

HAYFIN EMERALD CLO XII DAC

Directors' report and audited financial statements

For the financial period from 1 August 2023 to 31 December 2024

Registered number 724887

Hayfin Emerald CLO XII DAC

Contents	Page(s)
Company information	1
Directors' Report	2 - 7
Statement of Directors' Responsibilities	8
Independent auditors' report	9 - 14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19 - 39

Company information

Directors	Gerard Brennan Ross Dawson (resigned 6 January 2025) Ian Garvan (alternate) Katie Beatty (alternate) (resigned 6 January 2025) Johannes Zwiigelaar (appointed 6 January 2025) Maria Alexiuc (alternate) (appointed 6 January 2025)
Registered office	3rd Floor, Fleming Court Fleming's Place Dublin 4 Ireland
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London, E2CN 2DB United Kingdom
Custodian	HSBC Bank plc 8 Canada Square Canary Wharf London E14 5HQ United Kingdom
Independent Auditors	PricewaterhouseCoopers Chartered Accountants and Statutory Auditors One Spencer Dock North Wall Quay Dublin 1
Collateral Manager	Hayfin Emerald Management LLP 1 Eagle Place London, SW1Y6AF United Kingdom
Solicitors	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
Collateral Administrator	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London, EC2N 2DB United Kingdom
Share Trustee	CSC Share Trustee Services (Ireland) Limited 3rd Floor Fleming Court Fleming's Place Dublin 4 Ireland

Directors' Report

The Directors present the annual report and audited financial statements of Hayfin Emerald CLO XII DAC (the "Company") for the financial period from 1 August 2023 to 31 December 2024. The previous annual report and unaudited financial statements covered the financial period from 26 August 2022 (date of incorporation) to 31 July 2023.

Principal activities

The Company was incorporated in Ireland as a designated activity company on 26 August 2022 under the Companies Act 2014 (as amended) with the company registration number of 724887. The registered office of the Company is at 3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland.

The Company is incorporated to seek above average returns while preserving capital by investing in a diversified portfolio of senior obligations, mezzanine obligations and high yield bonds. The portfolio is actively managed by Hayfin Emerald Management LLP (the "Collateral Manager") over the life of the transaction. The Company issued Notes on the Irish Stock Exchange plc, as at 11 January 2024 which are trading on the Global Exchange Market of Euronext Dublin.

Business review

The Company issued various classes of Notes in the amount of €368,075,000 (2023: €Nil). The Notes are limited recourse obligations of the Company and are payable solely from amounts received in respect of the collateral.

By a resolution of the Directors passed on the Company has issued:

Rated Notes

- €223,500,000 Class A Notes due 25 January 2037
- €34,900,000 Class B-1 Notes due 25 January 2037
- €8,600,000 Class B-2 Notes due 25 January 2037
- €21,400,000 Class C Notes due 25 January 2037
- €24,200,000 Class D Notes due 25 January 2037
- €16,200,000 Class E Notes due 25 January 2037
- €13,800,000 Class F Notes due 25 January 2037

Subordinated Notes

- €25,475,000 Subordinated Notes due 25 January 2037

On 20 September 2023, the Company entered into a warehouse arrangement with the Collateral Manager in order to enable the Company to acquire certain financial assets. Amounts owing under the warehouse arrangement were fully repaid on 11 January 2024 using the proceeds from the issuance of the Notes.

Hayfin Emerald II Limited owns 5% of the Subordinated Notes.

The results for the financial period are set out on page 15. The Notes will receive interest payments after payment of expenses and all other senior obligations of the Company have been satisfied in accordance with the Interest Priority of Payments. No dividend has been declared in the current financial period (2023: €Nil). The Company expects the current level of activity to be maintained in 2026.

Key Performance Indicators ("KPIs") and Portfolio monitoring

The Company's KPIs during the financial period were as follows:

- The Company made a profit before taxation of €1,000 (2023: €Nil).
- The Company's financial liabilities measured at fair value was €369,982,554 (2023: €Nil).
- The Company's unrealised fair value loss on financial liabilities issued was €7,085,801 (2023: €Nil).
- The Company's financial assets measured at fair value was €347,982,192 (2023: €Nil).

Directors' Report (continued)**Key Performance Indicators (“KPIs”) and Portfolio monitoring (continued)**

- The Company’s unrealised and realised fair value gain on financial assets was €5,557,672 (2023: €Nil) and €2,924,832 (2023: €Nil), respectively.
- The Company’s interest from financial assets at fair value through profit or loss was €26,986,839 (2023: €Nil).
- The Company’s interest expense was €26,673,787 (2023: €Nil).
- The Company’s other expenses were €3,600,247 (2023: €Nil).

The Company's compliance with the covenants relating to its investments, including the coverage tests and collateral quality tests, is reported on a monthly basis. The monthly reports provide the results of key tests on risk, quality and diversification of collateral, interest and principal tests. As at 31 December 2024, the Portfolio is in compliance with all required tests.

During the reinvestment period, the Collateral Manager may invest in additional assets as long as certain collateral quality tests are passing or such ratios are maintained or improved if the collateral quality tests are not satisfied prior to the investment.

The coverage tests will be used to determine whether interest may be diverted from paying more subordinated notes to repay principal on the senior notes.

Directors and company secretary

The Directors (“Directors”) and company secretary (“Secretary”) who held office during the financial period ended 31 December 2024 up to the date of signing the financial statements are as follows:

Name	Role	Date From	Resignation
Gerard Brennan	Director	26-Aug-2022	
Ross Dawson	Director	26-Aug-2022	6-Jan-2025
Ian Garvan	Director (alternate)	26-Aug-2022	
Katie Beatty	Director (alternate)	26-Aug-2022	6-Jan-2025
Johannes Zwiegelhaar	Director	6-Jan-2025	
Maria Alexiuc	Director (alternate)	6-Jan-2025	
CSC Capital Markets (Ireland) Limited	Secretary	26-Aug-2022	

There have been no other changes in Directors or Secretary apart from those noted above during the financial period under review.

Directors, secretary and their interests

None of the Directors or Secretary who held office on 31 December 2024 held any shares in the Company or in any group Company throughout the financial period.

Transactions involving Directors

There were no contracts or arrangements in relation to the business of the Company in which the Directors had any interest, as defined by Companies Act 2014, at any time during the financial period under review, other than those outlined in Note 7 to the financial statements.

Principal risks and uncertainties

The Company’s sensitivity analysis; quantitative and qualitative factors per risk are further elaborated on in Note 17 to the financial statements. The Company’s risk assessment, climate change risk, and other non-financial risks are also noted within the body of the Directors' Report below. Based on the limited recourse principle, the risks are ultimately borne by the Subordinated Noteholders first and then the Rated Notes based upon the priority of payments as defined in the transaction documents.

