

ARCADE FINANCE PLC

DIRECTORS' REPORT AND THE AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

COMPANY NUMBER: 435310

ARCADE FINANCE PLC
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

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COMPANY INFORMATION

DIRECTORS	John Fitzpatrick (Irish) (Independent non-executive) Michael Boyce (Irish) (Independent non-executive) Yves Lippens (Belgian) (Non-executive) Frank Van de Vel (Belgian) (Non-executive)
SECRETARY	HMP Secretarial Limited Riverside One Sir John Rogerson's Quay Dublin 2 D02 X576 Ireland
REGISTERED OFFICE	Riverside One Sir John Rogerson's Quay Dublin 2 D02 X576 Ireland
LEGAL ADVISORS AS TO IRISH LAW AND SOLICITOR	McCann Fitzgerald Riverside One Sir John Rogerson's Quay Dublin 2 D02 X576 Ireland
PRINCIPAL PAYING AGENT, REGISTRAR, TRANSFER AGENT AND CALCULATION AGENT	The Bank of New York Mellon 160 Queen Victoria Street London EC4V 4LA England
SHARE TRUSTEE	QSV Trustee Limited 62 Seabury Crescent Malahide Dublin K36 TW42 Ireland
NOTE TRUSTEE	BNY Mellon Corporate Trustee Services Limited 160 Queen Victoria Street London EC4V 4LA England
BANK AND CUSTODIAN	KBC Bank NV Havenlaan 2 B-1080 Brussels Belgium
INDEPENDENT AUDITOR	Ernst and Young Chartered Accountants Harcourt Centre 2 Harcourt Street Dublin 2 D02 YA40 Ireland
PORTFOLIO MANAGER, PORTFOLIO ADMINISTRATOR	KBC Asset Management NV Havenlaan 2 B-1080 Brussels Belgium
CORPORATE ACCOUNTING ADMINISTRATOR	KBC Fund Management Limited 4 th Floor Scotch House 6-7 Burgh Quay Dublin 2 D02 VK44 Ireland

DIRECTORS' REPORT
for the financial year ended 30 April 2025

The Directors present their report and the audited financial statements for the financial year.

PRINCIPAL ACTIVITY

Arcade Finance Plc (the "Company"), an Irish registered Company, was incorporated on 22 February 2007. At 30 April 2025, the Company is utilising one ring structure for investment purposes; Equity-linked rings (*2024: one ring structure utilised; Equity-linked rings*). KBC Asset Management NV has been appointed as portfolio manager and portfolio administrator to the Company (the "Portfolio Manager" and "Portfolio Administrator").

The Company has established a €40,000,000,000 programme to issue a series ("Series") of limited recourse ring fenced notes ("Notes"). The terms and conditions of each Series are set out in a term sheet for each ring. As at 30 April 2025, six Series were in issue (*2024: twenty four*). The Company did not issue any new Series and eighteen Series matured during the financial year up to 30 April 2025. Noteholders have the right to early redeem Notes at certain option dates during the period to maturity.

The principal activity of the Equity-linked rings is the investment in time deposits. Notes on the Equity-linked rings are issued to KBC insurance companies.

MANAGEMENT'S REPORT OF BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The Directors consider the following to be the main financial key performance indicators of the Company:

- the Company made a €Nil profit (*2024: profit €Nil*)
- there were no credit events that affected the Company during the current and prior financial years
- the net gain (realised and change in unrealised) on financial assets at fair value through profit or loss amounted to €1,143 (*2024: net gain €531,910*)
- the net loss (realised and change in unrealised) on financial liabilities at fair value through profit or loss amounted to €78,057,622 (*2024: net loss of €45,625,034*)
- interest income on investments amounted to €21,010,443 (*2024: income €40,155,040*)
- the Company's total indebtedness was €347,119,415 (*2024: €797,195,169*)
- net investment sales excluding outstanding amounts amounted to €433,800,981 (*2024: net investment sales excluding outstanding amounts €515,888,904*)
- net Note repurchases excluding outstanding amounts amounted to €507,452,553 (*2024: net Note repurchases excluding outstanding amounts €547,670,266*)

The change in the overall number of Series decreasing is due to a number of rings maturing during the current year.

Due to the nature of the Company, the Directors consider there to be no main non-financial key performance indicators. There were no breaches of any of the provisions or covenants relating to the Notes during the financial year.

During the financial year the following changes occurred:

Series 2018-295, Series 2018-297, Series 2018-299, Series 2018-301, Series 2018-303, Series 2019-305, Series 2019-307, Series 2019-309, Series 2019-311, Series 2019-313, Series 2019-314, Series 2019-316, Series 2019-318, Series 2019-320, Series 2019-322, Series 2019-324, Series 2019-326 and Series 2020-328, were fully redeemed.

There were no new Series issued.

DIRECTORS' REPORT (continued)
for the financial year ended 30 April 2025

MANAGEMENT'S REPORT OF BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS
(continued)

The Company had the following series in issue at financial year end:

Ring Number	Nominal Value	Series Name	Maturity
Ring 330	€ 77,624,000	Series 2020-330	Equity-linked Notes due 2025
Ring 332	€ 52,361,000	Series 2020-332	Equity-linked Notes due 2025
Ring 334	€ 42,021,000	Series 2020-334	Equity-linked Notes due 2025
Ring 338	€ 22,945,000	Series 2020-338	Equity-linked Notes due 2026
Ring 340	€ 59,064,000	Series 2020-340	Equity-linked Notes due 2028
Ring 341	€ 79,543,000	Series 2020-341	Equity-linked Notes due 2028

The Directors believe the Company is a going concern for the following reasons:

- The portfolio is actively managed by KBC Asset Management NV and the Directors intend that the present level of activity will be sustained for the foreseeable future.
- The Notes issued by the Company are limited recourse and therefore all risks and rewards of ownership are borne by the Noteholders.
- Management has assessed all available information relating to future conditions, considering the possible outcomes of events and changes in conditions, and the realistically possible responses to such events and conditions that are available, including those relating to the current wars around the world. The Directors have assessed there to be no material uncertainty in relation to the Company's ability to continue as a going concern.

FUTURE DEVELOPMENTS

The financial statements have been prepared on a going concern basis.

As of August 2021, the issuance of new Series of Notes ceased due to changes in Noteholder demand. As a result, the total number of outstanding ring Series will decrease as issued Notes are redeemed or mature. The Directors expect that the present level of activity for existing ring Series will be sustained for the foreseeable future. The last Series of Notes will expire in October 2028.

The escalation of major conflicts around the world along with increased energy prices, rising interest rates and increased supply uncertainty have led to a strong rise in inflation. However, there were no direct exposures and the indirect exposures through some of the financial institutions were deemed to be very manageable for the Company.

Growing uncertainty, continued conflicts, downside risks to growth and alterations of monetary policy expectations led to volatility in interest rates. Although headline inflation has eased somewhat recently, core inflation still remains above the central banks' desired level. The impact of the ongoing wars on factors including bond market performance, laws and regulations, credit ratings, underlying fund investor redemptions, trade bloc developments and monetary policy will continue to be monitored by the Company.

RESULTS AND DIVIDENDS

The results for the financial year are presented in the statement of comprehensive income. On 3 April 2025, the Company paid a dividend of €75 (2024: €375). The Directors have proposed a dividend distribution of €75 on 30 September 2025. There was no profit after tax transferred to reserves (2024: €Nil).

DIRECTORS' REPORT (continued)
for the financial year ended 30 April 2025

CHANGES IN DIRECTORS

There were no changes in directors for the financial year ended 30 April 2025.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES AND DEBENTURES

The Directors and the Company Secretary had no beneficial interest in the share capital or issued debt of the Company at the date of appointment, at the beginning of the year or at the end of the financial year.

RISK FACTORS

The principal risks and uncertainties facing the Company are set out in *Note 15 "Financial risk and fair value"* to the financial statements. The economic risks facing the Company have been detailed in this report.

