

Company registration number: 626766

Padstow AssetCo Designated Activity Company

**Directors' report and audited financial statements
for the financial year ended 30 September 2024**

Padstow AssetCo Designated Activity Company

Contents

	Page
Directors and other information	1 - 2
Directors' report	3 - 6
Directors' responsibilities statement	7
Independent auditor's report	8 - 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 36

Padstow AssetCo Designated Activity Company

Directors and other information

Directors	Mr John Carberry Miss Minling Tang
Company Secretary	HMP Secretarial Limited Riverside One Sir John Rogerson's Quay Dublin 2 D02X576
Company number	626766
Registered office	Padstow AssetCo Designated Activity Company Riverside One Sir John Rogerson's Quay Dublin D02X576
Independent auditor	Grant Thornton Chartered Accountants and Statutory Audit Firm 13-18 City Quay Dublin 2 D02ED70
Administrator	Centralis Ireland Limited 5th Floor, Block E Iveagh Court Harcourt Road Dublin D02 YT22
Agent, Bankers and Lender	Deutsche Bank 6 Bishopsgate London EC2P 2AT

Padstow AssetCo Designated Activity Company

Directors and other information

Solicitors

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin
D02 X576

BHSM LLP
6-7 Harcourt Terrace
Dublin
D02 P210

Master Servicer

Arrow Global Limited
Belvedere
12 Booth Street
Manchester
M2 4AW
United Kingdom

Master Servicer (on behalf of Arrow Global Limited)

Mars Capital Finance Limited
Belvedere
12 Booth Street
Manchester
M2 4AW
United Kingdom

Loan Servicer

Mars Capital Finance Ireland DAC
One Warrington Place
Dublin 2
D02 HH27

Padstow AssetCo Designated Activity Company

Directors' report

The Directors present their annual report and the audited financial statements of Padstow AssetCo Designated Activity Company (the "Company") for the financial year ended 30 September 2024. The Company is a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997.

Directors

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

Mr John Carberry
Miss Minling Tang

The Directors and their immediate relatives and the company secretary did not hold an interest in any shares of the Company as at 30 September 2024 or at any time during or since the financial year end (2023: nil).

Principal activities

The Company is a designated activity company ("DAC"), which was incorporated and registered in Ireland on 16 May 2018, under the laws of Ireland with registration number 626766.

The Company was set up to acquire the beneficial right, title and interest in a portfolio of mortgage loans (the "Mortgage Loans") secured against properties located primarily in Ireland and the United Kingdom. The purchase of the Mortgage Loans were funded by a facility from Deutsche Bank in accordance with the facility agreement (the "Senior Loan"). In addition, the purchase of the Mortgage Loans were also funded by the issuance of loan notes (the "Notes"). On May 2019, the Company entered into a mortgage sale and purchase deed which sold its beneficial interest and related security in a number of mortgage loans to Arrow Global Limited. In August 2020, legal title for the loan portfolio was transferred to Mars Capital Finance Ireland Designated Activity Company.

The Notes each form a single series. The Notes constitute secured obligations of the Company, and are limited recourse secured obligations which are payable solely out of amounts received by or on behalf of the Company in respect of the Mortgage Loans. The Notes are listed on The International Stock Exchange.

The Directors expect the current business activities to continue for the foreseeable future.

Business review

At the statement of financial position date, the total assets of the Company were €25,706,765 (2023: €34,836,112) and the total liabilities were €25,698,138 (2023: €34,828,985). The profit after tax for the financial year was €1,500 (2023: €1,500).

Key Performance Indicators

During the financial year, the Company earned interest income and fees totalling €4,152,382 (2023: €3,275,011) and incurred an interest expense totalling €21,343 (2023: €350,825). Also, net loss arising from the financial assets at fair value through profit or loss amounted to €259,880 (2023: €1,436,114) and net loss arising from the financial liabilities at fair value through profit or loss amounted to €3,224,108 (2023: €477,331).

During the financial year, there were repayments of €12,478,373 (2023: €11,559,550) made on the mortgage loans.