The Directors acknowledge that there are estimates and assumptions involved in preparing the fair value of the financial assets. The Directors determines the most appropriate model to value the financial assets using valuation techniques as outlined in Note 2(e) in the financial statements.

Directors' Report (continued)**Going concern**

The Company's financial statements for the financial period ended 31 December 2024 have been prepared on a going concern basis. The Directors anticipate that the Portfolio will generate sufficient cash flow on an ongoing basis to meet the Company liabilities as they fall due. The final legal maturity date for the Notes is 25 January 2037. The Notes are limited recourse in nature and repayable to the extent that cashflows are generated from the Portfolio.

Under the limited recourse nature of the financing of this entity, to the extent that the Notes and other obligations cannot be funded from receipts from the Portfolio, these are not otherwise obliged to be repaid, and in such circumstances, the note obligations are forfeited in a particular priority. Consequently, as a result of the Company being a limited recourse bankruptcy remote vehicle, a significant deterioration in the creditworthiness of the Portfolio is not expected to impact on the Company's ability to continue as a going concern.

The Directors have a reasonable expectation, based on current and anticipated future performance, capital and liquidity position that the entity will continue to operate for at least 12 months from the date of approval of the financial statements.

As part of their assessment, the Directors 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 12 months from the date of which the financial statements are authorised for issue.

The financial statements have, therefore, been prepared on a going concern basis. In considering the appropriateness of this assumption, the Directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation.

There are sufficient cash collections on the Portfolio in the period to cover the operating expenses. Operating expenses are first in the order of priority of payment and the Directors are comfortable that these will be covered by the cash collected on the Portfolio. It is the intention to the Directors for the Company to continue operations until such a time as the amounts due from the Portfolio have been fully realised. Ultimately, due to the limited recourse nature of the Notes, any shortfall in the proceeds of the Portfolio will be a risk to the Noteholders.

Therefore, the Directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

Future developments

The Directors expect the current level of activity to continue and have no plans to change the activities and operations of the Company in the foreseeable future. The final maturity date of the remaining Notes is 25 January 2037 but redemptions can be made at any time before this date.

Issue of Shares

Authorised share capital is €1,000,000 (2023: €1,000,000) divided into 1,000,000 (2023: 1,000,000) ordinary shares of €1 (2023: €1).

The Company has issued one share, which is fully paid up and is held on trust by CSC Share Trustee Services (Ireland) Limited (as "Share Trustee") under the terms of a declaration of trust (the "Declaration of Trust") dated 26 August 2022, whereby the Share Trustee holds the share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Company.

Directors' Report (continued)

Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the accounting records, appointing an administrator that employs accounting personnel with the appropriate expertise and by providing adequate resources to the financial function.

Result

During the financial period under review, the Company recorded a profit on ordinary activities before taxation of €1,000 (2023: €Nil) which is set out in detail in the attached Statement of Comprehensive Income.

Impact of climate change

The Directors consider that climate change will have a minimal effect to the entity's operations and financial statements. The Company holds a diversified Portfolio of loan assets which have been issued to various entities in a wide variety of industries. The Company deals with a limited number of suppliers which are mainly the servicers, auditors, accountants etc. and none of these have a significant carbon footprint therefore consider this risk to be immaterial due the nature of the operations of the Company.

The Directors will continue to monitor the potential impact of climate change on operations and implement mitigating solutions when required.

Subsequent events

Subsequent events are disclosed in Note 18 to the financial statements.

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 donations in excess of the amount have been made by the Company during the financial period (2023: €Nil).

Annual Corporate Governance Statement

Introduction

The Company is subject to and complies with Irish Statute comprising the Companies Act 2014. The Company does not apply additional requirements in addition to those required by the Companies Act 2014. Each of the service providers engaged by the Company is subject to, and complies with, the Companies Act 2014 and listing rules of Euronext. The Company does not have any employees and all operational requirements of the Company are outsourced to third party service providers. Each of these service providers is subject to their own corporate governance requirements.

Financial reporting process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Collateral Administrator, Deutsche Bank AG, London Branch, and CSC Capital Markets (Ireland) Limited as Corporate Service Provider to maintain the accounting records of the Company independently of the Collateral Manager. The Collateral Administrator and CSC Capital Markets (Ireland) Limited are contractually obliged to maintain proper books of account as required by the Collateral Management and Administration Agreement.

To that end the Collateral Administrator performs reconciliation of its records to those of the Collateral Manager and the Trustee. CSC Capital Markets (Ireland) Limited is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

Directors' Report (continued)**Annual Corporate Governance Statement(continued)****Financial reporting process (continued)**

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Collateral Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Collateral Administrator has operating responsibility for internal control in relation to the financial reporting process and the Collateral Administrator's report to the Board.

Risk assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control activities

The Collateral Administrator and CSC Capital Markets (Ireland) Limited are contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address any shortcomings identified and measures recommended by the independent auditors. Given the contractual obligations on the Collateral Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights. With regard to the appointment and replacement of Directors, the Company is governed by its Constitution of the Company and Irish Statute comprising the Companies Act 2014. The Constitution of the Company themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Constitution of the Company. The Directors may delegate certain functions to the corporate services provider and other parties, subject to supervision and direction by the Directors.

Audit committee

Statutory audits in Ireland are regulated by the European Union (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations, 2016. According to the regulations, if the sole business of the Irish SPV relates to the issuing of asset backed securities, the SPV is exempt from the requirement to establish an audit committee.

Given the contractual obligations of the administrators and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under the regulations.

Directors' Report (continued)

Relevant audit information


In the case of the persons who are Directors at the time this report is approved in accordance with section 332 of the Companies Act 2014:

- (a) so far as each Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware;
and
- (b) each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers were appointed as auditors during the period and have indicated their willingness to continue as auditors in accordance with Section 383(2) of the Companies Act 2014.

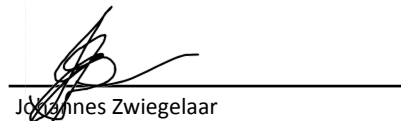
Signed on behalf of the Board of Directors:



Gerard Brennan

Director

Date: 16 January 2026



Johannes Zwiendelaar

Director

Date: 16 January 2026

Statement of Directors' Responsibilities

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

Irish law requires the Directors to prepare financial statements for each financial period.

Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). Under Irish law the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial period and of the profit or loss of the company for the financial period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; 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 that are sufficient to:

- correctly record and explain 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; and
- enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors 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.