ACCOUNTING RECORDS

The Directors are responsible for ensuring that adequate accounting records are kept by the Company. The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by outsourcing this function to a specialised provider of such services. The books and accounting records are maintained at KBC Fund Management Limited, 4th Floor, Scotch House, 6-7 Burgh Quay, Dublin 2 D02 VK44.

SUBSEQUENT EVENTS

The Directors proposed a dividend of €75 on 30 September 2025. Net Note redemptions subsequent to the reporting date were €185,312,266.

POLITICAL DONATIONS

The Company did not make any political donations during the financial year (2024: €Nil).

STATUTORY COMPLIANCE STATEMENT

The Directors acknowledge that they are responsible for securing the Company's compliance with the Company's "relevant obligations" within the meaning of Section 225 of the Companies Act 2014 (described below as the "Relevant Obligations").

The Directors confirm that:

- they have drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the Directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations.
- they have considered the Company's Relevant Obligations and are satisfied that arrangements or structures that are in place by agreement with KBC Asset Management NV (the "Compliance Services") are appropriate to secure the Company's material compliance with its Relevant Obligations and that, accordingly, there is no need for the Company to put in place compliance-related arrangements or structures in respect of the Company's Relevant Obligations, other than the Compliance Services.
- during the financial year to which this report relates, the Directors have considered whether, and are satisfied that, the Compliance Services are and remain appropriate to secure the Company's material compliance with its Relevant Obligations.

DIRECTORS' REPORT (continued)
for the financial year ended 30 April 2025

ANNUAL CORPORATE GOVERNANCE STATEMENT

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 above. Each of the service providers engaged by the Company 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. The Board is also responsible for the review of annual financial statements. 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 KBC Asset Management NV as Portfolio Administrator and Manager and KBC Fund Management Limited as Corporate Accounting Administrator. The Corporate Accounting Administrator is contractually obliged to maintain adequate accounting records. The Corporate Accounting Administrator performs reconciliations of its records to those of the Trustee, Custodian and the Portfolio Administrator. The Corporate Accounting Administrator 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.

The Board evaluates and discusses significant accounting and reporting issues as they arise. The Board also periodically examines and evaluates the Corporate Accounting Administrator's financial reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Corporate Accounting Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the Board on updates and developments.

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 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. In respect of the financial reporting process, KBC Fund Management Limited has in place appropriate practices to ensure that:

- its financial reporting is accurate and complies with the financial reporting frameworks; and
- systems are in place to achieve high standards of compliance with regulatory requirements.

Control Activity

The Portfolio and Corporate Accounting Administrator are 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 meets on a quarterly basis to monitor the performance of the Company including review of performance reports as provided by KBC Asset Management NV and to discuss risks relevant to the Company. The Board also ensures that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors. Given the contractual obligations on the Portfolio and Corporate Accounting Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function.

Capital Structure

The Board have assessed the issue of the controlling party and determined that control of the day-to-day activities of the Company rests with the Directors. No person has any special rights of control over the Company's share capital as described in Note 17 "Ownership of the company". All of the shares of the Company are held in trust with QSV Trustees Limited who hold 40,000 shares in the Company but have no direct or indirect control of the Company. No other person has a significant direct or indirect holding of securities in the Company other than QSV Trustees Limited. There are no restrictions on voting rights.

DIRECTORS' REPORT (continued)
for the financial year ended 30 April 2025

ANNUAL CORPORATE GOVERNANCE STATEMENT (continued)

The Company does not have an immediate, ultimate parent and controlling party. KBC Asset Management NV is deemed to be the chief operating decision maker as it decides on how the resources of the company are allocated as well as assessing the performance of the investments held.

Appointment and replacement of directors and amendments to the Articles of Association

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association and Irish Statute comprising the Companies Act 2014. The Articles of Association 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 Articles of Association. The Directors may delegate certain functions to other parties, subject to supervision and direction by the Board. The Board has delegated the day-to-day administration of the Company to the Portfolio Administrator.

Audit committee

As the principal duties of an Audit Committee are completed by the Board, the Company has taken the exemption available as set out under Section 1551 (1) (c) of the Companies Act 2014 not to establish a separate Audit Committee.

INDEPENDENT AUDITOR

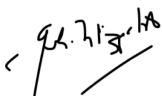
The Directors first appointed Ernst and Young as auditor at the Company's board meeting on 20 December 2017. Ernst and Young have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014. On 2 January 2025, Ernst and Young were re-appointed as auditor for the financial year ended 30 April 2025.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

On behalf of the board



John Fitzpatrick
Director



Michael Boyce
Director

Date: 30 September 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities for the preparation of the annual report and audited financial statements

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

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

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

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

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

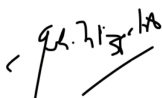
They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

Each of the Directors confirm to the best of their knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as issued by the IASB and adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report which is incorporated into the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties facing the Company.

On behalf of the board



John Fitzpatrick
Director



Michael Boyce
Director

Date: 30 September 2025



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCADE FINANCE PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Arcade Finance Plc ('the Company') for the year ended 30 April 2025, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the material accounting policy information set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 April 2025 and of its results for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCADE FINANCE PLC

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the Directors' Report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCADE FINANCE PLC

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's 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 auditor's report.

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

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

A handwritten signature in black ink, appearing to read 'Aidan Tiernan', written in a cursive style.

Aidan Tiernan
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 2nd October 2025

ARCADE FINANCE PLC
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 30 April 2025

	Notes	Year ended 30/04/2025 €	Year ended 30/04/2024 €
Interest income on financial assets at fair value through profit or loss	4	21,010,443	40,155,040
Realised gain/(loss) on financial assets at fair value through profit or loss	10	3,981	(15,236)
Realised loss on financial liabilities at fair value through profit or loss	13	(64,816,226)	(18,032,659)
Change in unrealised (loss)/gain on financial assets at fair value through profit or loss	10	(2,838)	547,146
Change in unrealised loss on financial liabilities at fair value through profit or loss	13	(13,241,396)	(27,592,375)
Net derivative income from derivatives held for trading	5	61,629,235	14,785,670
Net investment income		4,583,199	9,847,586
Other income	6	775,582	1,338,286
Other expenses	7	(5,358,781)	(11,185,872)
Profit before taxation		-	-
Taxation	8	-	-
Profit and total comprehensive income for the year		-	-

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

There were no items of other comprehensive income during the current or prior financial year. All items of comprehensive income including gains and losses relate to continuing operations

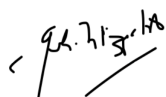
ARCADE FINANCE PLC
 DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2025

STATEMENT OF FINANCIAL POSITION
 as at 30 April 2025

	Notes	As at 30/04/2025 €	As at 30/04/2024 €
Assets			
Cash and cash equivalents	12	5,909,011	16,807,931
Derivatives held for trading	11	66,928,814	65,023,192
Financial assets at fair value through profit or loss	10	271,457,296	705,257,134
Interest receivable on investments		2,811,065	10,093,532
Amounts receivable from custodian		-	51,228
Other receivables		53,502	2,500
Total assets		347,159,688	797,235,517
Liabilities			
Derivatives held for trading	11	-	20,636,670
Expense accruals		-	44,153
Financial liabilities at fair value through profit or loss	13	347,119,415	776,514,346
Total liabilities		347,119,415	797,195,169
Equity			
Share capital	14	40,000	40,000
Retained earnings		273	348
Total equity		40,273	40,348
Total equity and liabilities		347,159,688	797,235,517

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

On behalf of the board



John Fitzpatrick
 Director



Michael Boyce
 Director

Date: 30 September 2025

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 30 April 2025

	Notes	Share capital €	Retained earnings €	Total equity €
Balance as at 30 April 2023		40,000	723	40,723
Total comprehensive income for the year		-	-	-
Dividend paid during the financial year	18	-	(375)	(375)
Balance as at 30 April 2024	14	40,000	348	40,348
Total comprehensive income for the year		-	-	-
Dividend paid during the financial year	18	-	(75)	(75)
Balance as at 30 April 2025	14	40,000	273	40,273

