

**Sel Azul II Designated Activity Company**  
*Registered number: 760875*

**Directors' Report and Financial Statements**

**For the date of incorporation to period ended 31 December 2024**

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## DIRECTORS AND OTHER INFORMATION

### Board of Directors

Eileen Starrs (appointed on 28 March 2024)  
Bronagh Hardiman (appointed on 28 March 2024)

### Solicitors

Walkers (Ireland) LLP  
The Exchange, George's Dock  
IFSC  
Dublin  
D01 W3P9

### Secretary and Registered Office & PPN Registrar

Wilmington Trust SP Services (Dublin) Limited  
Fourth Floor  
3 George's Dock  
IFSC  
Dublin 1  
Ireland

### Account Bank

Banco Santander S.A.  
Marienturm, Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

### Auditor

Forvis Mazars  
Chartered Accountants and Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2  
Ireland

### Cash Manager

Wilmington Trust SP Services (London) Limited  
Third Floor  
1 King's Arms Yard  
London  
England  
EC2R 7AF

### Servicer

Banco Santander S.A.  
Paseo de Pereda,  
Santander,  
Cantabria,  
Spain

## DIRECTORS' REPORT

The directors present their audited financial statements of Sel Azul II Designated Activity Company (the "Company" or the "Issuer") from the date of incorporation 28 March 2024 for the period ended 31 December 2024.

### Principal activities, business review and future developments

The principal activity of the Company is to raise funds through the issuance of secured profit participating notes ("PPNs" or the "Notes") (three currencies, EUR, USD and GBP), listed on the Vienna Stock Exchange. The funds generated through this issuance have been used to purchase various receivables initially from Various Sellers comprised of: (i) Confirmed Discount Receivables; (2) Participation Receivables; and (3) Factoring Receivables, (each as defined in the relevant Receivables Purchase Agreement).

On 11 September 2024, the Company issued the following Notes with a maturity date of 11 September 2034 with nominal values at issuance as follows:

- EUR Note – EUR 208,110
- GBP Note – GBP 6,469,540
- USD Note – USD 111,400,886

The nominal values of the Notes at 31 December 2024 were as follows:

- EUR Note – EUR 226,438
- GBP Note – GBP 35,647,616
- USD Note – USD 149,972,018

No fixed amount of interest is payable with respect to the Notes. The interest so accrued with respect to any Interest Period shall be an amount equal to the greater of:

- (i) zero;
- (ii) the accumulated net profits of the Issuer arising from or attributable to the Eligible Assets held, managed, acquired and / or originated through funding received under the Notes (as determined pursuant to the Cash Management Agreement) for the Interest Period before taking interest payable under this Condition 2.2 into account and less an annual profit fee of EUR 1,000; and
- (iii) the taxable profits of the Issuer arising from or attributable to the Eligible Assets held, managed, acquired and / or originated through funding received under the Notes (as determined by the Cash Manager) for the Interest Period before taking interest payable under this Condition 2.2 into account and less an annual profit fee of EUR 1,000 having properly accrued for all other income (including any gains or losses or deemed gains, if any) arising from or attributable to the Eligible Assets held, managed, acquired and / or originated through funding received under the Notes (as determined by the PPN Paying Agent) and expense items as computed under Irish taxation principles.

Interest shall accrue on the aggregate outstanding principal amount of the Notes until the Notes are repaid in full.

The Company's only sources of funds for the payment of principal and interest due on the Notes and operating expenses are the principal and interest collections which the Company receives from the Receivables it has purchased.

**DIRECTORS' REPORT – continued****Results and dividends**

In monitoring performance the Directors and management have regard to a range of key performance indicators (“KPIs”), including the following:

<b>Key performance indicators</b>	<b>2024</b>
Profit before tax	\$1,039
Net assets	\$780
Cash balance at period end	\$12,522,358
Receivables	\$184,748,058
Notes issued at period end	\$196,267,221

The trading results for the period and the Company's financial position at the end of the period are shown in the attached financial statements. The profit for the period after tax was \$779.

The Directors have not recommended a dividend.

**Audit committee**

The Company has taken exemption available for companies, which do not qualify as large according to the thresholds, set out under section 167 of the Companies Act 2014 and therefore does not have a separate audit committee.