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



Gerard Brennan

Director

Date: 16 January 2026



Johannes Zwiegelaar

Director

Date: 16 January 2026

Independent auditors' report to the members of Hayfin Emerald CLO XII DAC

Report on the audit of the financial statements

Opinion

In our opinion, Hayfin Emerald CLO XII DAC's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2024 and of its profit and cash flows for the period from 1 August 2023 to 31 December 2024;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' report and audited financial statements, which comprise:

- the statement of financial position as at 31 December 2024;
 - the statement of comprehensive income for the period then ended;
 - the statement of cash flows for the period then ended;
 - the statement of changes in equity for the period then ended; and
 - the notes to the financial statements, which include a description of the accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We performed a full scope audit of the company's financial statements based on materiality levels.

Key audit matters

- Valuation of financial assets designated at fair value through profit or loss.

Materiality

- Overall materiality: €4,122,000 based on 1% of Total assets.
- Performance materiality: €3,091,500.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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 auditors, 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of financial assets designated at fair value through profit or loss.</p> <p>Refer to Note 2(e), Note 3(g), Note 9 and Note 17 to the financial statements.</p> <p>The financial assets designated at fair value through profit or loss, included in the Statement of Financial Position at 31 December 2024, include senior obligations, mezzanine obligations and high yield bonds. These assets are carried at fair value. The company values these assets using prices sourced from third party vendors at period end.</p> <p>The valuation of financial assets designated at fair value through profit or loss (FVTPL), is considered a key audit matter as it represents the principal element of the Statement of Financial Position.</p>	<p>We obtained independent confirmations from the collateral administrator of the holdings at 31 December 2024 and reconciled the holdings per the confirmations to the accounting records.</p> <p>On a sample basis, we tested management's calculation of the fair value by independently obtaining prices from pricing vendors and recomputing the fair value based on these prices and comparing the results of our procedures with management's fair value.</p> <p>Based on the results of our testing we are satisfied that the fair values of the financial assets are materially correct.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

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 in aggregate 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	€4,122,000.
How we determined it	1% of Total assets.
Rationale for benchmark applied	Given the non recourse terms of the financial liabilities, the company has been set up to generate profits which are close to breakeven. We conclude that setting materiality based on a % of total assets is the most appropriate benchmark taking account the circumstances of the company and the key users of the financial statements.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to €3,091,500.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above €206,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- performing a risk assessment to identify factors that could impact the going concern basis of accounting; and
- evaluating the directors' assessment of the ability of the company to meet its obligations in respect of the debt securities in issue, the non-recourse nature of the debt securities and the company's cash resources and liquidity for a period of twelve months from the date on which the financial statements are authorised for issue.

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 on which the financial statements are authorised for issue.

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.

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

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

Reporting on other information

The other information comprises all of the information in the Directors' report and audited financial statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in the determination of accounting estimates and judgements in relation to the valuation of financial assets designated at fair value through profit or loss. Audit procedures performed by the engagement team included:

- enquiry of those charged with governance as to whether there are known or suspected instances of non-compliance with laws and regulation and fraud;
- reading relevant board minutes;
- challenging assumptions and judgements made by those charged with governance in their accounting estimates, in particular in relation to the valuation of financial assets designated at fair value through profit or loss as described in the related key audit matter; and
- designing audit procedures to incorporate unpredictability in our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
-

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.



Shane McDonald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

19 January 2026

Statement of Comprehensive Income

For the financial period from 1 August 2023 to 31 December 2024

(Unaudited)

		Period ended 31-Dec-2024	Period ended 31-Jul-2023
	Note	EUR	EUR
Interest income and interest from financial assets at fair value through profit or loss	4	28,878,331	–
Interest and similar expense from financial liabilities measured at fair value through profit and loss	5	(26,673,787)	–
Net gain on financial assets and financial liabilities measured at fair value	6	<u>1,396,703</u>	<u>–</u>
Net operating income		3,601,247	–
Other expenses	7	<u>(3,600,247)</u>	<u>–</u>
Profit on ordinary activities before taxation		1,000	–
Income taxes	8	<u>(250)</u>	<u>–</u>
Profit for the financial period		750	–
Other comprehensive income		–	–
Total comprehensive income for the financial period		<u><u>750</u></u>	<u><u>–</u></u>

All amounts in the financial period relate to continuing operations. There were no items of other comprehensive income during the financial period. Accordingly, total profit for the financial period constitutes total comprehensive income for the financial period.

Notes on pages 19 to 39 form an integral part of the financial statements.

Statement of Financial Position

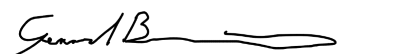
As at 31 December 2024

(Unaudited)

	Note	31-Dec-2024 EUR	31-Jul-2023 EUR
Assets			
Non-current assets			
Financial assets designated at fair value through profit or loss (FVTPL)	9	347,982,192	–
Current assets			
Other receivables	10	38,598,108	1
Cash and cash equivalents	11	25,654,254	–
		<u>64,252,362</u>	<u>1</u>
Total assets		<u>412,234,554</u>	<u>1</u>
Liabilities			
Non current liabilities			
Financial liabilities designated at fair value through profit or loss (FVTPL)	12	369,982,554	–
Current liabilities			
Other payables	13	42,251,249	–
Total liabilities		<u>412,233,803</u>	<u>–</u>
Equity			
Share capital	14	1	1
Retained earnings		750	–
Total Equity		<u>751</u>	<u>1</u>
Total liabilities and equity		<u>412,234,554</u>	<u>1</u>

Notes on pages 19 to 39 form an integral part of the financial statements.

The financial statements were authorised and approved on behalf of the Board of Directors.



Gerard Brennan

Director

Date: 16 January 2026



Johannes Zwiegelaar

Director

Date: 16 January 2026

Statement of Changes in Equity

For the financial period from 1 August 2023 to 31 December 2024

	Share Capital EUR	Retained Earnings EUR	Total Equity EUR
Balance as at 1 August 2023	1	-	1
Profit for the financial period	-	750	750
Total comprehensive income for the financial period	1	750	751
Balance as at 31 December 2024	1	750	751

	Share Capital EUR	(Unaudited) Retained Earnings EUR	Total Equity EUR
Balance as at 26 August 2022	-	-	-
Issuance of shares	1	-	1
Total comprehensive income for the financial period	1	-	1
Balance as at 31 July 2023	1	-	1

Notes on pages 19 to 39 form an integral part of the financial statements.

