4,108,340	1,778,137
Accruals	3,769,961	1,255,566
VAT payable	-	189,695
Deferred income	119,558	180,199
	29,878,476	39,091,476

	2024 €	2023 €
Taxation and social security		
PAYE/PRSI payable	198,152	214,242
	198,152	214,242

Included in accruals is a provision of €371,500(FY23 €50,000) which arose as result of litigation.

The amounts owed to group undertakings are unsecured. The average interest rate for the financial year ended 31 December 2024 was 6.2% (2023 – 6%).

16. Creditors: Amounts falling due greater than one year

	2024 €	2023 €
Amounts owed to group undertakings (note 24)	12,417,753	-
	12,417,753	-

Cabot Financial (Ireland) Limited

**Notes to the Financial Statements
For the financial year ended 31 December 2024**

17. Financial instruments

	2024 €	2023 €
Financial assets		
Financial assets measured at amortised cost through profit or loss	37,547,185	35,496,471
Financial assets that are debt instruments measured at amortised cost	3,132,735	11,253,228
	<u>40,679,920</u>	<u>46,749,699</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(38,016,088)</u>	<u>(37,053,331)</u>
Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand and loan portfolios.		
Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts owed from group undertakings.		
Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, client monies due and other creditors.		

18. Share capital

	2024 €	2023 €
Authorised		
68,515 (2023 - 68,515) Ordinary shares of €1 each	<u>68,515</u>	<u>68,515</u>
Allotted, called up and fully paid		
68,515 (2023 - 68,515) Ordinary shares of €1 each	<u>68,515</u>	<u>68,515</u>

Cabot Financial (Ireland) Limited

Notes to the Financial Statements For the financial year ended 31 December 2024

19. Reserves

Capital redemption reserve

The capital redemption reserve account represents a reserve when the company buys its own shares which reduces its share capital.

Profit and loss account

The profit and loss account represents cumulative gains and losses recognised in the Statement of Comprehensive Income, after transfers to and from other reserves and dividends paid.

Capital contribution account

The capital contribution account represents a cumulative total of additional funding received from the parent company.

20. Contingent liabilities

At the end of the financial year, the Company had no contingent liabilities which would require disclosure.

21. Capital commitments

At the end of the financial year the company had no capital commitments which would require disclosure.

22. Commitments under operating leases

At 31 December 2024, the Company had commitments under non-cancellable operating leases as follows:

	2024	2023
	€	€
Office buildings		
Not later than 1 year	225,540	225,540
Later than 1 year and not later than 5 years	902,160	902,160
Later than 5 years	112,770	338,310
Total	<u>1,240,470</u>	<u>1,466,010</u>

23. Retirement benefit information

The company operates a defined contribution scheme for its employees. The scheme is externally financed in that the assets of the scheme are held separately from those of the company in an independently administered fund. Total contributions in the financial year were €147,773 (2023: €135,205).

Cabot Financial (Ireland) Limited

Schedule to the Detailed Accounts (unaudited) For the financial year ended 31 December 2024

24. Related party transactions

Transactions with group companies

The company has availed of the exemption, contained in FRS 102, from detailing transactions and balances with fellow wholly owned group companies.

Key management personnel compensation

The director's remuneration disclosed in note 6 represents the total compensation paid to key management personnel.

25. Post balance sheet events

The company had a capital contribution of €10m from its parent company Cabot Financial Debt Recovery Services Limited in July 2025.

26. Controlling party

The Company's immediate parent company is Cabot Financial Debt Recovery Services Limited, a company incorporated in England & Wales. The directors consider Encore Capital Group Inc ("Encore"), which is incorporated in the United States, as the ultimate parent company. The results of the company are consolidated into the group accounts of Encore, the financial statements of which may be obtained from 3111 Camino del Rio North, Suite 103, San Diego, California, 92108, United States of America.

27. Charge on Company Assets

As part of security for Cabot Group borrowings, a charge has been registered over the assets of the company by JP Morgan Europe Ltd. (the "Security Agent") on 18th July 2018. This entails that the Company granted to the Security Agent, by way of fixed charge, all of its right, title and interest in and to its Charged assets.

28. Significant Events

In September 2024, Cabot Financial Ireland Limited ("CFI") was subject to a cyber incident in which a third party gained unauthorised access to part of CFI's information technology systems and exfiltrated company data. To contain the incident and the impact to CFI's business and its customers, CFI isolated the affected systems from its network. CFI engaged Cyber Forensic experts to support the incident response.

CFI took immediate action to report the incident to the Central Bank of Ireland, the Data Protection Commissioner and the Garda Siochana. CFI continues to work through the impact of the cyber incident including the notification of data subjects whose personal information may have been compromised and continues to provide support and advice to impacted data subjects, including access to a specialist service that helps detect possible misuse of personal information and provides identity monitoring support.

As a result of the Cyber incident, CFI's activities were constrained from mid-September 2024 until early January 2025 when all services were fully operational. The financial impact of the Cyber incident was €4.2m on revenue and €4.3m on incurred costs for 2024

29. Approval of financial statements

The board of directors approved these financial statements for issue on the 13 January 2026.