Padstow AssetCo Designated Activity Company

Directors' report

Principal risks and uncertainties

The principal risks of the business are operational but the Directors are confident that the control environment in which the Company conducts its activities is designed to minimise the potential of operational risk occurrence and is subject to continual review. Information about the financial risk management along with exposure of the Company to market risk, currency risk, price risk, interest rate risk, credit risk, liquidity risk, operational risk and price risk are disclosed in Note 20 "Financial Risk Management".

Future developments

The Directors have no plans to liquidate the Company and have a reasonable expectation that the Company will continue in operational existence for the foreseeable future.

Going Concern

The Directors have reviewed the Company's financial position at the financial year end and at the time of preparation of these financial statements and have a reasonable expectation that the Company will continue in operational existence for the foreseeable future.

The Mortgage Loans are expected to generate sufficient future cash flows to fund the Company's on-going operations. The maturity date of the Notes is the Final Discharge Date which is the date on which all of the Mortgage Loans have been paid or discharged in full. The Senior Loan had been paid in full and the Junior Loan is being repaid partially each interest payment date. The Junior Loan maybe fully repaid in 2026 depending on the collection from the Mortgage Loans. There is no plan yet to liquidate the Company. The Directors have made this assessment for a period of 12 months from the approval of the financial statements.

Results and Dividends

The results for the financial year are set out on page 11. The Directors recommend that no dividend is paid for the financial year ended 2024 (2023: nil).

Related party transactions

Centralis Ireland Limited provides corporate services to the Company at arm's length commercial rates. John Carberry and Minling Tang were Directors of the Company during the year and are also employees of Centralis Ireland Limited. No fees were paid to the Directors during the year (2023: Nil). The scope of the corporate services agreement with Centralis Ireland Limited includes Directorship services and hence administration fees paid to the administrator includes fees paid for directorship services (including the making available of individuals to act as Directors of the Company). As an estimation, the Directors believe that less than 10% of the fees chargeable by Centralis Ireland Limited relate to the provision of Directors to the Company. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

Arrow Global Limited is the master servicer for the Company. The master servicer also holds notes in the amount of €2,585,669 at the financial year end (2023: €4,651,666). There were fees accrued to the master servicer in the amount of €18,000 for services provided throughout the financial year (2023: €18,000).

In August 2020, legal title for the loan portfolio was transferred to Mars Capital Finance Ireland Designated Activity Company. Mars Capital Finance Ireland Designated Activity Company is the Loan Servicer for the Company. The Company retained beneficial ownership of the loan portfolio.

There were no other contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year.

Padstow AssetCo Designated Activity Company

Directors' report

Powers of Directors

No Director or company secretary/officer (or their families and nominees) has a significant direct or indirect holding of securities in the Company or has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by the Company's constitution and Irish statute comprising the Companies Act 2014.

Events after the end of the reporting period

On 14 August 2025, the Senior Loan was delisted from the International Stock Exchange.

There were no other subsequent events after the financial year ended 30 September 2024 which require disclosure in the financial statements.

Shareholder Meetings

The shareholder's rights and the operations of the shareholder's meetings are defined in the Company's constitution and comply with the Companies Act 2014.

Political donations

The Company made no charitable or political donations during the financial year (2023: nil).

Accounting records

The measures taken by the Directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the Company are located at Centralis Ireland Limited, 5th Floor, Block E, Iveagh Court, Harcourt Road, Dublin, D02 YT22.

Relevant audit information

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

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

Audit committee

The Directors have concluded that there is currently no need for the Company to have a separate audit committee in order for the Directors to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed of the exemption under paragraph Section 167 of the Companies Act 2014.

Director Compliance Statement

At this present time the Company does not exceed the balance sheet and turnover threshold limits as set out under section 225(7) of the Companies Act 2014, which enables the company to avail of an exemption to the Compliance Policy Statement Obligations. Accordingly, the Directors are not required to include a Compliance Statement in their statutory Directors report for the current financial period ended 30 September 2024.

Padstow AssetCo Designated Activity Company

Directors' report

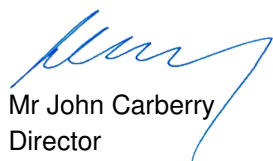
Financial risk management

The Company's operations are financed primarily by means of notes issued. The Company's approach in respect of mitigation of its financial risk is laid out in Note 20.