**Directors and secretary and their interests in shares of the Company**

The Directors and Secretary who served during the financial period are set out on page one of these financial statements. The Directors and Secretary do not have any direct or beneficial interest in the shares, share options, deferred shares and debentures of the Company during the financial period. The directors of the Company, Eileen Starrs and Bronagh Hardiman, are employees of Wilmington Trust SP Services (Dublin) Limited ("Wilmington Trust"), being the entity that acts as secretary and administrator of the Company. Wilmington Trust was appointed as Secretary on the date of incorporation and remains as the current Secretary for the period ended 31 December 2024.

During the period the Company purchased services to the value of \$57,035 from Wilmington Trust. These services were provided under normal commercial terms.

**Accounting records**

The measures taken by directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and ensuring that competent persons are responsible for the accounting records. The accounting records are kept at the following address: Wilmington Trust SP Services (Dublin) Limited, Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.

**Director's compliance statement**

At this present time the Company is operating within one of the two threshold limits as set out under Section 225(7) of the Companies Act 2014 which enables the Company to avail of an exemption to the compliance statement obligations.

The Company meets one of the threshold limits as its turnover for the period does not exceed the limit of €25,000,000 however the Company's balance sheet exceeds €12,500,000 which does not satisfy the second threshold. Accordingly, the Directors are not required to include a compliance statement in their statutory directors' report for the current financial period ending 31 December 2024.

**Financial risk management**

The material financial risks faced by the company include the following:

- interest rate risk;
- price risk
- credit risk; and
- liquidity risk.

At inception of the transaction the directors have put in place various measures to ensure any significant risks are mitigated and these are disclosed in the notes to the financial statements. See note 11.

**Political donations**

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

## DIRECTORS' REPORT – continued

### Going concern

The directors have prepared the financial statements on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due. The material assumptions, judgements and estimates used in the assessment include:

- the estimated cash outflows to cover all obligations for the next twelve months;
- the Trade Receivables have largely performed as anticipated from inception,; and
- the limited recourse nature of the arrangement.

There have been no defaults on the Notes or Trade Receivables during the financial period and subsequently up to the date of approval of these financial statements. Following management discussion of the above, the directors have concluded that there is no material uncertainty in relation to the Company's ability to continue as a going concern through the date of issuance of the financial statements.

### Significant events since the period end

Details of significant events affecting the Company which have taken place since the end of the reporting period are disclosed in note 18.

### Disclosure of information to auditor

The directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

### Independent auditor

Forvis Mazars, Chartered Accountants and Statutory Audit Firm have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board of directors on 31 March 2026 and signed on behalf of the board by:



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**E. Starrs**



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**B. Hardiman**

## Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the Company financial statements in accordance with applicable law and regulations.

Irish company law requires the directors to prepare Company financial statements for each financial year. The directors have elected to prepare the Company financial statements in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the Companies Act 2014.

Under company law the directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that period. In preparing the Company 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
- 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 keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company, which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014 and enable the financial statements to be audited. 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 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 also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014. These financial statements comply with the aforementioned requirements.

### On behalf of the board



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**E. Starrs**



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**B. Hardiman**

31 March 2026

## Independent auditor's report to the members of Sel Azul II Designated Activity Company

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Sel Azul II Designated Activity Company ('the Company'), for the period ended 31 December 2024, which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flow, and notes to the Company financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

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 profit for the period then ended;
- have been properly prepared in accordance with FRS 102; 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 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.

Our audit procedures to evaluate the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to the following:

- obtained and reviewed the management's going concern assessment documentation;
- considered the terms of the contracts that underpin the Company's debt issuances in particular the maturity dates and limited recourse nature of these debt securities;
- obtained evidence and performed analysis to support the conclusion;
- ensured that there is sufficiency of disclosures in the financial statements pertaining to the going concern assessment.

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.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures.