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

STATEMENT OF CASH FLOWS
for the financial year ended 30 April 2025

	Notes	Year ended 30/04/2025 €	Year ended 30/04/2024 €
Cash flows from operating activities			
Interest received on investments	4	28,292,911	39,542,228
Derivative receipts	5	64,296,763	34,837,146
Derivative payments	5	(25,158,593)	(45,471,696)
Other income received		724,580	1,338,286
Other expenses paid	7	(5,402,934)	(11,310,769)
Cash generated from operating activities		<u>62,752,727</u>	<u>18,935,195</u>
Taxes paid		-	-
Net cash from operating activities		<u>62,752,727</u>	<u>18,935,195</u>
Cash flows from investing activities			
Investment purchases	10	(845,179,580)	(1,863,515,417)
Investment paydowns and disposals	10	1,278,980,561	2,379,404,321
Net cash from investing activities		<u>433,800,981</u>	<u>515,888,904</u>
Cash flows used in financing activities			
Proceeds from Note issuance	13	18,441	9,358
Redemption and repurchase of Notes	13	(507,470,994)	(547,679,624)
Dividend paid	18	(75)	(375)
Net cash used in financing activities		<u>(507,452,628)</u>	<u>(547,670,641)</u>
Net decrease in cash and cash equivalents		(10,898,920)	(12,846,542)
Cash and cash equivalents at beginning of the year		16,807,931	29,654,473
Cash and cash equivalents at end of the year	12	<u>5,909,011</u>	<u>16,807,931</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Arcade Finance Plc (the "Company"), an Irish registered Company (registration number: 435310), was incorporated on 22 February 2007 to issue a Series of limited recourse ring fenced Notes. The registered office of the Company is Riverside One, Sir John Rogerson's Quay, Dublin 2, D02 X576.

As of 30 April 2025, six Series were in issue (*2024: twenty four*). At 30 April 2025, the Company is utilising one ring structure for investment purposes; Equity-linked rings (*2024: one ring structure utilised; Equity-linked rings*).

(a) Equity-linked rings

With respect to the Equity-linked rings, the Company issues Equity-linked Notes to various KBC insurance companies. The return on these Notes is based on the performance of the specific equity investments or portfolio of equity investments specified in the Notes' final terms. There is no interest payable on these Notes.

The following Series are issued under the Equity-linked rings at financial year end:

Series 2020-330, Series 2020-332, Series 2020-334, Series 2020-338, Series 2020-340 and Series 2020-341 (*2024: twenty four rings were in issue*).

The Company applies the proceeds of the Note issuance to invest variously in time deposits as detailed in *Note 10 "Financial assets at fair value through profit or loss"*. The redemption amount of the Notes is equal to the original nominal plus or minus the equity-linked return.

The Company enters into Equity-linked swaps with KBC Bank N.V. to eliminate the risk exposure arising from the issuance of the Equity-linked Notes. Under the terms of these swaps, the Company is entitled to receive an amount sufficient to cover the equity-linked return on the Notes payable on maturity plus amounts to cover a pro-rata share of operating expenses. Similarly, the Company is required to pay an amount to the swap counterparty equal to the equity-linked loss incurred by the Noteholders in cases where the return on the Notes is negative.

The Company acquires this amount, which will be the difference between the original nominal and the redemption amount through the redemption of the associated investments. In return, the Company is required to pay amounts to the swap counterparty equal to the interest received on the associated investments including time deposits and any bank interest earned on un-invested issuance proceeds. As a result of the terms of the Equity-linked swaps the Company is profit neutral in respect of its investment activities under the Equity-linked rings.

(b) Statement of compliance

The financial statements have been prepared for the financial year ended ("Year Ended") 30 April 2025, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the Companies Act 2014.

The Company's financial statements for the financial year 30 April 2025 have been prepared on a going concern basis.

The Directors believe the Company is a going concern for the following reasons:

- The portfolio is actively managed by KBC Asset Management NV and the Directors intend that the present level of activity will be sustained for the foreseeable future.
- The Notes issued by the Company are limited recourse and therefore all risks and rewards of ownership are borne by the Noteholders.
- Management has assessed all available information relating to future conditions, considering the possible outcomes of events and changes in conditions, and the realistically possible responses to such events and conditions that are available.

The Directors have assessed there to be no material uncertainty in relation to the Company's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of preparation

(a) New standards, amendments and interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year. The following new standards, amendments to standards and interpretations in issue have been applied for the first time to the financial year beginning 1 May 2024.

- Amendments to IAS 7 and IFRS 7, 'Disclosures: Supplier Finance Arrangements' (effective 1 January 2024)
- Amendments to IFRS 16, 'Leases: Lease Liability in a Sale and Leaseback' (effective 1 January 2024)
- Amendments to IAS 1, 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants' (effective 1 January 2024)

None of the above accounting requirements had a material impact on the financial statements of the Company.

(b) New standards, amendments and interpretations not yet adopted

The accounting requirements applied by the Company in the preparation of these financial statements are those effective for accounting periods beginning on or before 1 May 2024.

The following new standards, amendments to standards and interpretations are forthcoming accounting requirements in issue which are not yet effective for the financial year beginning 1 May 2024 and have not been early adopted in preparing these financial statements. The dates outlined below are those effective in the EU, or where the requirement has not yet been endorsed by the EU, the effective date issued by the IASB.

- Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (effective 1 January 2025)
- IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027)
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027)
- Amendments to IFRS 9 and IFRS 7, 'Classification and Measurement of Financial Instruments' (effective 1 January 2026)
- Amendments to IFRS 9 and IFRS 7, 'Contracts Referencing Nature-dependent Electricity' (effective 1 January 2026)
- Amendments to IAS 28, 'Investments in Associates and Joint Ventures' (effective date indefinitely deferred pending the outcome of the IASB's research project)
- Amendments to IFRS 10, 'Consolidated Financial Statements: Sales or Contributions of Assets between an Investor and its Associate or Joint Venture' (effective date indefinitely deferred pending the outcome of the IASB's research project)

The impact of these forthcoming accounting requirements on the financial statements of the Company will be assessed in advance of the above effective dates.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities classified as measured at fair value through profit or loss including derivatives held for trading. These financial statements have been prepared on a going concern basis.

(d) Functional and presentation currency

These financial statements are presented in Euro which is the Company's functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The Company has issued Notes denominated in Euro and the Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of preparation (continued)

(e) Foreign currency translation

Transactions in foreign currencies if they arise are translated at the foreign currency exchange rate ruling at the date of transaction. There was no foreign currency activity during the financial year. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign currency closing exchange rate ruling at the statement of financial position date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the foreign currency exchange rates ruling at the dates that the fair values were determined.

(f) Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements and estimates that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Information about judgements made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- *Note 3(e) Financial instruments: Classification* - classification of investment in debt securities and Notes at fair value through profit or loss.

- *Note 3(e) Financial instruments: Fair Value Measurement Principle* - the appropriate valuation method and the fair value hierarchy.

Estimates, including underlying and associated assumptions, are required in the event of both present and future uncertainties and actual results may differ from these estimates and assumptions. 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 carrying values of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A key area of estimation for the Company is the determination of fair values for financial assets and financial liabilities, including derivatives, for which there is no observable market price. The valuation techniques used in determining the fair value of financial assets and liabilities for which there is no observable market price is described in the material accounting policy information *Note 3(e) "Financial instruments: Fair Value Measurement Principles"*. The carrying amounts of assets and liabilities are set out in *Note 9 "Financial assets and liabilities"*.

3. Material accounting policy information

(a) Interest income and expense

Interest income on investments is accounted for on an accrual basis using the applicable coupon rate. Interest income arises on both floating and fixed coupon debt security financial assets while there is no interest expense arising on floating rate Note financial liabilities as at 30 April 2025 (2024: €Nil).

(b) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period as calculated in accordance with Irish taxation law. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are not taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the statement of financial position method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Material accounting policy information (continued)

(c) Net derivative income

The net income from derivatives includes derivative receipts, payments and fair value movements.