Independent Auditors

In accordance with Section 383(2) of the Companies Act, 2014, Grant Thornton, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 5 February 2026 and signed on behalf of the Board by:



Mr John Carberry
Director



Miss Minling Tang
Director

Padstow AssetCo Designated Activity Company

Directors' responsibilities statement

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


Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. 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 of the company for the financial year and otherwise comply with the Companies Act 2014.

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


- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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.

This report was approved by the Board of Directors on 5 February 2026.... and signed on behalf of the Board by:



Mr John Carberry
Director



Miss Mirling Tang
Director

Independent auditor's report to the members of Padstow AssetCo Designated Activity Company

Opinion

We have audited the financial statements of Padstow AssetCo DAC (the “company”), which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows for the financial year ended 30 September 2024, and the related notes to the financial statements, including the material accounting policy information.

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

In our opinion, Padstow AssetCo Designated Activity Company's financial statements:

- give a true and fair view in accordance with IFRS of the assets, liabilities and financial position of the Company as at 30 September 2024 and of its financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the relevant accounting framework, and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (“ISAs (Ireland)”) and applicable law. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditor's report to the members of Padstow AssetCo Designated Activity Company

Other information (continued)

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

We have nothing to report in this regard.

Opinion on the matters prescribed by the Companies Act 2014

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

In our opinion:

- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

The statement of financial position and statement of comprehensive income are in agreement with the accounting records and returns.

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

- the information given in the Directors' report for the financial year is consistent with the financial statements.
- the Directors' report has been prepared in accordance with applicable legal requirements

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

Matters on which we are required to report by exception

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

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

As explained more fully in the Directors' responsibilities statement, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's report to the members of Padstow AssetCo Designated Activity Company

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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

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



Shahnawaz Mirza

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Audit Firm

13-18 City Quay

Dublin 2

Date: 05 February 2026

Padstow AssetCo Designated Activity Company

**Statement of comprehensive income
Financial year ended 30 September 2024**

	Note	2024 €	2023 €
Net loss on financial assets at fair value through profit or loss	4	(259,880)	(1,436,114)
Net loss on financial liabilities at fair value through profit or loss	7	(3,224,108)	(477,331)
Interest income	5	4,152,382	3,275,011
Interest expense	8	(21,343)	(350,825)
Operating income		<u>647,051</u>	<u>1,010,741</u>
Administrative expenses	6	(645,551)	(1,193,870)
Other income		-	184,629
Profit on ordinary activities before taxation		<u>1,500</u>	<u>1,500</u>
Tax on profit	9	-	-
Profit on ordinary activities for the financial year		<u><u>1,500</u></u>	<u><u>1,500</u></u>

All the activities of the company are from continuing operations.

The Company has no other recognised items of income and expenses other than the results for the financial year as set out above.

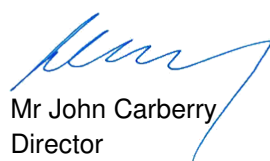
The notes on pages 15 to 36 form part of these financial statements.


Padstow AssetCo Designated Activity Company

**Statement of financial position
As at 30 September 2024**

	Note	2024 €	2023 €
Non Current Assets			
Financial assets at fair value through profit or loss	10	25,309,545	33,912,369
		<u>25,309,545</u>	<u>33,912,369</u>
Current assets			
Receivables	11	377,600	624,136
Cash at bank	14	19,620	299,607
		<u>25,706,765</u>	<u>34,836,112</u>
Total assets		<u><u>25,706,765</u></u>	<u><u>34,836,112</u></u>
Current liabilities			
Payables	12	423,676	329,610
Non current liabilities			
Financial liabilities at fair value through profit or loss	13	25,274,462	32,699,825
Senior Loan	17	-	1,799,550
		<u>25,698,138</u>	<u>34,828,985</u>
Total liabilities		<u><u>25,698,138</u></u>	<u><u>34,828,985</u></u>
Capital and reserves			
Called up share capital presented as equity	16	1	1
Profit and loss account		8,626	7,126
		<u>8,627</u>	<u>7,127</u>
Shareholders funds		<u><u>8,627</u></u>	<u><u>7,127</u></u>
Total liabilities and shareholders funds		<u><u>25,706,765</u></u>	<u><u>34,836,112</u></u>

These financial statements were approved by the Board of directors on 5 February 2026 and signed on behalf of the Board by:


Mr John Carberry
Director


Miss Minling Tang
Director

The notes on pages 15 to 36 form part of these financial statements.