Key audit matter	How the matter was addressed
<p><b><u>Existence and valuation of trade receivables</u></b></p> <p>The Company’s business model involves raising funds through the issuance of secured profit-participating notes, with the proceeds invested in portfolios of trade receivables which are purchased at a discount and are measured at amortised cost, subject to impairment assessment. These receivables represent the Company’s most significant asset and are the basis for determining the return payable to the holder(s) of the profit participating notes. The subsequent determination of the value of trade receivables is based on management’s assessment of the existence of impairment indicators at the period end. Accordingly, the existence and valuation of these receivables at year end is the key audit matter. Management recognised no impairment provision at period end as no impairment indicators were identified.</p> <p>Refer to the relevant accounting policy (trade receivables at amortised cost) on page 18, note 6 (trade receivables) on page 21 for the financial disclosures and for the risk management disclosures refer to note 11 (iii) and note 11 (v) page 24 and 25, respectively.</p>	<p>We addressed the risk through the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the controls underpinning both the Company’s reconciliation of the year end trade receivables listing and its impairment estimation process;</li> <li>• Obtained an independent confirmation from the Servicer of the trade receivables outstanding balance at the period end;</li> <li>• Obtained the list of year end receivables and reconciled to the general ledger, independent confirmation and year end servicer report.</li> <li>• Performed an independent recalculation of the amortisation of discount on the outstanding receivables at period end;</li> <li>• Obtained and reviewed management’s impairment assessment and independently performed our own assessment for the existence of any impairment indicators including review of ageing at year end and review of post period financial information; and</li> <li>• Assessed the appropriateness of the related disclosures in the financial statements.</li> </ul> <p>Based on the procedures performed, we have not identified any issues regarding the existence of the Company’s trade receivables and furthermore we concluded that the valuation of these receivables appears to be reasonable.</p>

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit and in evaluating the impact of misstatements, if any. Materiality is an expression of the relative significance or importance of a matter in the context of the financial statements. Misstatements in the financial statements are material

if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	\$2,959,565
How we determined it	1.5% of total assets
Rationale for benchmark applied	In determining our materiality, we considered those financial metrics which we believed to be relevant and concluded that total assets was the most relevant benchmark. We applied this benchmark because in our view this is the metric against which the recurring performance of the Company is commonly measured by its stakeholders.
Performance materiality	<p>\$2,071,696</p> <p>Performance materiality is set 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.</p> <p>Performance materiality was determined at 70% by taking into account factors such as:</p> <ul style="list-style-type: none"> <li>▪ It is an initial audit engagement;</li> <li>▪ Assessment of the control environment; and</li> <li>▪ The volume and nature of the entity's transactions.</li> </ul>
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$88,787 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Overview of the scope of the audit**

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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 for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

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.

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

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

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

### **Respective responsibilities**

#### ***Responsibilities of directors for the financial statements***

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

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

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

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

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2014, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- Obtaining an understanding of the legal and regulatory framework applicable to the Company;
- Inquiring with the management and those charged with governance as to whether the Company is in compliance with laws and regulations, and discussing the policies and procedures in place regarding compliance with laws and regulations;
- Reviewing minutes of Board of directors' meetings;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- Focusing on areas of laws and regulations that could reasonably be expected to have a material effect on preparation of the financial statements such as the Companies Act 2014.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud such as opportunities for fraudulent manipulation of financial statements, and determined the principal risks;
- Testing the design and implementation of the key controls over the journal entry posting process;
- Making enquiries of those involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Reviewing the appropriateness of journal entries;
- Maintaining professional scepticism when reviewing key management estimates and other areas of management judgement, and seeking to identify if any evidence of management bias exists; and
- Reviewing any significant transactions outside the normal course of business.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

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.

**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.



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Patrick Gorry  
for and on behalf of Forvis Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2  
Date: 02 April 2026

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**PROFIT AND LOSS ACCOUNT**  
**For the financial period ended 31 December 2024**

	<b>Notes</b>	<b>Financial period ended 31 December 2024</b>
		<b>\$</b>
Interest income	<b>2</b>	2,411,306
Interest payable and similar expense	<b>3</b>	<u>(2,115,745)</u>
<b>Net interest income</b>		295,561
Administrative expenses	<b>4</b>	<u>(294,522)</u>
<b>Profit on ordinary activities before taxation</b>		<u>1,039</u>
Tax charge on profit on ordinary activities	<b>5</b>	<u>(260)</u>
<b>Profit for the financial period</b>		<u>779</u>

All income is related to ongoing operations.