Statement of Cash Flows

For the financial period from 1 August 2023 to 31 December 2024

	Note	Period ended 31 Dec 2024 EUR	(Unaudited) Period ended 31 Jul 2023 EUR
Profit for the financial period		750	–
<i>Adjustments for:</i>			
Interest income and interest from financial assets at fair value through profit or loss	4	(28,878,331)	–
Interest and similar expense from financial liabilities measured at fair value through profit and loss	5	26,673,787	–
Net changes in value on financial assets during the financial period	6	(5,557,672)	–
Net changes in value on financial liabilities during the financial period	12	7,085,801	–
Loss before changes in working capital		(675,665)	–
(Increase) in other receivables excluding interest	10	–	(1)
Increase in accrued fees and expenses	13	530,888	–
Net cash used in operating activities		(144,777)	(1)
Interest paid		(22,790,614)	–
Interest received from financial assets at fair value through profit and loss and similar income		24,930,457	–
Acquisitions of financial assets designated at fair value through profit or loss		(525,319,225)	–
Disposal of financial assets at fair value through profit or loss		186,081,660	–
Net cash used in investing activities		(337,097,722)	–
Cash flows generated from financing activities			
Issue of financial liabilities designated at fair value through profit or loss	12	461,291,662	–
Redemptions during the period	12	(97,500,000)	–
Repayment on Notes	12	(894,909)	–
Proceeds from share capital issue	14	–	1
Net cash generated from financing activities		362,896,753	1
Net increase in cash and cash equivalents		25,654,254	–
Cash and cash equivalents at start of the financial period		–	–
Cash and cash equivalents at end of the financial period	11	25,654,254	–

Notes on pages 19 to 39 form an integral part of the financial statements.

Notes to the Financial Statements**For the financial period from 1 August 2023 to 31 December 2024****1. General information**

Hayfin Emerald CLO XII (the "Company") was incorporated in Ireland as a designated activity company on 26 August 2022 under the Companies Act 2014 (as amended) with the company registration number of 724887. The registered office of the Company is at 3rd Floor, Fleming Court, Fleming's Place, Dublin 4, Ireland. The Company's financial period is from 1 August 2023 to 31 December 2024. The comparative financial statement is for the financial period from 26 August 2022 (date of incorporation) to 31 July 2023.

The principal objectives of the Company are set forth in paragraph 3 of the memorandum of association contained in its constitution and include, inter alia, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the collateral securing the financial liabilities will be the Company's only source of funds to fund payments in respect of such financial liabilities. The Portfolio is actively managed by Hayfin Emerald Management LLP (the "Collateral Manager") over the life of the transaction. The liabilities are expected to mature on 25 January 2037 pursuant to the Trust Deed.

The Company does not have any subsidiaries and these financial statements represent only the financial performance and position of the Company as an individual entity for the financial period under review.

The financial liabilities have been issued as of 11 January 2024 (the "Issue Date"). Prior to the Issue Date, the Company entered into the warehouse arrangements with the Collateral Manager in order to enable the Company to acquire certain financial assets on or before the Issue Date. Amounts owing under the warehouse arrangements were fully repaid on the Issue Date using the proceeds from the issuance of the financial liabilities.

There are no employees employed outside Ireland and no employees employed by the legal entity during the financial period end 31 December 2024.

2. Basis of preparation**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) interpretations. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs, as adopted by the European Union, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(e) to the financial statements.

(b) Adoption of new and revised standards**New Standards, Amendments to Standards and Interpretations**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2025. The Directors will continue to assess the potential impact of the following standards and amendments:

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

2. Basis of preparation (continued)**(b) Adoption of new and revised standards (continued)**

- **Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**
Provides guidance on whether a currency is exchangeable into another currency and which spot exchange rate to use when it is not.
- **Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7**
Clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer payment systems, and add further guidance for assessing whether a financial asset meets the SPPI criterion.
- **Annual Improvements to IFRS Accounting Standards – Volume 11**
Limited amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7, IFRS 9, IFRS 10 Consolidated Financial Statements (IFRS 10) and IAS 7 that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards.
- **IFRS 18 – Presentation and Disclosure in Financial Statements**
Introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements and improve aggregation and disaggregation.
- **IFRS 19 – Subsidiaries without Public Accountability: Disclosures**
Introduces a simplified disclosure standard for subsidiaries that do not have public accountability, aimed at reducing the reporting burden while maintaining relevant information.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Financial assets designated at fair value through profit or loss are measured at fair value;
- Financial liabilities designated at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in Note 3.

(d) Functional and presentation currency

These financial statements are presented in Euro which is the Company’s functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

The functional and presentation currency of the Company has remained unchanged during the reporting financial period.

Notes to the Financial Statements (continued)**For the financial period from 1 August 2023 to 31 December 2024****2. Basis of preparation (continued)****(e) Use of estimates and judgements**

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There were no critical judgments related to the application of policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(g) under "Fair value measurement principles". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

In the process of applying the Company's accounting policies, the Company in association with the Collateral Manager's Audit and Risk Committee (the "Committee") has made the following judgments related to the valuation process. The Company measures fair values using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs from providers such as Markit and Bloomberg. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Estimates and Assumptions

The Committee determines the most appropriate valuation model to value an investment. The valuation techniques that the Committee adopts are based on, but not limited to, one or more of the following methodologies.

- Comparable valuations of similar assets (industry, geography or capital structure)
- Reference to recent sale transactions of the same or similar investments
- Discounted cash flow calculations with reference to comparable Company or indices spreads (Itraxx and European Leveraged Loan Index "ELLI")

Notes to the Financial Statements (continued)**For the financial period from 1 August 2023 to 31 December 2024****2. Basis of preparation (continued)****(e) Use of estimates and judgements (continued)**

The Committee back-tests a sample of Level 2 valuations by comparing the value realised upon the disposition of an investment to the most recent valuation attributed to such investment in accordance with the valuation policy. The purpose of this back- testing is to ensure that the Collateral Manager's valuation policy and procedures, as implemented by the Committee, do not result in a systemic bias toward over or under valuation of investments or classes of investments over time.

The valuation techniques used may not fully reflect all factors relevant to the investment the Company holds and valuations can be adjusted, where appropriate and based on an internal tolerance level, to allow for additional factors including liquidity and lack of marketability. Refer to note 17 for details of the fair value assumptions and key sources of estimation uncertainty.

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

(f) Going concern

The Company's financial statements for the financial period ended 31 December 2024 have been prepared on a going concern basis. The Directors anticipate that the Portfolio will generate sufficient cash flow on an ongoing basis to meet the Company liabilities as they fall due. The final legal maturity date for the Notes is 25 January 2037. The Notes are limited recourse in nature and repayable to the extent that cashflows are generated from the Portfolio.