Padstow AssetCo Designated Activity Company

**Statement of changes in equity
Financial year ended 30 September 2024**

	Called up share capital €	Profit and loss account €	Total €
At 1 October 2022	1	5,626	5,627
Profit for the financial year	-	1,500	1,500
	<hr/>	<hr/>	<hr/>
At 30 September 2023	1	7,126	7,127
Profit for the financial year	-	1,500	1,500
	<hr/>	<hr/>	<hr/>
At 30 September 2024	<u>1</u>	<u>8,626</u>	<u>8,627</u>

Padstow AssetCo Designated Activity Company

Statement of cash flows
Financial year ended 30 September 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
Profit for the financial year		1,500	1,500
Interest income		(4,135,427)	(3,264,648)
Interest expense		21,343	350,825
Net loss in financial assets at fair value through profit or loss		259,880	1,436,114
Net loss in financial liabilities at fair value through profit or loss		3,224,108	477,331
<i>Changes in:</i>			
Decrease in Receivables		246,531	24
Increase in Payables		94,067	130,870
Net cash flows used in operating activities		<u>(287,998)</u>	<u>(867,984)</u>
Cash flows from investing activities			
Interest received on financial assets		4,135,427	3,026,090
Collections on financial assets payment		8,342,946	8,533,460
Net cash flows generated from investing activities		<u>12,478,373</u>	<u>11,559,550</u>
Cash flows from financing activities			
Repayments on financial liabilities		(12,449,019)	(10,654,100)
Interest paid		(21,343)	(350,825)
Net cash flows used in financing activities		<u>(12,470,362)</u>	<u>(11,004,925)</u>
Net decrease in cash and cash equivalents		(279,987)	(313,359)
Cash and cash equivalents at the beginning of the financial year	14	<u>299,607</u>	<u>612,966</u>
Cash and cash equivalents at the end of the financial year	14	<u>19,620</u>	<u>299,607</u>

Padstow AssetCo Designated Activity Company

Notes to the financial statements Financial year ended 30 September 2024

1. General information

The Company is a private company limited by shares, registered in Ireland. The address of the registered office is Padstow AssetCo Designated Activity Company, Riverside One, Sir John Rogerson's Quay, Dublin, D02X576.

The Company was incorporated on 16 May 2018 under the laws of Ireland with registration number 626766. The Company qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997. This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D in respect of taxable profits.

The Company has no employees and all administration services required are contracted from third parties.

2. Statement of compliance and going concern

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

The Directors have reviewed the Company's financial position at the financial year end and at the time of preparation of these financial statements and have a reasonable expectation that the Company will continue in operational existence for the foreseeable future.

The Mortgage Loans are expected to generate sufficient future cash flows to fund the Company's on-going operations. The maturity date of the Notes is the Final Discharge Date which is the date on which all of the Mortgage Loans have been paid or discharged in full. The Senior Loan had been paid in full and the Junior Loan is being repaid partially each interest payment date. The Junior Loan maybe fully repaid in 2025 or 2026 depending on the collection from the Mortgage Loans. There is no plan yet to liquidate the Company. The Directors have made this assessment for a period of 12 months from the approval of the financial statements.