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

**STATEMENT OF CHANGES IN EQUITY**  
**For the financial period ended 31 December 2024**

	<b>Notes</b>	<b>Financial period ended 31 December 2024 \$</b>
Opening shareholder's funds		-
New equity share capital issued during the period		1
Profit for the financial period		<u>779</u>
Closing shareholder's funds as at 31 December		<u><u>780</u></u>

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

**BALANCE SHEET**  
As at 31 December 2024


	Notes	2024 \$
<b>Assets</b>		
Trade receivables	6	184,748,058
Cash at bank	7	12,522,358
Other Debtors	8	<u>33,924</u>
		197,304,340
<b>Liabilities</b>		
Creditors	9	(1,036,339)
Debt securities issued	10	<u>(196,267,221)</u>
		(197,303,560)
<b>Net assets</b>		<u>780</u>
<b>Capital and reserves</b>		
Called-up equity share capital	12	1
Profit and loss account		<u>779</u>
<b>Equity shareholder's funds</b>		<u>780</u>

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

The financial statements were approved by the Board of Directors on 31 March 2026 and are signed on its behalf

by:

  
\_\_\_\_\_  
**E. Starrs**

  
\_\_\_\_\_  
**B. Hardiman**

**STATEMENT OF CASH FLOW**  
**For the financial period ended 31 December 2024**

	Notes	Financial period ended 31 December 2024 \$
<b>Cash flows from operating activities</b>		
Operating profit for period before taxation		1,039
<i>Adjustments for:</i>		
Interest income	2	(2,411,306)
Interest expense	3	2,115,745
Increase in trade receivables	6	(183,068,614)
Increase in other debtors	8	(33,924)
Increase in creditors	9	1,036,079
<b>Net cash inflow from operating activities</b>		<u>(182,360,981)</u>
<b>Cash flows from investing activities</b>		
Interest income received	2	731,863
<b>Net cash outflow from investing activities</b>		<u>731,863</u>
<b>Cash flows from financing activities</b>		
Issue of notes	10	263,447,308
Repayment of notes	10	(68,602,146)
Interest expense paid	3	(693,686)
<b>Net cash inflow from financing activities</b>		<u>194,151,476</u>
<b>Net increase in cash and cash equivalents</b>		<u>12,522,358</u>
Cash and cash equivalents at beginning of the period	7	-
Cash and cash equivalents at period end	7	12,522,358

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant accounting policies

#### General information

The Company is a designated activity company with limited liability, which was incorporated on 28 March 2024 under the laws of Ireland with a company registration number 760875. The Company's registered office is at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.

The principal activity of the Company is to raise funds through the issuance of secured profit participating notes ("PPNs" or the "Notes") (three currencies, EUR, USD and GBP). The funds generated through this issuance have been used to purchase various receivables initially from Various Sellers comprised of: (i) Confirmed Discount Receivables; (2) Participation Receivables; and (3) Factoring Receivables, (each as defined in the relevant Receivables Purchase Agreement).

On 11 September 2024, the Company issued the following Notes with a maturity date of 11 September 2034 with nominal values at issuance as follows:

- EUR Note – EUR 208,110
- GBP Note – GBP 6,469,540
- USD Note – USD 111,400,886

The nominal values of the Notes at 31 December 2024 were as follows:

- EUR Note – EUR 226,438
- GBP Note – GBP 35,647,616
- USD Note – USD 149,972,018

#### Going concern

The Company's financial statements have been prepared on a going concern basis for the financial period ended 31 December 2024. Management anticipate that the financial assets will continue to generate sufficient cash flow on an ongoing basis to meet the Company's liabilities as they fall due. The financial liabilities are limited recourse in nature and are only repayable to the extent that cash flows are generated by the financial assets. The Directors are therefore satisfied that the going concern basis of preparation continues to be appropriate.

#### Basis of preparation

##### *Statement of compliance*

The Company's financial statements have been prepared in accordance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2014.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the Directors have adapted the profit and loss account to suit the circumstances of the business in accordance with paragraph 4 (5) of Schedule 3 of the Companies Act 2014. The format and certain wording of the financial statements have been adapted so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business. In the opinion of the Directors, the Financial Statements with the noted changes provide the information required by the Companies Act 2014.