Under the limited recourse nature of the financing of this entity, to the extent that the Notes and other obligations cannot be funded from receipts from the Portfolio, these are not otherwise obliged to be repaid, and in such circumstances, the note obligations are forfeited in a particular priority. Consequently, as a result of the Company being a limited recourse bankruptcy remote vehicle, a significant deterioration in the creditworthiness of the Portfolio is not expected to impact on the Company's ability to continue as a going concern.

The Directors have a reasonable expectation, based on current and anticipated future performance, capital and liquidity position that the entity will continue to operate for at least 12 months from the date of approval of the financial statements. As part of their assessment, the Directors 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 12 months from the date of which the financial statements are authorised for issue.

The financial statements have, therefore, been prepared on a going concern basis. In considering the appropriateness of this assumption, the Directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation.

There are sufficient cash collections on the Portfolio in the financial period to cover the operating expenses. Operating expenses are first in the order of priority of payment and the Directors are comfortable that these will be covered by the cash collected on the Portfolio. It is the intention to the Directors for the Company to continue operations until such a time as the amounts due from the Portfolio have been fully realised. Ultimately, due to the limited recourse nature of the Notes, any shortfall in the proceeds of the Portfolio will be a risk to the Noteholders.

Therefore, the Directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

3. Significant accounting policies**(a) Interest income and expense on financial assets and financial liabilities designated at fair value through profit or loss**

Interest income and expense earned/incurred on financial assets/liabilities designated at fair value through profit or loss are recognised on an accrual basis in line with the contractual terms of the underlying instruments.

(b) Net gain/(loss) on financial assets designated at fair value through profit or loss

Net gain/(loss) on financial assets designated at fair value through profit or loss relates to investment in collaterals and includes all realised and unrealised fair value changes and foreign exchange differences.

(c) Net gain/(loss) on financial liabilities designated at fair value through profit or loss

Net gain/(loss) on financial liabilities designated at fair value through profit or loss relates to debt securities issued and includes all realised and unrealised fair value changes and foreign exchange differences.

(d) Interest and similar income

Interest and similar income largely constitute delayed compensation payments and cost of carry fees. Delayed compensation is a pricing adjustment payable by the parties that closes late, intended to assure that neither party derives an economic advantage from the delay. The “cost of carry” component of delayed compensation is calculated based on the purchase price that would have been payable if the transaction closed no later than scheduled.

Interest and similar income are accounted for on an accrual basis in line with the contractual terms of the underlying instruments.

(e) Foreign currency transactions

Transactions in currencies other than EUR are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than EUR at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in currencies other than EUR 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. Gains and losses arising on retranslation are recognised in the Statement of Comprehensive Income.

(f) Taxation

Corporation tax expense comprises current tax. Corporation tax expense is recognised in the Statement of Comprehensive Income 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 on the taxable income for the financial period, using tax rates applicable to the Company’s activities enacted or substantially enacted at the Statement of Financial Position date, and adjustment to tax payable in respect of previous years.

(g) Financial Instruments

The financial instruments held by the Company include the following:

- Financial assets; and
- Financial liabilities issued.

Financial assets

Financial assets are classified into the following categories according to the IFRS 9; financial assets ‘at fair value through profit or loss’ (“FVTPL”) and ‘amortised cost’. The classification depends on the nature and purpose of the financial assets.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

3. Significant accounting policies (continued)**(g) Financial Instruments (continued)*****Financial assets held at amortised cost***

Financial assets are classified as measured at amortised cost when they are held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. These include other receivables and cash balances as at the financial period-end.

Such assets are initially recognised at fair value, including direct and incremental transaction costs, and are subsequently measured at amortised cost using the effective interest method. Any impairment losses are recognised in the Statement of Comprehensive Income and reduce the carrying amount of the asset. These are presented under the caption 'Impairment allowance on loans and receivables'.

Financial assets held at fair value through profit and loss

The fair value through profit or loss assets are those that the Company upon initial recognition designates as at fair value through profit or loss. These are debt investments that are held to sell assets, so the intention of disposing of it in the short or medium term to benefit from capital appreciation or manages an asset on fair value basis and are measured at fair value using observable market indicators and are considered as Level 2 investments. Any fair value movements are taken to the Statement of Comprehensive Income.

Financial liabilities

Financial liabilities are classified into the following categories according to IFRS 9; financial liabilities 'at fair value through profit or loss' ("FVTPL") and 'amortised cost'.

Financial liabilities held at amortised cost

The Company's financial liabilities comprise of those measured at amortised cost and those designated at fair value through profit or loss (FVTPL). Items included within "Other payables" consist of the pending asset purchase payable, accrued fees and expenses and interest payable on financial liabilities issued. Financial liabilities measured at amortised cost are initially recognised at fair value, including any directly attributable transaction costs, and are subsequently measured using the effective interest method.

Financial liabilities held at fair value through profit and loss

These comprise of financial liabilities designated at FVTPL and include the various classes of notes issued. The Company has chosen to designate these financial liabilities in order to eliminate any accounting mismatches with the financial assets designated at FVTPL.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Initial 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. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

3. Significant accounting policies (continued)**(g) Financial Instruments (continued)*****Derecognition***

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

Offsetting

Financial assets and liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset 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. No financial assets and liabilities were offset in the financial period. Neither income nor expenditure were presented on a net basis.

Subsequent Measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

Fair Value Measurement Principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for similar financial instruments traded in active markets. Where the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques such as net present value techniques, comparison to similar instruments for which market observable prices exist and valuation models. The fair value of financial liabilities designated at fair value through profit or loss is determined by reference to the fair value of the associated financial assets designated at fair value through profit or loss owing to how the cash flows in respect of the measurement sensitivities are applied in respect of the issued notes.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, other short term highly liquid investments with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

(i) Other receivables

Trade receivables are short-term in nature and are recognised initially at fair value and subsequently measured at amortised cost less impairment.