3. Accounting policies and measurement bases

Basis of preparation

These financial statements are prepared in accordance with IFRS as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

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

Functional and presentation currency

The financial statements are presented in Euro (or "€"), which is the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Mortgage Loans and the Notes issued are denominated in Euro. The Directors of the Company believe that the Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

3. Accounting policies and measurement bases (continued)

New and amended IFRS Standards that are effective for the current period

In the current period, the Company has applied the below amendments to IFRS and Interpretations that are effective for an annual period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS that have been issued but are not yet effective:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods. There are no other new standards and amendments to standards that have been approved by the International Accounting Standards Board and which are expected to have a significant impact on the financial position of the Company.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

3. Accounting policies and measurement bases (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

There were no significant indicators that require adjustment or disclosure in the financial statements or notes.

Fair value of financial assets designated at fair value through profit or loss

The Mortgage Loans fair value was measured being the capital value of the related properties of the Mortgage Loans. The capital value means the estimated amount for which property is exchanged on the date of valuation between a buyer and a seller in an arm's length transaction. The Company assessed the fair value by considering the available market information in the area, the physical condition, and the vacancy status on each property. The inputs used were the floor square area of the underlying properties and the estimated price square footage to determine the fair value.

Fair value of financial liabilities designated at fair value through profit or loss

Being a limited recourse in nature, the fair value of the Junior Notes issued by the Company is determined as a reference to the fair value of the Mortgage Loan assets and the fair value of the other net assets of the Company. Any future changes in the fair value of the Mortgage Loan assets and the fair value of the other net assets will have an equal but opposite effect to the fair value of financial liabilities designated at fair value through profit or loss.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

3. Accounting Policies and measurement bases (continued)

Financial instruments

The Company has adopted the following classifications for financial instruments:

Financial assets:

1. Investment in Mortgage Loans - at fair value through profit or loss
2. Cash and cash equivalents and Receivables - at amortised cost

Financial liabilities:

1. Financial Liabilities (Notes) - at fair value through profit or loss
2. Senior Loan and Payables - at amortised cost

Recognition and measurement

At initial recognition, financial assets are classified into three categories: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI") and financial assets measured at fair value through profit or loss ("FVTPL").

At initial recognition, financial liabilities are classified into two categories: financial liabilities measured at FVTPL and other financial liabilities.

Financial assets and liabilities at FVTPL are stated as fair value, with any resultant gain or loss recognised in the Statement of comprehensive income. The Company determines the classification of its investments at initial recognition. Purchases and sales of financial assets are recognised on trade-date, the date of which the Company commits to purchase or sell the asset.

A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cashflows represent principal and interest.

Subsequent measurement

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at FVOCI, or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Financial instruments that are not held at FVTPL are subsequently recognised at amortised cost using the effective interest method. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss.

Financial assets designated at FVTPL comprises the loan asset portfolio. The loan assets have been designated at fair value as the assets consist of a group of debt instruments that are managed and their performance is evaluated on a fair value basis. The Company's Notes have been designated at fair value through profit or loss so as to eliminate or significantly reduce a measurement or recognition inconsistency i.e. "an accounting mismatch" that would otherwise arise from measuring liabilities or recognising gains and losses relating to the Notes held on a different basis.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

3. Accounting Policies and measurement bases (continued) Financial instruments (continued)

Impairment of financial assets

The Company recognises loss allowances for estimated credit loss (ECL) on financial assets measured at amortised cost. When assessing the need to recognise an allowance for ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. Factors such as length of maturity of the exposures, current credit risk based on external credit ratings of the counterparties, and fluctuations in the credit risk based on the risk of default occurring over the expected life of the asset are considered. Loss allowances, if any, are deducted from the gross carrying amount of the assets.

Given the short-term maturities and low credit risk of cash and cash equivalents, the trade and other receivables, the Company has measured the loss allowance for the financial year end presented on a 12 month expected loss basis.

With regard to the cash and cash equivalents and the trade and other receivables, the Company considers that any potential ECL is immaterial for financial reporting purposes. The cash and cash equivalents have a low credit risk based on the external credit ratings of the counterparty and the trade and other receivables are short term in nature and relate to amounts owed by reputable counterparties.

For the financial year end presented in the financial statements, the estimated ECL has not been recorded as it is deemed immaterial to the financial statements.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the profit or loss account. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

3. Accounting policies and measurement bases (continued)

Fair value estimation

Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants. Refer to Note 20 for further details.