#### Functional and presentation currency

These financial statements are presented in US Dollars denominated by the symbol "\$" which is the Company's functional currency and currency of presentation.

#### Use of estimates and judgements

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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is the impairment assessment of financial assets (described in note 6).

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant accounting policies - continued

#### **Interest income and expense**

Income is earned by the Company as the underlying receivables are purchased at a discount. The income from the collections on the underlying receivables are accounted for on an accrual basis, with any outstanding collections due to be received or prepaid offset against the balance of the receivables carried on the statement of financial position (see note 6 for further detail).

Interest expense comprises the interest expense on the note facility issued. Interest expense is recognised in the Profit and Loss account using the effective interest method, see note 3 for further detail.

As agreed under the Receivables Financing Agreement, interest has been swept to bring the profit in line to the amount of €1,000 per annum.

#### **Expenses**

Administrative expenses are accounted for on an accruals basis.

#### **Taxation**

The Company meets the criteria for a “Section 110 vehicle” under the Taxes Consolidation Act 1997 and is subject to be taxed at 25%. Corporation tax is payable on profits at the current rates applicable to the Company’s activities.

Tax on the profit or loss for the period comprises current and deferred tax if applicable. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

#### **Deferred tax**

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### **Financial instruments**

The Company has made an accounting policy choice under section 11 and section 12 of FRS 102 to apply the recognition and measurement provisions of IAS 39 Financial Instruments Recognition and Measurement (as adopted for use in the European Union).

The financial instruments held by the Company include the following:

- Trade receivables at amortised cost
- Debt securities issued at amortised cost

#### **Trade receivables at amortised cost**

The trade receivables at amortised cost is a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs and subsequently are carried at amortised cost using the effective interest method, less any impairment. As the underlying receivables are performing no impairment has been recognised.

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**NOTES TO THE FINANCIAL STATEMENTS****1. Significant accounting policies - continued****Financial instruments-continued****Debt securities issued**

Debt securities issued are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. The amortised cost of the financial liability is the amount at which the financial liability is measured at initial recognition (being fair value as adjusted for initial direct costs), minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount. The notes issued by the Company have limited recourse to the financial assets of the Company only. Repayment of the Notes and accrued interest thereon is dependent upon funds being available to meet such liabilities as they fall due. If the Company has insufficient funds available for the purpose of redeeming the principal outstanding on any class of Notes in full or interest thereon, such amounts shall not be payable to the note holders.

*Recognition*

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. Financial assets are initially recognised at fair value plus transaction costs and subsequently are carried at amortised cost using the effective interest method, less any impairment. Notes issued are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. They are subsequently stated at amortised cost.

*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 or cancelled or expire.

*Offsetting of financial assets and liabilities*

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

*Impairment*

Financial assets that are stated at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indications exist, an impairment loss is recognised in the profit and loss account as the difference between the asset's carrying amount and the expected recovery from this financial asset. If in a subsequent year the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit and loss account.

**Cash at bank**

Cash includes cash held at call with banks which are subject to insignificant risk of changes in their fair value, and are used by the Company in management of its short term commitments.

**Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised costs in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and amortised cost in foreign currency translated at the exchange rate at the end of the period. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the profit or loss account and are included under administration expenses.

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 2. Interest income and similar income

	<b>Period ended 31 December 2024</b>
	\$
Interest income on purchased receivables	2,411,306
	<u>2,411,306</u>

Income is earned by the Company on the underlying receivables that were purchased at a discount.

## 3. Interest payable and similar expense

	<b>Period ended 31 December 2024</b>
	\$
Interest expense on issued notes	(2,115,745)
	<u>(2,115,745)</u>

## 4. Administrative expenses

	<b>Period ended 31 December 2024</b>
	\$
Corporate Service Provider	(57,035)
Cash Manager & Security, Paying and PPN Paying Agent Fees	(59,399)
Servicer Fees	(19,168)
Legal Fees	(6,520)
Insurance Fee	(111,868)
Other expenses	(40,532)
	<u>(294,522)</u>

	<b>Period ended 31 December 2024</b>
	\$

This is stated after charging:

- Auditor's remuneration (excluding VAT and including expenses)	(25,973)
- Tax and Advisory services (excluding VAT and including expenses)	(3,896)
	<u>(29,869)</u>

Auditor's remuneration relates to fees paid to the statutory auditor Forvis Mazars. There are no other assurance or non-audit services provided by the auditors.