(d) Cash and cash equivalents

Cash and cash equivalents include cash held with banks which are subject to insignificant risk of changes in their values and are used by the Company in the management of its short-term commitments.

(e) Financial instruments

Recognition

The Company initially recognises all purchases and sales of financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Derecognition

The Company derecognises a financial asset on the trade date at which 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. Realised gains and losses on disposals of financial instruments classified as at fair value through profit and loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Impairment

Financial assets are classified and measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses which are measured as the present value of all cash shortfalls which is the difference between the cash flows due to the Company in accordance with the contract and the cash flows the Company expects to receive. An approach similar to the simplified approach for expected credit losses is used by the Company in estimating these losses on receivables. As all such financial assets held by the Company are short-term in nature, changes in credit risk are not tracked and instead loss allowances calculated will be estimated lifetime expected credit losses.

The Company considers both historical analysis and forward-looking information (including macroeconomic and market data) in determining any expected credit loss. If a loss allowance on financial assets classified as measured at amortised cost is recognised, this amount is deducted from the gross carrying amount of the assets.

In the event that the Company has no reasonable expectations of recovering a financial asset, the gross carrying amount is written off in its entirety.

Classification

In accordance with IFRS 9, the Company classifies financial assets and liabilities at initial recognition into the categories of financial assets and liabilities.

In applying the before mentioned classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

The Company classifies its investments in Time Deposits as financial assets measured at fair value through profit or loss. This assessment is based on both its business model for managing the financial instruments on a fair value basis and the contractual cash flow characteristics of the instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Material accounting policy information (continued)

(e) Financial instruments (continued)

Classification (continued)

The Company classifies Notes issued as financial liabilities at fair value through profit or loss in order to eliminate measurement and recognition inconsistency that would otherwise arise if measured at amortised cost as the underlying investments are classified as measured at fair value through profit or loss. These financial assets and financial liabilities are managed and evaluated on a fair value basis in accordance with a documented investment strategy. Information about these financial assets and financial liabilities is provided internally on a fair value basis to the Company's key management personnel.

The Company classifies the equity swaps which it has entered into as derivatives held for trading. These derivatives have not been formally designated into a hedging relationship through the application of hedge accounting principles and as such have been classified as measured at fair value through profit or loss.

The Company classifies cash and cash equivalents and short-term receivables, representing interest receivable on investments, amounts receivable from Custodian and other receivables, as financial assets measured at amortised cost. These assets are both held within a business model whose objective is to hold assets to collect contractual cash flows and their contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest. Amounts payable to Custodian, expense accruals (where outflows are supported by a contract), tax payable and other payables are classified as financial liabilities measured at amortised cost as these liabilities are not held for trading.

No financial instruments held by the Company are classified as fair value through other comprehensive income.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial instruments.

Measurement

The Company measures its financial assets and financial liabilities classified as measured at fair value through profit or loss at fair value on initial recognition. Transaction costs on these instruments are expensed immediately. These instruments are subsequently measured at fair value, with net gain/loss including foreign exchange gain/loss, interest income and interest expense recognised in profit or loss.

The Company measures its financial assets and financial liabilities classified as measured at amortised cost at fair value plus or minus directly attributable transaction costs on initial recognition. These instruments are subsequently measured using the effective interest method for any difference between the initial amount and the maturity amount if applicable, with net gain/loss including foreign exchange gain/loss, interest income and interest expense recognised in profit or loss.

No amounts relating to financial instruments are recognised in other comprehensive income. The amount of change in the fair value of financial liabilities classified as measured at fair value through profit or loss (other than those held for trading) which is attributable to change in the credit risk of the liabilities is not recognised in other comprehensive income. This is due to the recognition of net gain/loss including foreign exchange gain/loss and interest income of the underlying assets in profit or loss. This is due to the valuation of Notes issued being linked to the underlying assets held and in particular, debt security investments.

As all items of comprehensive income are recognised through profit or loss, including net gain/loss on debt security investments, recognition of the movement in the fair value of Note liabilities which is attributable to change in the credit risk in other comprehensive income would create an accounting mismatch arising as a result of this linkage. Further detail of the credit risk calculation methodology and Note valuation adjustment process is set out in *Note 13 "Financial liabilities at fair value through profit or loss"*.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Material accounting policy information (continued)

(e) Financial instruments (continued)

Fair Value Measurement Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market.

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from a price), including inputs from markets that are not considered to be active; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgement by the Company.

The Company considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instrument and does not necessarily correspond to the Company's perceived risk inherent in such financial instruments.

The determination of fair values of financial assets, financial liabilities and derivatives for the Company is based on a combination of quoted prices in active markets and valuation models, which are developed from recognised valuation methods. Estimates are required in the determination of fair value of financial assets, financial liabilities and derivatives for which prices may not be readily available. Judgements include deciding which valuation technique to be applied in the determination of fair value, the inputs required for these techniques and where to include these financial assets, financial liabilities and derivatives in the fair value hierarchy. Some or all of the inputs into these models may not be market observable and are derived from market prices or rates or are estimated based on assumptions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Material accounting policy information (continued)

(e) Financial instruments (continued)

Fair Value Measurement Principles (continued)

Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. Due to the limited recourse nature of the Notes issued, the determination of fair values of financial liabilities is based on a valuation model using the fair value methodology which includes the fair value of financial assets and derivatives held for trading and the carrying value of cash and cash equivalents, interest receivable, interest payable, other assets and other liabilities. The fair value of the Notes issued falls within Level 2 of the fair value hierarchy.

The fair value of time deposits is based on a discounted cash flow model which uses market interest rates as an input. The fair value of time deposits falls within Level 2 of the fair value hierarchy.

The fair value of equity swaps are based on net present values of future cash flows within the swap contracts. For equity swaps fair values are obtained from a number of independent external counterparties. The fair value used in the valuations is a weighted average of these values. The external counterparties use a valuation model which uses the market price of the underlying equities and market interest rates as inputs. The fair value for equity swaps falls within Level 2 of the fair value hierarchy. Derivative financial instruments, held by the Company are not subject to a direct market quotation. For these instruments, the fair value is determined by the Company using valuation techniques commonly used by market participants to assess financial instruments such as discounted future cash flows for swaps.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period in which the change has occurred. Transfers between levels in the fair value hierarchy are deemed to have occurred where there is an update to the valuation methodology that is based on the availability of observable inputs.

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 currently enforceable legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty. 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.

(f) Redeemable Notes in issue

The Notes issued by the Company are classified as financial liabilities as they do not meet the conditions to be classified as equity. The Notes are redeemable upon maturity as set out in the Base Prospectus. Noteholders have the right to early redeem the Notes at certain option dates during the period to maturity. The Company (the "Issuer") has the option to buy back Notes issued by giving an irrevocable notice to the Noteholders, falling within the Issuer's Option Period, which shall not be a period shorter than 5 business days ("Call Option").

The Notes are generally early redeemed at the option of the Issuer as part of normal operating cycle. Additional considerations regarding Noteholder redemption are set out in *Note 13 "Financial liabilities at fair value through profit or loss"*.

All Noteholders have waived their right to exercise the option to early redeem the Notes in full for at least 12 months from 30 September 2025, the date the financial statements were approved and authorised for issue for the financial year ended 30 April 2025. The Notes are only available for subscription to KBC Insurance products for which the liquidity management is serviced by KBC Fund Management Limited.

(g) Other income and expenses

Other income and expenses are accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Interest income on financial assets at fair value through profit or loss	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Interest income on investments	21,010,443	40,155,040
5. Net derivative income from derivatives held for trading	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Settled derivative receipts	64,296,763	34,837,146
Unsettled derivative receipts	-	51,228
Settled derivative payments	(25,158,593)	(45,471,696)
Fair value movement on derivatives held for trading	22,491,065	25,368,992
	61,629,235	14,785,670
6. Other income	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Settled interest income from cash and cash equivalents	517,924	816,913
Redemption fee income	257,658	521,373
	775,582	1,338,286
7. Other expenses	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Portfolio management fees	5,095,018	10,633,908
Portfolio administration fees	61,508	100,596
Custody fees	5,225	6,002
Settled bank interest	8,567	6,751
Auditors' fees	28,290	45,658
Tax compliance fees	3,690	3,936
Directors' fees	25,000	25,000
Other expenses	131,483	364,021
	5,358,781	11,185,872

Portfolio management fees are calculated quarterly based on the market value of the portfolio and are recorded on an accruals basis. This fee is paid to KBC Asset Management NV in its capacity as the Portfolio Manager.