Net movement on financial assets and liabilities at fair value through profit or loss

Realised gains or losses on Mortgage Loans, whether sold, repaid, or for which security has been enforced and realised, are recorded as part of net movement on financial assets at fair value through profit or loss.

Unrealised gains or losses relate to gains or losses arising from changes in fair value of financial assets and liabilities during the financial year. Unrealised gains or losses on financial assets and liabilities are recognised within net movement on financial assets and liabilities at fair value through profit or loss within the Statement of comprehensive income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position where the Company currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Limited recourse nature of the Notes issued

If the net proceeds of realisation of the financial assets secured as collateral against the Notes issued are less than the aggregate amount payable by the Company to the Noteholders, the obligations of the Company will be limited to such net proceeds, which will be applied in accordance with the Notes agreement. In such circumstances, the other assets of the Company will not be available for payment of such shortfall which will be borne by the Noteholders and the other secured parties in accordance with the Notes agreement applied at the time of final settlement.

Interest expense payable to the Noteholders is calculated by the principal paying agent based on the applicable rate as defined in the Notes agreement. As the Notes issued are limited recourse obligations, the return of interest and principal to the Noteholders is contingent on the realisable value of the assets. The returns made to the Noteholders over the life of the Company include the effect of capital gain/loss as well as interest, and the gain or loss ultimately passes to the Noteholders. Any deficit reported in the Statement of Financial Position will be passed to the Noteholders upon maturity and no such loss will be borne by the shareholder.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

3. Accounting policies and measurement bases (continued)

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating income and expenses

All operating income and expenses are accounted for on an accruals basis.

Receivables

Short term receivables are measured at transaction price, less any impairment.

Payables

Short term payables are measured at the transaction price.

Cash and cash equivalents

Cash comprises of bank balances. All bank balances are held with Deutsche Bank. Cash equivalents are short term (less than 3 months) highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Called up share capital presented as equity

Ordinary shares are not redeemable and do not participate in the net income of the Company and are classified as equity as per the Company's constitution.

4. Net loss on financial assets at fair value through profit or loss

	2024	2023
	€	€
Net loss on financial assets at fair value through profit or loss	(259,880)	(1,436,114)
	<u>(259,880)</u>	<u>(1,436,114)</u>

Padstow AssetCo Designated Activity Company

**Notes to the financial statements (continued)
Financial year ended 30 September 2024**

5. Interest income

	2024	2023
	€	€
Loan portfolio interest	4,135,427	3,264,648
Bank interest	16,955	10,363
	<u>4,152,382</u>	<u>3,275,011</u>

The interest is attributable to the principal activity of the Company which 96.23% is undertaken in Ireland and 3.77% in the United Kingdom.

6. Administrative expenses

	2024	2023
	€	€
Master servicer fees	18,000	18,000
Fees payable for the audit of the financial statements	176	29,264
Legal and professional costs	153,037	570,274
Servicer fees	359,616	350,000
Other professional fees	104,454	162,352
VAT expenses	-	40,525
Litigation fee	-	23,455
Tax Advice fees	10,268	-
	<u>645,551</u>	<u>1,193,870</u>

Centralis Ireland Limited provides corporate services to the Company at arm's length commercial rates. John Garberry and Minling Tang were Directors of the Company during the year and are also employees of Centralis Ireland Limited. No fees were paid to the Directors during the year (30 September 2023: Nil). The scope of the corporate services agreement with Centralis Ireland Limited includes Directorship services and hence administration fees paid to the administrator includes fees paid for directorship services (including the making available of individuals to act as Directors of the Company). As an estimation, the Directors believe that less than 10% of the fees chargeable by Centralis Ireland Limited relate to the provision of Directors to the Company. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

Fees and expenses paid to the statutory auditor, Grant Thornton, Chartered Accountants and Statutory Audit Firm, in respect of the financial year, entirely relate to the statutory audit of the financial statements and tax compliance fees of the Company. The accrued audit fees for the financial year was €26,863 (excluding VAT). The accrued tax compliance fees for the financial year was €6,396 (excluding VAT).