The Company has no employees and the directors received no remuneration during the period.

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 5. Tax on profit on ordinary activities

	<b>Period ended 31 December 2024</b>
	\$
<b>Tax charge</b>	
Irish corporation tax	(260)
	<u>(260)</u>

A reconciliation of the current tax charge for the period to the current charge that would result from applying the standard rate of Irish corporation tax to profit on ordinary activities is explained below:

	<b>Period ended 31 December 2024</b>
	\$
Taxable profits	1,039
Gain on ordinary activities multiplied by the average rate of Irish corporation tax for the period of 12.5%	(130)
<i>Effects of:</i>	
Higher rate tax applicable under Section 110 TCA,1997	(130)
Charge for the period	<u>(260)</u>

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

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions where the Company operates. However, this legislation does not apply to the Company as its consolidated revenue is lower than €750 million.

## 6. Trade Receivables

	<b>As at 31 December 2024</b>
	\$
Net trade receivables	184,748,058
	<u>184,748,058</u>

Trade Receivables relate to receivables purchased in three currencies, EUR, USD and GBP. Any amounts received in advance are netted against the outstanding principal balance due at year end.

Financial assets are carried at cost less impairment. The underlying receivables are performing, with no write offs during the period ended 31 December 2024 and therefore no impairment has been recognised.

The Company may also acquire the beneficial interest in further receivables by entering into additional receivables purchase agreements.

## 7. Cash at Bank

	<b>As at 31 December 2024</b>
	\$
Current accounts	12,522,358
	<u>12,522,358</u>

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 8. Other Debtors

	<b>As at 31 December 2024</b>
	\$
Commitment/unused fee	33,923
Share capital receivable	1
	<u>33,924</u>

## 9. Creditors - Amounts falling due within one year

	<b>As at 31 December 2024</b>
	\$
Accrued expenses	789,894
Other creditors	246,185
Corporation tax payable	260
	<u>1,036,339</u>

Accrued expenses include structuring fees collected by the company on behalf of the noteholder that were paid to the Class A & R Lender of the Note Purchaser post year end. These income and expense amounts relating to these structuring fees have not been recognised as income or an expense of the company.

## 10. Debt securities issued - Amounts falling due after more than one year

	<b>As at 31 December 2024</b>
	\$
Notes issued	<u>196,267,221</u>

	<b>As at 31 December 2024</b>
	\$
PPN Notes - EUR Note 2034	235,315
PPN Notes - USD Note 2034	149,971,902
PPN Notes - GBP Note 2034	44,637,945
Accrued interest payable	1,422,059
	<u>196,267,221</u>

	<b>As at 31 December 2024</b>
	\$
<i>Movements during the period are:</i>	
Balance at the beginning of the period	-
Notes issued	263,447,308
Repayment	(68,602,146)
Accrued interest payable	1,422,059
	<u>196,267,221</u>

The Notes issued by the Company are principally secured by way of a first fixed security over the benefit of the Company's interest in the receivables. The Notes are limited recourse obligations of the Company and, if the Company has insufficient funds to pay amounts due in respect of the Notes in full, following the distribution of all available funds, any amounts outstanding under the Notes will cease to be due and payable to the note holders.

**NOTES TO THE FINANCIAL STATEMENTS – continued****10. Debt securities issued - Amounts falling due after more than one year - continued**

No fixed amount of interest is payable with respect to the Notes. The interest so accrued with respect to any Interest Period shall be an amount equal to the greater of:

- zero;
- the accumulated net profits of the Issuer arising from or attributable to the Eligible Assets held, managed, acquired and / or originated through funding received under the Notes (as determined pursuant to the Cash Management Agreement) for the Interest Period before taking interest payable under this Condition 2.2 into account and less an annual profit fee of EUR 1,000; and
- the taxable profits of the Issuer arising from or attributable to the Eligible Assets held, managed, acquired and / or originated through funding received under the Notes (as determined by the Cash Manager) for the Interest Period before taking interest payable under this Condition 2.2 into account and less an annual profit fee of EUR 1,000 having properly accrued for all other income (including any gains or losses or deemed gains, if any) arising from or attributable to the Eligible Assets held, managed, acquired and / or originated through funding received under the Notes (as determined by the PPN Paying Agent) and expense items as computed under Irish taxation principles.