(j) Other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

(k) Equity instruments

Equity instruments issued are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of issue costs.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

4. Interest income and interest from financial assets at fair value through profit or loss

	Period ended 31-Dec-2024	(Unaudited) Period ended 31-Jul-2023
	EUR	EUR
Interest from financial assets at fair value through profit and loss	26,986,839	—
Interest and similar income	1,891,492	—
	<u>28,878,331</u>	<u>—</u>

5. Interest and similar expense from financial liabilities measured at fair value through profit and loss

	Period ended 31-Dec-2024	(Unaudited) Period ended 31-Jul-2023
	EUR	EUR
Interest expense on Senior Debt	(25,244,735)	—
Interest expense on Warehouse Facility	(1,429,052)	—
	<u>(26,673,787)</u>	<u>—</u>

6. Net gain on financial assets and financial liabilities measured at fair value

	Period ended 31-Dec-2024	(Unaudited) Period ended 31-Jul-2023
	EUR	EUR
Unrealised net fair value gain on financial assets	5,557,672	—
Realised net fair value gain on financial assets	2,924,832	—
Unrealised net fair value loss on financial liabilities issued	(7,085,801)	—
	<u>1,396,703</u>	<u>—</u>

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

7. Other expenses

	(Unaudited)
	Period ended
	31-Dec-2024
	31-Jul-2023
	EUR
	EUR
Collateral management fees	(1,860,618)
Warehouse closing fees	(1,108,530)
VAT expenses	(101,774)
Corporate service professional fees	(82,062)
Audit fees	(35,700)
Legal fees	(139,492)
Other expenses	(272,071)
	<u>(3,600,247)</u>
	<u>—</u>

The audit fees mentioned comprised the fee of the external auditors PricewaterhouseCoopers for the following services: €35,700 (exclusive of VAT) for the 2024 statutory audit of the financial statements. No non-audit services were provided by the external auditors during the financial period.

The Directors are employees of CSC Capital Markets (Ireland) Limited. The Directors received no remuneration directly from the Company. CSC Capital Markets (Ireland) Limited as Corporate Services Provider received €82,062 (2023: €Nil) pursuant to its service agreement.

8. Income taxes

	(Unaudited)
	Period ended
	31-Dec-2024
	31-Jul-2023
	EUR
	EUR
Profit before taxation	1,000
Corporate income tax advances at the rate of 25% (2023: 25%)	(250)
Total tax charge	<u>(250)</u>
	<u>—</u>

The Company will be taxed at the minimum rate applicable for all securitisation companies. The Company has no unrecognised deferred tax amounts. The Company is a Qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such, the profits of the Company are chargeable to corporation tax under Case III of Schedule D at a rate of 25 per cent but are computed in accordance with the provisions applicable to Case I of Schedule D. Amendments were introduced to IAS 12 in 2023 in response to the OECD's BEPS Pillar Two rules. These amendments did not have an impact on the Company, as the Company is not in scope of this legislation.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

9. Financial assets designated at fair value through profit or loss (FVTPL)

	31-Dec-2024	(Unaudited) 31-Jul-2023
	EUR	EUR
Investment securities	347,982,192	—
<i>Movements in investment securities</i>		
At beginning of the financial period	—	—
Acquisitions during the financial period	563,156,413	—
Proceeds from repayments and disposals during the financial period	(220,731,893)	—
Net changes in value during the financial period	5,557,672	—
	<u>347,982,192</u>	<u>—</u>

The financial liabilities issued (Note 12) have been secured in favour of the Trustee for the benefit of the noteholders and certain other secured creditors by security over a Portfolio of financial assets. The financial liabilities are limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of the financial assets. The obligations of the Company to pay amounts due and payable in respect of the financial liabilities and to the other secured parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the trust deed.

10. Other receivables

	31-Dec-2024	(Unaudited) 31-Jul-2023
	EUR	EUR
Interest receivable on financial assets	3,947,874	—
Unsettled transactions	34,650,233	—
Shares issued	1	1
	<u>38,598,108</u>	<u>1</u>

11. Cash and cash equivalents

	31-Dec-2024	(Unaudited) 31-Jul-2023
	EUR	EUR
Cash balances held with HSBC	25,654,254	—
	<u>25,654,254</u>	<u>—</u>

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

12. Financial liabilities designated at fair value through profit or loss (FVTPL)

	31-Dec-2024	(Unaudited) 31-Jul-2023
	EUR	EUR
Debt securities issued	369,982,554	—
<i>Movement in debt securities issued</i>		
At beginning of the financial period	—	—
Issuance of Senior Debt and Subordinated Notes	363,791,662	—
Issuance of Warehouse Debt	108,500,000	—
Redemptions during the period	(108,500,000)	—
Repayment on Notes	(894,909)	—
Net changes in fair value during the financial period	7,085,801	—
	<u>369,982,554</u>	<u>—</u>

Financial Liabilities	Currency	Maturity date	Par Amount	Interest
Class A Notes	EUR	25-Jan-2037	223,500,000	3 Month EURIBOR + 1.74%
Class B-1 Notes	EUR	25-Jan-2037	34,900,000	3 Month EURIBOR + 3.10%
Class B-2 Notes	EUR	25-Jan-2037	8,600,000	Fixed at 6.825%
Class C Notes	EUR	25-Jan-2037	21,400,000	3 Month EURIBOR + 4.00%
Class D Notes	EUR	25-Jan-2037	24,200,000	3 Month EURIBOR + 5.79%
Class E Notes	EUR	25-Jan-2037	16,200,000	3 Month EURIBOR + 8.04%
Class F Notes	EUR	25-Jan-2037	13,800,000	3 Month EURIBOR + 8.23%
Subordinated Notes	EUR	25-Jan-2037	25,475,000	Residual cash
			<u>368,075,000</u>	

On a quarterly basis, the Subordinated Notes shall receive interest and fees collected on the financial assets after payment of deal expenses, management fees and interest due on the senior Notes. The interest priority of payments described in the trust deed sets forth the priority of distributions. The Subordinated Notes shall receive an interest distribution only to the extent of available funds after payment of amounts ranking in priority.

The management and operational framework of the Company is governed by the Trust Deed and Collateral Management and Administration Agreement each dated 11 January 2024 that sets out certain collateral quality tests, Portfolio profile tests and eligibility criteria. All financial assets forming part of the investment Portfolio are reassessed on a monthly basis by the management of the Company. The Company's compliance with these covenants is measured and reported on a monthly basis.

On 11 January 2024, the Company settled the Warehouse Debt of €108,500,000 of which €97,500,000 was repaid and the remaining €11,000,000 was settled through the issuance of Subordinated Notes. This transaction was a non-cash financing activity.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

13. Other payables

	31-Dec-2024	(Unaudited) 31-Jul-2023
	EUR	EUR
Pending asset purchase payable	37,837,188	—
Accrued fees and expenses	530,888	—
Accrued interest payable on financial liabilities issued	3,883,173	—
	<u>42,251,249</u>	<u>—</u>

Accrued interest payable on financial liabilities issued are due on the next interest payment date, 14 January 2025. These expenses will be settled in line with the priority of payments outlined in the transaction documents.

14. Share capital

	31-Dec-2024	(Unaudited) 31-Jul-2023
	EUR	EUR
<i>Issued:</i>		
1 ordinary share of €1 (2023: 1)	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Authorised share capital is €1,000,000 divided into 1,000,000 ordinary shares of €1 each.