Directors' fees included in the other expenses table relate solely to directors' emoluments. Further details of related party transactions included in other fees are set out in *Note 16 "Related party transactions"*. The Company had no employees throughout the year (2024: Nil).

Fees charged by the Company's auditors in respect of the financial year (excluding VAT) were as follows:

	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Audit of financial statements	23,000	37,120
Non-audit services	-	-
Tax advisory services	3,000	3,200
Other assurance services	-	-
	26,000	40,320

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Taxation

The Company is subject to Irish Corporation tax at the Irish Corporation tax rate that applies to income other than trading income. The effective tax rate is 25% and is not expected to change for the foreseeable future

	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Corporation tax charge	<u>-</u>	<u>-</u>
Tax charge for the year has been calculated as follows:		
Profit on ordinary activities before tax	<u>-</u>	<u>-</u>
Current tax at 25%	<u>-</u>	<u>-</u>

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

The total taxation charge in future financial years will be affected by any future changes to the corporation taxation rates enacted in Ireland.

As at 30 April 2025, there are no deferred tax assets or liabilities (2024: €Nil) or amounts recognised relating to uncertain tax treatments (2024: €Nil).

9. Financial assets and liabilities

The following table details the classes and corresponding carrying values of financial assets and liabilities held by the Company at the reporting date.

	Year ended 30/04/2025	Year ended 30/04/2024
	€	€
Financial assets		
Financial assets at fair value through profit or loss	271,457,296	705,257,134
Derivatives held for trading	66,928,814	65,023,192
Cash and receivables at amortised cost	<u>8,773,578</u>	<u>26,955,191</u>
	<u>347,159,688</u>	<u>797,235,517</u>
Financial liabilities		
Financial liabilities at fair value through profit or loss	(347,119,415)	(776,514,346)
Derivatives held for trading	-	(20,636,670)
Payables and accruals at amortised cost	<u>-</u>	<u>(44,153)</u>
	<u>(347,119,415)</u>	<u>(797,195,169)</u>

Cash and receivables at amortised cost as presented above represent cash and cash equivalents, interest receivable on investments, amounts receivable from Custodian and other receivables as detailed in the statement of financial position. All are considered recoverable within 1 year. All financial assets held at amortised cost by the Company are included in this class.

Payables and accruals at amortised cost as presented above represent interest payable on investments, expense accruals and amounts payable to Custodian as detailed in the statement of financial position. All are considered payable within 1 year. All financial liabilities held at amortised cost by the Company are included in this class.

Derivatives held for trading are measured at fair value through profit or loss.

There were no reclassifications between fair value measurement and amortised cost measurement arising from a change in business model during the year and therefore the fair value of reclassifications was €Nil (2024: €Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Financial assets at fair value through profit or loss

	As at 30/04/2025 €	As at 30/04/2024 €
Financial assets with a maturity greater than 1 year		
Investments held under equity-linked rings:		
- Time deposits	144,358,344	285,451,994
Total financial assets with a maturity greater than 1 year	144,358,344	285,451,994
	As at 30/04/2025 €	As at 30/04/2024 €
Financial assets with a maturity less than 1 year		
Investments held under equity-linked rings:		
- Time deposits	127,098,952	419,805,140
Total financial assets with a maturity less than 1 year	127,098,952	419,805,140
Total financial assets	271,457,296	705,257,134
<i>Currency analysis</i>		
EUR investments	271,457,296	705,257,134
	271,457,296	705,257,134
	As at 30/04/2025 €	As at 30/04/2024 €
<i>Movements on investments</i>		
Opening balance	705,257,134	1,220,614,128
Settled purchases of investments	845,179,580	1,863,515,417
Settled sales of investments	(1,278,980,561)	(2,379,404,321)
Realised gain/(loss) on investments	3,981	(15,236)
Change in unrealised (loss)/gain on investments	(2,838)	547,146
Closing balance	271,457,296	705,257,134

The Company invests into a diverse portfolio of investments. The breakdown of the interest risk profile of the investments held is provided in Note 15(d) (ii) "Financial risk and fair value: Market risk: Interest rate risk". The credit quality of the investments held is set out in Note 15(a) "Financial risk and fair value: Credit/counterparty risk". The geographical concentrations and industrial sector concentrations of the investments held is set out in Note 15(b) "Financial risk and fair value: Concentration risk". Market price risk monitoring is set out in Note 15(d) (iii) "Financial risk and fair value: Market risk: Other price risk".

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Derivatives held for trading

	As at 30/04/2025 €	As at 30/04/2024 €
Derivative assets with a maturity greater than 1 year		
Equity-linked rings:		
- Equity swaps	13,763,295	29,493,729
Total derivative assets with a maturity greater than 1 year	<u>13,763,295</u>	<u>29,493,729</u>
Derivative assets with a maturity within 1 year		
Equity-linked rings:		
- Equity swaps	53,165,519	35,529,463
Total derivative assets with a maturity within 1 year	<u>53,165,519</u>	<u>35,529,463</u>
Total derivative assets	<u>66,928,814</u>	<u>65,023,192</u>
	As at 30/04/2025 €	As at 30/04/2024 €
Derivatives liabilities with a maturity greater than 1 year		
Equity-linked rings:		
- Equity swaps	-	(13,875,160)
Total derivatives liabilities with a maturity greater than 1 year	<u>-</u>	<u>(13,875,160)</u>
Derivative liabilities with a maturity within 1 year		
Equity-linked rings:		
- Equity swaps	-	(6,761,510)
Total derivative liabilities with a maturity within 1 year	<u>-</u>	<u>(6,761,510)</u>
Total derivative liabilities	<u>-</u>	<u>(20,636,670)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Derivatives held for trading (continued)

	As at 30/04/2025 €	As at 30/04/2024 €
<i>Currency analysis</i>		
Derivative assets		
Equity swaps		
EUR	66,928,814	65,023,192
Total derivative assets	66,928,814	65,023,192
Derivative liabilities		
Equity swaps		
EUR	-	(20,636,670)
Total derivative liabilities	-	(20,636,670)

12. Cash and cash equivalents

	As at 30/04/2025 €	As at 30/04/2024 €
Cash held with KBC Bank NV	5,909,011	16,807,931

Cash is held in KBC Bank NV current accounts which have no special terms and conditions. Cash is available on demand.

	As at 30/04/2025 €	As at 30/04/2024 €
<i>Currency analysis</i>		
EUR cash	5,909,011	16,807,931
	5,909,011	16,807,931

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Financial liabilities at fair value through profit or loss

	As at 30/04/2025	As at 30/04/2024
	€	€
Equity-linked Notes	347,119,415	776,514,346
	<u>347,119,415</u>	<u>776,514,346</u>

The returns on the Equity-linked Notes are based on the performance of the underlying equities and equity swaps. All Notes issued by the Company are limited recourse. Noteholders have the right to early redeem the Notes at certain option dates during the period to maturity.

The financial assets and cash and cash equivalents that are charged to BNY Mellon Corporate Trustee Services Limited are set out in *Note 15(h) "Financial risk and fair value: Collateral"*.