Interest shall accrue on the aggregate outstanding principal amount of the Notes until the Notes are repaid in full.

**11. Financial risk management****Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments and it also includes other price risks.

**(i) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The income from the receivables are variable but are not based on market interest rates. The Notes bear no fixed interest rate and are dependent on any excess profits of the Company less the agreed retained profit.

The Notes are limited recourse obligations of the Company in that relevant Transaction parties have covenanted that if the net proceeds of the realisation of the assets of the Company following the application thereof in accordance with the terms of the Cash Management and Services Agent Services Agreement entered into between the Company and others dated 11 September 2024 (the "Agreement") are less than the aggregate amounts payable by the Company to the other parties to the Agreement (the "Impacted Parties") (such negative amount being referred to as a "shortfall"), the obligations of the Company to the Impacted Parties in such circumstances will be limited to each such Impacted Party's respective share of such net proceeds applied in accordance with Section 6.1 of the Agreement. In such circumstances, the Company will not be obliged to pay, and the other assets (if any) of the Company will not be available for the payment of, such shortfall, which shortfall shall be borne by the Impacted Parties and the rights of the Impacted Parties to receive any further amounts in respect of such obligations from the Company shall be extinguished and no Impacted Party may take any further action to recover such amounts.

In addition, no Impacted Party (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Company, or join in any institution against the Company of, any bankruptcy, reorganisation, examination, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Company relating to the Agreement or the other Transaction Documents, save for lodging a claim in the liquidation of the Company which is initiated by another non-affiliated party or taking proceedings to obtain a declaration or judgment as to the obligations of the Company in relation thereto and without limitation to the noteholder(s) right to enforce and/or realise the security over the collateral. The Company therefore does not have significant interest rate risk. On this basis, no sensitivity analysis has been performed.

The interest rate profile as at 31 December 2024 was as follows:

	<b>Fixed</b>	<b>Floating</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade Receivables	184,748,058	-	184,748,058
Cash at bank	12,522,358	-	12,522,358
Debtors	33,924	-	33,924
Creditors	(1,036,339)	-	(1,036,339)
Notes issued	-	(196,267,221)	(196,267,221)
	<u>196,268,001</u>	<u>(196,267,221)</u>	<u>780</u>

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 11. Financial risk management - continued

## Market risk -continued

## (ii) Currency risk

The notes issued by the Company are denominated in \$USD, £GBP & €EUR. The assets of the Company are also denominated in \$USD, £GBP & €EUR and therefore offset the Company's exposure to currency fluctuations.

## (iii) Concentration risk

The Company's financial assets are concentrated in the following industries:

	<b>31 December 2024</b>
	%
Trade Receivables	<u>100</u>

## (iv) Liquidity and cash flow risk

The Company's obligations under the Notes are matched with the receipts of interest and proceeds from the redemption of the receivables and the Notes. The table below discloses the undiscounted expected contractual cash flows.

Financial liabilities	Carrying	Less than	Between	Between 3	Between	Over 5	Total
	value	1 month	1 and 3	months and	1 and	years	
2024	\$	\$	\$	\$	\$	\$	\$
Notes issued - interest	1,422,059	1,422,059	-	-	-	-	1,422,059
Notes issued - principal	194,845,162	23,451,276	46,902,551	124,491,335	-	-	194,845,162
Accrued expenses	789,894	789,894	-	-	-	-	789,894
Other creditors	246,185	246,185	-	-	-	-	246,185
Corporation tax payable	260	260	-	-	-	-	260
	<u>197,303,560</u>	<u>25,909,674</u>	<u>46,902,551</u>	<u>124,491,335</u>	-	-	<u>197,303,560</u>

The gross contractual cash flows of the Notes do not include future interest as it will be determined based on future available distributable profits of the Company.