The Company has issued one share, which is fully paid up and is held on trust by CSC Share Trustee Services (Ireland) Limited (as "Share Trustee") under the terms of a declaration of trust (the "Declaration of Trust") dated 26 August 2022, whereby the Share Trustee holds the share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Company.

15. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

CSC Capital Markets (Ireland) Limited entered into an agreement with the Company to provide certain corporate administrative services. CSC Capital Markets (Ireland) Limited also acted as Company Secretary and so had an interest in this fee. During the financial period, the Company incurred fees of €82,062 (2023: €Nil) from CSC Capital Markets (Ireland) Limited. Included within operating expenses (see Note 7) is the collateral management fee paid to Hayfin Emerald Management LLP amounting to €1,860,618 (2023: €Nil). At the financial period end, €405,628 (2023: €Nil) of this amount was outstanding.

16. Limited recourse nature of the financial liabilities

The financial liabilities issued by the Company are secured by way of a charge over the collateral and all rights and sums derived there from. Any reduction in the value of the assets will have a corresponding and equal effect on the repayment obligations of the financial liabilities issued by the Company.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management**Introduction and overview**

The risk profile of the Company is such that market, liquidity, credit and other risks of the investment securities held for risk management are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

- Market Risk
- Liquidity Risk
- Credit Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market Risk**(i) Interest Rate Risk**

The financial liabilities under the trust deed bear interest at floating rates based on EURIBOR. Interest rate risk is the risk of loss arising from the fair value or future cash flows of a financial instrument because of changes in market interest rates. The Company is exposed to interest rate risk as it invests in assets that are predominantly floating rate. The liabilities of the Company are predominantly also floating rate.

The interest rate risk profile of the Company's financial statements as at 31 December 2024 was as follows:

2024	Fixed rate	Floating rate	Non interest bearing
	EUR	EUR	EUR
Assets			
Cash and cash equivalents	—	25,654,254	—
Other receivables	—	—	38,598,108
Financial assets designated at FVTPL	54,000,000	293,982,192	—
	54,000,000	319,636,446	38,598,108
Liabilities			
Other payables	—	—	42,251,249
Financial liabilities designated at FVTPL	8,600,000	361,382,554	—
	8,600,000	361,382,554	42,251,249

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)

Market Risk (continued)

(i) Interest Rate Risk (continued)

2023 (Unaudited)	Fixed rate	Floating rate	Non interest bearing
	EUR	EUR	EUR
Assets			
Cash and cash equivalents	—	—	—
Other receivables	—	—	1
Financial assets designated at FVTPL	—	—	—
	—	—	1
Liabilities			
Other payables	—	—	—
Financial liabilities designated at FVTPL	—	—	—
	—	—	—

Sensitivity analysis

At 31 December 2024, if interest rates on EUR-denominated assets had been 25 basis points lower/higher with all other variables held constant, the change in total Comprehensive Income would have been €Nil (2023: €Nil).

(ii) Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will change because of changes in foreign exchange rates. The Company is exposed to movement in exchange rates between EUR, its functional currency, and certain foreign currencies other than the EUR.

The Company's currency exposure, all expressed in Euros as at 31 December 2024 is as follows:

2024	EUR	GBP	USD	Total
Assets				
Cash and cash equivalents	25,652,595	14	1,645	25,654,254
Other receivables	38,598,108	-	-	38,598,108
Financial assets designated at FVTPL	347,982,192	-	-	347,982,192
	412,232,895	14	1,645	412,234,554
Liabilities				
Other payables	42,251,249	-	-	42,251,249
Financial liabilities designated at FVTPL	369,982,554	-	-	369,982,554
	412,233,803	-	-	412,233,803
Net exposure	(908)	14	1,645	751

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)

Market Risk (continued)

(ii) Currency Risk (continued)

2023 (Unaudited)

Assets	EUR	GBP	USD	Total
Cash and cash equivalents	-	-	-	-
Other receivables	1	-	-	1
Financial assets designated at FVTPL	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Liabilities				
Other payables	-	-	-	-
Financial liabilities designated at FVTPL	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net exposure	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

The Company is not exposed to material currency risk.

(iii) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk and currency risk, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the Company has equity instruments in its financial assets and liabilities, it is subject to limited equity price risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible that, it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to the Company's reputation. There may be a timing mismatch between payments of interest on the financial liabilities and payments of interest on the investments. In the case of floating rate investments, the rates at which they bear interest may adjust more or less frequently, and on different dates and based on different indices than the interest rate of the financial liabilities.

The Company's obligation to the lenders under the financial liabilities is limited to the net proceeds upon realisation of the collateral. Should the net proceeds be insufficient to make all payments due, the other assets of the Company will not be available for payment and the deficit is instead borne by the Subordinated Noteholders first according to the established priorities.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)

Liquidity Risk (continued)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of financial liabilities as at 31 July 2023 and 31 December 2024 are as follows:

2024	Gross contractual cash flows	Less than one year	One to two years	Three to five years	More than five years
	EUR	EUR	EUR	EUR	EUR
Financial liabilities designated at FVTPL	603,319,732	19,321,250	19,321,250	57,963,750	506,713,482
Other payables	42,251,249	42,251,249	-	-	-
Net amount	<u>645,570,981</u>	<u>61,572,499</u>	<u>19,321,250</u>	<u>57,963,750</u>	<u>506,713,482</u>
2023 (Unaudited)	Gross contractual cash flows	Less than one year	One to two years	Three to five years	More than five years
	EUR	EUR	EUR	EUR	EUR
Financial liabilities designated at FVTPL	—	—	—	—	—
Other payables	—	—	—	—	—
Net amount	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Credit Risk

Credit risk is the risk of the financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's collateral. The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2024 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The management and operational framework of the Company is governed by the Trust Deed and Collateral Management and Administration Agreement each dated 11 January 2024 that sets out certain collateral quality tests, Portfolio profile tests and eligibility criteria. All financial assets forming part of the investment Portfolio are reassessed monthly by the management of the Company. The Company's compliance with these covenants is measured and reported on a monthly basis.

The Collateral Manager monitors the concentration of credit risk and assesses all counterparties. The Collateral Manager has used a rating system for monitoring the credit risk of term loans and corporate bonds.

The risk of default on the financial assets is borne by the subordinated noteholders then senior noteholders in accordance with the trust deed. The carrying amount of the financial assets represents the maximum credit exposure and is presented below:

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)

Credit Risk (continued)

	31-Dec-2024	(Unaudited) 31-Dec-2023
	EUR	EUR
Cash and cash equivalents	25,654,254	—
Other receivables	38,598,108	1
Financial assets designated at fair value through profit or loss (FVTPL)	347,982,192	—
	<u>412,234,554</u>	<u>1</u>

The Company holds its cash deposits with HSBC which holds a credit rating of A-.