	As at 30/04/2025	As at 30/04/2024
	€	€
Opening balance	776,514,346	1,278,559,578
Issuance of Notes	18,441	9,358
Redemption of Notes	(507,470,994)	(547,679,624)
Realised loss on Notes	64,816,226	18,032,659
Change in unrealised loss/(gain) on Notes	13,241,396	27,592,375
Closing balance	<u>347,119,415</u>	<u>776,514,346</u>

	As at 30/04/2025	As at 30/04/2024
	€	€
<i><u>Maturity analysis of Notes issued</u></i>		
Due within one year	<u>185,662,262</u>	<u>468,233,980</u>
Due in 1-2 years	26,257,451	161,148,729
Due in 2-5 years	<u>135,199,702</u>	<u>147,131,637</u>
Due greater than one year	<u>161,457,153</u>	<u>308,280,366</u>
Total of Notes issued	<u>347,119,415</u>	<u>776,514,346</u>

Currency analysis

EUR Notes	<u>347,119,415</u>	<u>776,514,346</u>
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Notes issued are financial liabilities classified as fair value through profit or loss. The fair value movement on financial liabilities arises as a result of a combination of market and credit/counterparty risk factors on the underlying financial assets. The valuation of the Notes is based on total assets and derivatives held by the Company, with the primary driver behind fair value movements being unrealised gains and losses on swap contracts.

Unrealised gains and losses on underlying financial assets and derivatives measured at fair value arise as a result of both market (price, index rates and reference rates) and credit risk factors. The movement in fair value of the Notes issued which is attributable to credit risk cannot be reliably estimated using standard calculation methods with available information due to the interdependency and level of valuation inputs on the underlying instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Share capital

	As at 30/04/2025	As at 30/04/2024
	€	€
Authorised		
Ordinary shares of €1.00 each		
At start of financial year	40,000	40,000
Increase/(decrease) in authorised shares during the financial year	-	-
At end of financial year	<u>40,000</u>	<u>40,000</u>
	As at 30/04/2025	As at 30/04/2024
	€	€
Issued, called up and fully paid up		
Ordinary shares of €1.00 each		
At start of financial year	40,000	40,000
Increase/(decrease) in issued shares during the financial year	-	-
At end of financial year	<u>40,000</u>	<u>40,000</u>

The authorised share capital of the Company is €40,000 divided into 40,000 ordinary shares of €1.00 each, all of which have been issued at par. Ordinary shares carry the right to receive notice of, attend and vote at general meetings of the Company. Each share carries the right to one vote. Upon liquidation, if net assets are insufficient to repay paid up capital in full or are in excess of the paid-up capital, the residual or excess net assets respectively will be distributed in proportion to shares held. Ordinary shares carry the right to receive dividends declared in proportion to shares held. The Company's issued share capital has been presented in equity.

15. Financial risk and fair value

The principal risks and uncertainties of the business relate to credit/counterparty risk, concentration risk, liquidity risk, market risk and operational risk.

The Company's financial instruments include cash at bank, derivatives and financial assets at fair value through profit or loss, Notes issued at fair value through profit or loss, short-term receivables and payables and other accruals that arise directly from its operations. The Company is exposed to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk (including concentration risk) and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. As a condition to receiving credit in coverage tests when purchasing a non-euro denominated obligation, KBC Asset Management NV in its capacity as Portfolio Manager must, on behalf of the Company, enter into an asset swap transaction. There is no non-euro transactions as of 30 April 2025 (2024: €Nil). The swap transactions entered into by the Company only provide a portion of cover against exposure to negative movements in foreign currency assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(a) Credit/counterparty risk

Credit/counterparty risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's portfolio of investments and derivatives.

The Company is exposed to credit risk on financial assets. Financial assets which are not measured at amortised cost are not subject to expected credit loss allowance requirements. The maximum gross exposure to credit/counterparty risk at the statement of financial position date was:

	As at 30/04/2025 €	As at 30/04/2024 €
Financial assets at fair value through profit or loss	271,457,296	705,257,134
Derivatives held for trading	66,928,814	65,023,192
Cash and cash equivalents	5,909,011	16,807,931
Interest receivable on investments	2,811,065	10,093,532
Amounts receivable from custodian	-	51,228
Other receivables	53,502	2,500
	<u>347,159,688</u>	<u>797,235,517</u>

No financial asset is past due. The Company's net exposure to credit/counterparty risk is minimal as the Notes issued by it are limited recourse. Management have outsourced the responsibility of monitoring credit/counterparty risk to KBC Asset Management NV.

The following are the minimum credit ratings for investments held by the Company, which the KBC Asset Management NV's Risk department monitors during its review:

- The minimum short-term credit rating is at least A-1 from Standard & Poor's or an equivalent short-term credit rating from Moody's or Fitch. If a short-term security is not rated by any of these credit rating agencies, it must have a short-term credit/counterparty risk profile equivalent to, or better than, in the opinion of the KBC Asset Management NV's Risk department, a short-term credit rating of A-1 from Standard & Poor's.
- The minimum long-term credit rating is at least A- from Standard & Poor's or an equivalent long-term credit rating from Moody's or Fitch. If a long-term security is not rated by any of these credit rating agencies, it must have a long-term credit/counterparty risk profile equivalent to, or better than, in the opinion of the KBC Asset Management NV's Risk department, a long-term credit rating of A- from Standard & Poor's.

KBC Asset Management NV's Risk department monitors the credit/counterparty risk for the derivatives entered into by the Company. Derivative counterparties are required to be eligible financial institutions. Eligible financial institutions are defined as any financial institution subject to prudential rules applicable to financial institutions having their registered offices in the European Economic Area, or equivalent prudential rules.

KBC Bank NV is deemed to be an eligible financial institution throughout the financial year ending 30 April 2025 and 30 April 2024. KBC Bank NV had an "A-1" (2024: "A-1") short term rating and an "A+" (2024: "A+") long term credit rating from Standard & Poor's as at 30 April 2025.

The derivatives entered into with KBC Bank NV are not collateralised. KBC Bank NV has to enter into matching derivatives with external counterparties to KBC group related companies. KBC Asset Management NV monitor that all derivatives that they have entered into with KBC Bank NV have matching derivatives with external counterparties.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(a) Credit/counterparty risk (continued)

The following is the breakdown of the credit ratings for the financial assets at fair value through profit or loss held by the Company. The credit ratings have been aggregated into the categories shown below on the basis of underlying asset types.

Rating	Rating agency	As at 30/04/2025 %	As at 30/04/2024 %
<i>Long term</i>			
Equity-linked rings			
A+	Standards and Poor's	46.82	40.47
		<u>46.82</u>	<u>40.47</u>
<i>Short term</i>			
Equity-linked rings			
A-1	Standards and Poor's	53.18	59.53
		<u>53.18</u>	<u>59.53</u>

KBC Bank NV is the swap counterparty for all of the equity swaps. All cash balances are also held with KBC Bank NV.

KBC Asset Management NV consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the short-term. Financial assets measured at amortised cost by the Company are short-term receivables representing cash and cash equivalents, interest receivable, amounts receivable from the Custodian and other receivables.

At 30 April 2025, the total of expected credit losses on these short-term receivables was immaterial and on which a nil loss allowance had been recognised (2024: €Nil). No assets are considered impaired and no amounts have been written off in the financial year.

(b) Concentration risk

Investments held by the Company are subject to portfolio exposure limits which are monitored by KBC Asset Management NV. These limits codify the risk appetite of KBC Group as a whole towards specific countries and issuers. This evaluation is model-based using issuer characteristics.

When the credit rating of the issuer of time deposits is downgraded, the issuer limit will decrease the targeted future exposure. Purchases of this instrument can still be made assuming that there are sufficient resources available for allocation and the minimum long-term credit rating is deemed to be equivalent to investment grade. In the event of exposures exceeding limits, an action plan will be implemented to reduce the exposure (depending on time-to-maturity and specific insights from the analyst teams).

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(b) Concentration risk (continued)

The Company's financial assets at fair value through profit or loss were concentrated in the following industrial sector types and countries:

	As at 30/04/2025 %	As at 30/04/2024 %
<i>Industrial sector</i>		
Equity-linked rings		
Banking	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
	As at 30/04/2025 %	As at 30/04/2024 %
<i>Country</i>		
Equity-linked rings		
Belgium	100.00	100.00
	<u>100.00</u>	<u>100.00</u>

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. There is no pooling of financial assets within the Company. Each of the Notes are ring-fenced so the liquidity risk to each Noteholder is limited to individual rings. The Company mitigates liquidity risk through a combination of the issuance of Notes with the similar maturity as the investments to be acquired with the issuance proceeds and the use of equity-linked swaps. Management have outsourced the responsibility of monitoring liquidity risk to KBC Asset Management NV.