**Trade Credit Insurance**

The Company maintains a trade credit insurance policy to mitigate the risk of financial loss arising from customer default on trade receivables. The policy provides cover for non-recourse factoring and receivable discounting activities undertaken by the Company. The policy indemnifies the Company (and its joint insured, Banco Santander S.A.) for eligible credit losses arising from insolvency, protracted default, and, where applicable, specified political risks, subject to the limits, exclusions and conditions outlined in the Special Terms and Endorsements.

Under the policy, 95% of approved receivable limits are insured, with an excess (Non-Qualifying Loss Threshold) of USD 3,000 per loss event. Maximum terms of payment are generally 180 days, with a standard maximum extension period of 60 days, subject to policy endorsements.

As part of the arrangement, the Company has assigned the rights to all claim proceeds to Banco Santander S.A. as Loss Payee. Payments made by the insurer to the Loss Payee fully discharge the insurer's obligations to the Company.

The existence of this insurance mitigates, but does not eliminate, the credit risk associated with trade receivables. Management considers the residual credit risk to be low, taking account of:

- the high insured percentage;
- the global buyer assessment and monitoring framework administered by Euler Hermes; and
- the joint insured structure and delegated credit management framework operated by Banco Santander S.A.

Claims are recognised only when they become virtually certain, and insurance recoveries are offset against the related impairment losses on receivables. There were no insurance claims during the financial period.

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 11. Financial risk management - continued

## (v) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where the Company is exposed to credit risk are the receivables, however ultimately this risk is borne by the noteholder.

The Company manages the level of risk it accepts by placing limits on its exposures to a single counterparty or group of counterparties. Such risks are subject to regular review. In relation to the receivables the Company has appointed the Servicer to manage this risk on behalf of the Company. At the period end the long term credit rating of Banco Santander S.A. was Aa1 (Moody's). Banco Santander S.A. acts as Administration Agent and Servicer.

The maximum exposure of assets bearing credit risk are summarised below:

	2024
	\$
Trade Receivables	184,748,058
Cash at bank	12,522,358
Total assets bearing credit risks	<u>197,270,416</u>

As the underlying receivables are performing and being recovered in line with the conditions detailed in the relevant receivables purchase agreements, no impairment has been recognised.

## (vi) Operational risk

The Company was incorporated with the purpose of engaging in those activities outlined in the Directors' Report. All management and administration functions have been outsourced by the directors of the Company.

## 12. Called up share capital

	2024
	€
Authorised:	
100 ordinary shares of €1 each	<u>100</u>
Issued	\$
1 ordinary shares of €1 each	<u>1</u>

## 13. Cash and cash equivalents

2024	At beginning of period	Cash flows	At end of period
	\$	\$	\$
Cash at bank and in hand	<u>-</u>	<u>12,522,358</u>	<u>12,522,358</u>

## 14. Related party transactions

## Transactions with Wilmington Trust SP Services (Dublin) Limited

During the financial period, the Company purchased services to the value of \$57,035 from Wilmington Trust SP Services (Dublin) Limited ("Wilmington Trust") in accordance with the Corporate Services Agreement dated 11 September 2024. An amount of \$Nil was outstanding at period end. Bronagh Hardiman and Eileen Starrs are Directors of the Company and employees of Wilmington Trust. The amount charged by Wilmington Trust for directors services is \$Nil. These services were provided under normal commercial terms.

## 15. Capital disclosures

The share capital of the Company is \$1. The Company is not subject to any capital requirements other than its share capital.

**NOTES TO THE FINANCIAL STATEMENTS – continued**

**16. Ultimate parent undertaking**

The sole shareholder of the Company is Wilmington Trust who holds 100% of the shares in issue of the Company on trust for charitable purposes under the terms of a Declaration of Trust.

**17. Significant events since the period end**

There have been no other significant events affecting the Company since the financial period end requiring amendment to these financial statements.

**18. Commitments and contingencies**

The Company had no material contingent liabilities or commitments as at 31 December 2024.

**19. Approval of financial statements**

The financial statements were approved by the board of directors on 31 March 2026.