The risk of default on the financial assets is borne by the subordinated noteholders then senior noteholders in accordance with the trust deed. At the reporting date, the geographical split of the financial assets measured at fair value was as follows:

	31-Dec-2024	(Unaudited) 31-Dec-2023
France	25.06 %	— %
United Kingdom	15.92 %	— %
Netherlands	12.69 %	— %
Germany	10.68 %	— %
United States	7.00 %	— %
Spain	6.89 %	— %
Luxembourg	5.75 %	— %
Sweden	5.06 %	— %
Italy	4.62 %	— %
Switzerland	1.84 %	— %
Finland	1.69 %	— %
Austria	1.12 %	— %
Belgium	0.56 %	— %
Denmark	0.56 %	— %
Portugal	0.56 %	— %
	<u>100 %</u>	<u>— %</u>

At the reporting date, the standard and poor's rating split of the financial assets measured at fair value was as follows:

	31-Dec-2024	(Unaudited) 31-Dec-2023
	%	%
Loan	78 %	- %
Bond	22 %	- %
	<u>100 %</u>	<u>- %</u>

	31-Dec-2024	(Unaudited) 31-Dec-2023
B-	21.75 %	— %
B	41.04 %	— %
B+	16.83 %	— %
BB-	5.64 %	— %
BB	10.81 %	— %
BB+	0.84 %	— %
BBB-	1.12 %	— %
CCC-	1.97 %	— %
	<u>100 %</u>	<u>— %</u>

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)

Fair Value Measurement

The Company's investment securities and debt securities issued are carried at fair value on the Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities at the end of reporting period approximated their fair values or amortised cost.

As of 31 December 2024	Fair value through profit or loss	Amortised cost	Total
	EUR	EUR	EUR
<i>Financial assets</i>			
Cash and cash equivalents	—	25,654,254	25,654,254
Other receivables	—	38,598,108	38,598,108
Investment securities	347,982,192	—	347,982,192
	347,982,192	64,252,362	412,234,554
<i>Financial liabilities</i>			
Other payables	—	42,251,249	42,251,249
Debt securities issued	369,982,554	—	369,982,554
	369,982,554	42,251,249	412,233,803

(Unaudited)

As of 31 July 2023	Fair value through profit or loss	Amortised cost	Total
	EUR	EUR	EUR
<i>Financial assets</i>			
Cash and cash equivalents	—	—	—
Other receivables	—	1	1
Investment securities	—	—	—
	—	1	1
<i>Financial liabilities</i>			
Other payables	—	—	—
Debt securities issued	—	—	—
	—	—	—

Estimation of fair values

The major methods and assumptions used in estimating the fair values of financial instruments are disclosed below:

Key sources of estimation uncertainty*Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 3(g).

Critical accounting judgements in applying the Company's accounting policies

Critical accounting judgements made in applying the Company's accounting policies include:

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)

Fair Value Measurement (continued)

Key sources of estimation uncertainty (continued)

Valuation of financial instruments

The Company's accounting policy on fair value measurements is discussed in Note 3(g) above.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

Cash and cash equivalents are classified as Level 2. Fair values of financial assets that are traded in active markets, Level 2, are based on quoted market prices or dealer price quotations.

As at 31 December 2024	Level 1	Level 2	Level 3	Total Fair Value
	EUR	EUR	EUR	EUR
<i>Financial assets</i>				
Cash and cash equivalents	—	25,654,254	—	25,654,254
Other receivables	—	38,598,108	—	38,598,108
Investment securities	—	347,982,192	—	347,982,192
	—	412,234,554	—	412,234,554
<i>Financial liabilities</i>				
Other payables	—	42,251,249	—	42,251,249
Debt securities issued	—	—	369,982,554	369,982,554
	—	42,251,249	369,982,554	412,233,803

(Unaudited)	Level 1	Level 2	Level 3	Total Fair Value
As at 31 July 2023	EUR	EUR	EUR	EUR
<i>Financial assets</i>				
Cash and cash equivalents	—	—	—	—
Other receivables	—	—	—	—
Investment securities	—	—	—	—
	—	—	—	—
<i>Financial liabilities</i>				
Other payables	—	—	—	—
Debt securities issued	—	—	—	—
	—	—	—	—

Instruments for which there is no active market are classified as Level 3. The Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The Company did not hold any Level 3 financial assets at the financial period end.

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

17. Financial risk management (continued)**Fair Value Measurement (continued)**

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The financial liabilities issued by the Company are classified as Level 3 and are secured by way of a charge over the financial assets and all rights and sums derived there from. Any reduction in the value of the financial assets will have a corresponding and equal effect on the repayment obligations of the financial liabilities issued by the Company. Therefore, the fair value of the financial liabilities is determined based on the fair value of the financial assets less any operating expenses.

	2024	(Unaudited) 2023
	EUR	EUR
Financial liabilities measured at fair value based on Level 3		
Opening balance	—	—
Additions during the financial period	472,291,662	—
Repayments of Senior Debt	(109,394,909)	—
Fair value movement	7,085,801	—
Closing balance	<u>369,982,554</u>	<u>—</u>

The total amount of change in fair value estimated using a valuation technique based on significant unobservable data that was recognised in the Statement of Comprehensive Income for the financial period is outlined in the table above. Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimated cashflows etc. and therefore, cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the noteholders due to the limited recourse nature of the debt issued by the Company.

18. Subsequent events

On 6 January 2025, Katie Beatty and Ross Dawson resigned as Directors. Johannes Zwiegelhaar and Maria Alexiuc were appointed as a Director and Alternate Director, respectively, on the same date.

On 8 August 2025, the initial issued Notes were refinanced in full (excluding the Subordinated Notes). Newly refinanced notes of the Company were issued in exchange of the redemption. The details of the new Notes are listed below:

Rated Notes (issued 8 August 2025)

- €228,700,000 Class A-R Notes due 25 October 2038
- €34,400,000 Class B-1-R Notes due 25 October 2038
- €5,000,000 Class B-2-R Notes due 25 October 2038
- €23,300,000 Class C-R Notes due 25 October 2038
- €27,200,000 Class D-R Notes due 25 October 2038
- €17,000,000 Class E-R Notes due 25 October 2038
- €12,200,000 Class F-R Notes due 25 October 2038
- €3,000,000 Class X Notes due 25 October 2038

Notes to the Financial Statements (continued)

For the financial period from 1 August 2023 to 31 December 2024

19. Approval of financial statements

The Directors approved these financial statements on 16 January 2026.