The gross contractual cash flow (GCCF) of financial assets at fair value through profit or loss includes the notional amount of outstanding portfolio and the undiscounted interest. The undiscounted interest is determined based on the average interest rates and average maturity date of the outstanding portfolio.

The gross contractual cash flows of interest payable on Notes issued does not include profit-participating excess spread which may be paid out at future coupon dates if there is sufficient profit net of expenses to be allocated. Further detail on excess spread is set out in Note 13 "Financial liabilities at fair value through profit or loss".

As at 30 April 2025

	Carrying amount €	Gross contractual cash flows €	Less than one year €	Greater than one year €
Financial assets at fair value through profit or loss	271,457,296	289,745,939	131,294,841	158,451,098
Derivatives held for trading*	66,928,814	66,928,814	53,165,519	13,763,295
Cash and cash equivalents	5,909,011	5,909,011	5,909,011	-
Interest receivable on investments	2,811,065	2,811,065	2,811,065	-
Other receivables	53,502	53,502	53,502	-
	<u>347,159,688</u>	<u>365,448,331</u>	<u>193,233,938</u>	<u>172,214,393</u>
Financial liabilities at fair value through profit or loss	(347,119,415)	(365,408,058)	(172,006,000)	(193,402,058)
Derivatives held for trading*	-	-	-	-
Expense accruals	-	-	-	-
	<u>(347,119,415)</u>	<u>(365,408,058)</u>	<u>(172,006,000)</u>	<u>(193,402,058)</u>
	<u>40,273</u>	<u>40,273</u>	<u>21,227,938</u>	<u>(21,187,665)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(c) Liquidity risk (continued)

As at 30 April 2024

	Carrying amount €	Gross contractual cash flows €	Less than one year €	Greater than one year €
Financial assets at fair value through profit or loss	705,257,134	743,116,890	433,626,677	309,490,213
Derivatives held for trading*	65,023,192	65,023,192	35,529,464	29,493,728
Cash and cash equivalents	16,807,931	16,807,931	16,807,931	-
Interest receivable on investments	10,093,532	10,093,532	10,093,532	-
Amounts receivable from custodian	51,228	51,228	51,228	-
Other receivables	2,500	2,500	2,500	-
	<u>797,235,517</u>	<u>835,095,273</u>	<u>496,111,332</u>	<u>338,983,941</u>
Financial liabilities at fair value through profit or loss	(776,514,346)	(814,374,102)	(471,972,000)	(342,402,102)
Derivatives held for trading*	(20,636,670)	(20,636,670)	(6,761,510)	(13,875,160)
Expense accruals	(44,153)	(44,153)	(44,153)	-
	<u>(797,195,169)</u>	<u>(835,054,925)</u>	<u>(478,777,663)</u>	<u>(356,277,262)</u>
	<u>40,348</u>	<u>40,348</u>	<u>17,333,669</u>	<u>(17,293,321)</u>

*There are no material differences between the carrying amount and gross contractual cash flows of derivatives held for trading.

(d) Market risk

Market risk represents the potential for both losses and gains and includes currency risk, interest rate risk and other price risk. Management have outsourced the responsibility of monitoring market risk to KBC Asset Management NV.

(i) Currency risk

The Company's functional and presentation currency is Euro. All of the investments purchased by the Company are denominated in Euro therefore, there is no currency risk exposure.

(ii) Interest rate risk

There is no interest payable on the Equity-linked Notes. Rather the redemption amount of the Note is equal to the nominal amount of the Note plus or minus a return based on the performance of the linked equities payable on maturity. The Company has no net exposure to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

The interest rate risk profile of the Company's financial assets and liabilities at fair value is as follows. The interest rate risk exposures have been aggregated into the categories shown below on the basis of underlying asset types.

	As at 30/04/2025		As at 30/04/2024	
	Maturity less than 1 year	Maturity greater than 1 year	Maturity less than 1 year	Maturity greater than 1 year
	€	€	€	€
Financial assets at fair value through profit or loss				
<i>Fixed and floating rate</i>				
Equity-linked rings	127,098,952	144,358,344	419,805,140	285,451,994
	<u>127,098,952</u>	<u>144,358,344</u>	<u>419,805,140</u>	<u>285,451,994</u>
Financial liabilities at fair value through profit or loss				
<i>Non-interest bearing</i>				
Equity-linked rings	185,662,262	161,457,153	468,233,980	308,280,366
	<u>185,662,262</u>	<u>161,457,153</u>	<u>468,233,980</u>	<u>308,280,366</u>
Derivatives held for trading				
<i>Fixed and floating rate</i>				
Equity-linked rings	53,165,519	13,763,295	28,767,954	15,618,568
	<u>53,165,519</u>	<u>13,763,295</u>	<u>28,767,954</u>	<u>15,618,568</u>

(iii) Other price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in the market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The financial assets at fair value through profit or loss held by the Company as disclosed in *Note 10 "Financial assets at fair value through profit or loss"*, are exposed to price risk but the Company has no net exposure to price risk due to the fact that the Notes issued by it are limited recourse to the investments acquired with the issuance proceeds. Consequently, any price gains or losses on the investments held are exactly offset by corresponding gains or losses on the associated Note issued with no loss to the Company.

KBC Asset Management NV, the Company's Portfolio Manager monitors market price fluctuations on the investments held by the Company on a daily basis. KBC Asset Management NV also monitors the Company's exposures to countries and industries. The Company's exposure to countries and industries is set out in *Note 15(b) "Financial risk and fair value: Concentration risk"*. The Company can only hold investments with a minimum credit rating. The credit rating breakdown of investments held is set out in *Note 15(a) "Financial risk and fair value: Credit/counterparty risk"*.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(e) Sensitivity analysis

The methods and assumptions used in the preparation of the sensitivity analysis are listed below. Sensitivity analysis is included for each of the relevant market risks i.e. interest rate risk and price risk.

(i) Interest rate risk

Due to the limited recourse nature of the Notes issued, the Company is only required to pay the interest if it has collected sufficient funds to cover the amount due. There is no interest payable on the Equity-linked Notes. As such the Company has no net exposure to interest rate risk.

The Company's sensitivity to an increase and decrease in interest rates for financial assets is limited to the variable element of Time Deposit interest. This is based on a reference rate benchmark as stipulated in its terms.

(ii) Other price risk

The Notes are subject to market fluctuations and the risks inherent in all investments. Changes in the fair value of the investments will be offset by a corresponding change in the fair value of the Notes or swaps.

(f) Operational risk exposure

The Company has appointed KBC Asset Management NV as Portfolio Manager and Portfolio Administrator, KBC Bank NV as Custodian and KBC Fund Management Limited as Corporate Accounting Administrator. The successful operation of this Company is therefore reliant on KBC Group NV companies. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

(g) Capital management

The Company's capital includes both equity, representing ordinary share capital and retained earnings, and debt, representing limited-recourse Notes issued. The Company relies on the expertise of KBC Asset Management NV to manage capital. The Company's capital management objectives are to ensure the ability to continue as a going concern and to ensure the portfolio of securities held allows for continued Note issuance. The valuation of Notes issued is substantially derived from the valuation of underlying instruments held and management of this form of capital is achieved through maintenance of a liquid portfolio of securities with strong credit ratings and potential for net investment gains.

The total amount subject to capital management policies at the reporting date is €347,159,688 (2024: €776,554,694). Due to the structure of the Company as a Section 110 vehicle, standardised ratios used in capital management such as gearing are deemed not to be appropriate or relevant. KBC Asset Management NV does not set targeted returns for capital management purposes. Ratios and methods used include credit quality assessments, Note issuance and redemption assessments, analysis of exposures and price fluctuation reviews.

It is not expected that the Company will issue additional ordinary shares and any additional Note Series issued in future reporting periods will be driven by changes in portfolio composition and investor demand at the underlying Noteholder level.

The Company is not subject to externally-imposed capital requirements. There were no changes in the Company's capital management policy during the reporting year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(h) Collateral

The financial assets of the Company are charged to BNY Mellon Corporate Trustee Services Limited (the "Trustee") as follows:

	As at 30/04/2025	As at 30/04/2024
	€	€
Financial assets		
- Equity-linked rings	271,457,296	705,257,134
	<u>271,457,296</u>	<u>705,257,134</u>
Cash & cash equivalents		
- Equity-linked rings	5,909,011	16,807,931
	<u>5,909,011</u>	<u>16,807,931</u>

The assets are charged by way of first fixed security. The financial assets and the cash and cash equivalents for a Series are secured against the liabilities of that Series. The Trustee is required once the first fixed security becomes enforceable and the net proceeds are realised to apply the proceeds to clear the following ranked obligations on a pro rata basis:

- receivership costs;
- general administrative costs;
- interest to Noteholders;
- repayment of principal to Noteholders;
- any amounts payable to a swap counterparty; and
- the balance of proceeds (if any) to the Company.

The first fixed security is only enforceable on the occurrence of a continuing general event of default as described in the Company's Master Trust Deed. On such event the Trustee may at its discretion, or shall, if so requested in writing by the Noteholders of at least one-fifth of the Notes then outstanding or, if so directed by an Extraordinary Resolution of such Noteholders, enforce the first fixed security. The following events are deemed to be general events of default:

- The Company defaults in the payment of any redemption amount or defaults for a period of 14 days or more in the payment of any sum other than redemption amounts due to Noteholders;
- The Company fails to perform or observe any of its obligations under the Note term sheets or Trust Deed and such failure continues for a period of 30 days;
- The Company is deemed to be unable to pay its debts as and when they fall due; and
- The Company is subject to any order made by any competent court or any resolution passed for the winding-up or dissolution of the Company or subject to any insolvency, bankruptcy, compulsory liquidation, examination, controlled management procedures or suspension of payments.

None of the before mentioned events of default had taken place during the financial year ended 30 April 2025 (2024: none). The terms and conditions for the first fixed security are set out in the Company's €40,000,000,000 Base Prospectus and Master Trust Deed and are usual and customary for Note issuers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(i) Offsetting financial instruments

The derivatives entered into with KBC Bank NV are not collateralised. KBC Bank NV has to enter into matching derivatives with external counterparties to KBC group related companies. KBC Asset Management NV monitor that all derivatives that they have entered into with KBC Bank NV have matching derivatives with external counterparties.

There are no offsets of derivative financial assets and liabilities presented in the statement of financial position. The following table sets out the derivative financial assets and liabilities that are subject to an enforceable master netting arrangement and similar agreements.

	As at 30/04/2025 €	As at 30/04/2024 €
Financial assets		
Gross carrying amounts of derivatives before offsetting	66,928,814	65,023,192
Net amounts presented in statement of financial position	66,928,814	65,023,192
Effect of remaining rights of set-off that do not meet the criteria for offsetting in the statement of financial position:		
- Derivatives	-	(20,636,670)
Net exposure	<u>66,928,814</u>	<u>44,386,522</u>
	As at 30/04/2025 €	As at 30/04/2024 €
Financial liabilities		
Gross carrying amounts of derivatives before offsetting	-	(20,636,670)
Net amounts presented in statement of financial position	-	(20,636,670)
Effect of remaining rights of set-off that do not meet the criteria for offsetting in the statement of financial position:		
- Derivatives	-	20,636,670
Net exposure	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(j) Fair values

The accounting policies regarding the fair value hierarchy are set out in *Note 2(h) "Use of judgements and estimates"* and *Note 3(e) "Financial instruments: Fair Value Measurement Principles"*. All fair value measurements are recurring. The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value:

As at 30 April 2025

	Level 1 €	Level 2 €	Level 3 €	Total balance €
Financial assets at fair value through profit or loss				
Time deposits	-	271,457,296	-	271,457,296
	-	271,457,296	-	271,457,296
Derivatives held for trading				
Equity swaps	-	66,928,814	-	66,928,814
	-	66,928,814	-	66,928,814
Financial liabilities at fair value through profit or loss				
Notes issued by the Company	-	(347,119,415)	-	(347,119,415)
	-	(347,119,415)	-	(347,119,415)

As at 30 April 2024

	Level 1 €	Level 2 €	Level 3 €	Total balance €
Financial assets at fair value through profit or loss				
Time deposits	-	705,257,134	-	705,257,134
	-	705,257,134	-	705,257,134
Derivatives held for trading				
Equity swaps	-	44,386,522	-	44,386,522
	-	44,386,522	-	44,386,522
Financial liabilities at fair value through profit or loss				
Notes issued by the Company	-	(776,514,346)	-	(776,514,346)
	-	(776,514,346)	-	(776,514,346)

There were no transfers between levels during the year.

The sensitivity analysis for market price movements is in *Note 15(e)(ii) "Financial risk and fair value: Sensitivity Analysis: Other price risk"*. The financial assets and liabilities carried at amortised cost are short term financial assets and financial liabilities whose carrying amounts approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Financial risk and fair value (continued)

(k) IBOR reform

A fundamental reform of major interest rate benchmarks has been undertaken globally to replace or reform interbank offered rates ("IBORs") with alternative nearly risk-free rates.

LIBOR has historically been the most significant and common reference rate underpinning financial market activity and credit institution rates and is currently published in a number of currencies and tenors. The EURIBOR, following a revision to its calculation methodology, continues to be published and is compliant for their Benchmark Regulation (BMR) purposes. This is also the case for the reformed PRIBOR and BUBOR rates.

€STR discounting is used in the valuation of derivatives held by the Company. Instruments and contracts which reference EURIBOR, PRIBOR and BUBOR were not impacted by the reforms due to their BMR-compliant status. There was no material impact on the derivatives as a result of these changes.

16. Related party transactions

There were no Notes issued by the Company to related parties as at 30 April 2025 or 30 April 2024. All Notes issued by the Company for the current and prior financial year are held by KBC insurance companies.

KBC Asset Management NV earned fees of €5,095,018 (2024: €10,633,908) and €61,508 (2024: €100,596) for its role as Portfolio Manager and Portfolio Administrator, respectively. Portfolio management fees and administrator fees payable as at 30 April 2025 were €Nil (2024: €Nil) and €Nil (2024: €Nil), respectively. KBC Bank NV earned fees of €5,225 (2024: €6,002) for its role as Custodian. Custodian fees payable as at 30 April 2025 were €Nil (2024: €Nil).

Frank Van de Vel is a director of KBC Asset Management NV and Yves Lippens is a program manager of KBC Asset Management NV.

Frank Van de Vel and Yves Lippens did not earn fees for their roles as directors. John Fitzpatrick and Michael Boyce each receive €12,500 per year for their roles as independent directors (2024: €12,500). Directors' fees prepaid as at 30 April 2025 were €12,500 (2024: €Nil). Ancillary fees paid on behalf of the Directors not relating to emoluments include payroll administration costs of €966 (2024: €966).

17. Ownership of the Company

All 40,000 issued shares are held in trust by QSV Trustees Limited. The Board have assessed the issue of the controlling party and determined that control of the day-to-day activities of the Company rests with the Directors. The Company does not have an immediate, ultimate parent and controlling party. KBC Asset Management NV is deemed to be the chief operating decision maker as it decides on how the resources of the company are allocated as well as assessing the performance of the investments held.

18. Dividends

On 3 April 2025, the Company paid a dividend of €75 (2024: €375). The Directors have proposed a dividend distribution of €75 (€0.001875 per ordinary share) on 30 September 2025 (2024: €375 ((€0.009375 per ordinary share))).

19. Subsequent events

The Directors proposed a dividend of €75 on 30 September 2025. Net Note redemptions subsequent to the reporting date were €185,312,266.

20. Approval of financial statements

The financial statements were approved by the Board of Directors on 30 September 2025.