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

7. Net loss on financial liabilities at fair value through profit or loss	2024	2023
	€	€
Net loss on financial liabilities at fair value through profit or loss	(3,224,108)	(477,331)
	<u>(3,224,108)</u>	<u>(477,331)</u>
8. Interest expense	2024	2023
	€	€
Senior loan interest	21,343	350,825
	<u>21,343</u>	<u>350,825</u>
9. Taxation	2024	2023
	€	€
Profit before taxation	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
Profit on ordinary activities multiplied by standard rate of Irish corporation tax of 12.5%	188	188
Effect of higher tax rate (25%) applicable under Section 110 TCA 1997	188	188
Tax relief for losses brought forward	(376)	(376)
Taxation	<u>-</u>	<u>-</u>

The Company is a qualifying company within the meaning of Section 110 of the TCA, 1997. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25%, but are computed in accordance with the provisions applicable to Case I of schedule D. There was no deferred tax during the financial year (2023: nil).

The current year tax charge is nil due to tax adjusted losses carried forward and non-recognition of deferred tax assets.

At 30 September 2024, the Company had an unrecognised deferred tax asset of €1,964,660 (2023: €1,965,035) in respect of tax losses due to concerns around the timing of recovery. The Company is allowed to carry forward tax losses for an indefinite period of time to be offset against income of the same trade.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

10. Financial assets at fair value through profit or loss

	2024	2023
	€	€
Opening balance	33,912,369	43,592,848
Collections of principal repayments	(2,655,899)	(6,060,496)
Disposal of Mortgage loans	(5,687,045)	(2,183,869)
Net loss on financial assets at fair value through profit or loss	(259,880)	(1,436,114)
Closing balance	<u>25,309,545</u>	<u>33,912,369</u>

11. Receivables

Receivables falling due within one year are as follows:

	2024	2023
	€	€
Accrued income	-	251,703
Other receivables	345,235	345,235
Prepayments	32,365	27,198
	<u>377,600</u>	<u>624,136</u>

12. Payables

	2024	2023
	€	€
Corporation tax	375	375
Other Payables	58,069	-
Accruals	365,232	329,235
	<u>423,676</u>	<u>329,610</u>

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

13. Financial liabilities at fair value through profit or loss

	2024	2023
	€	€
Opening balance	32,699,825	32,222,494
Repayment	(10,649,471)	-
Net loss on financial liabilities at fair value through profit or loss	3,224,108	477,331
Closing balance	<u>25,274,462</u>	<u>32,699,825</u>

The Company as borrower financed the balance of the purchase price for the acquisition of the Mortgage Loans by entering into Notes pursuant to the Junior Note Issuance Facility Agreement dated 30 August 2018. The interest in respect of the Notes shall be the amounts available for distributions to the Subordinated Lenders in accordance with the Borrower Waterfall in the Senior Facility Agreement.

The maturity date of the Notes is the Final Discharge Date which is the date on which all of the loan assets have been paid or discharged in full. The interest payable is profit dependent. Unless previously repaid or prepaid in full, the Notes shall be repaid in full on the Final Discharge Date.

The notes are listed on the International Stock Exchange.

14. Cash and cash equivalents

	2024	2023
	€	€
Cash at bank	<u>19,620</u>	<u>299,607</u>

15. Contingent assets and liabilities

There were no contingent liabilities or commitments as of 2024 (2023: Nil). Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the financial year in which the changes in probability occur.

Padstow AssetCo Designated Activity Company

**Notes to the financial statements (continued)
Financial year ended 30 September 2024**

16. Share capital

Authorised share capital

	2024		2023	
	Number	€	Number	€
shares of € 1.00 each	100,000	100,000	100,000	100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Issued and called up

	2024		2023	
	Number	€	Number	€
Amounts presented in equity:				
shares of € 1.00 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Company is a special purpose vehicle set up to issue debt for the purpose of making investments. Share Capital of €1 was issued in line with Irish company law and is not used for financing the investments activities of the Company. The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the Noteholders through the optimisation of the debt balances. The capital managed by the Company comprises ordinary shares outstanding and the financial liabilities outstanding as at the financial year-end. The Company is not subject to externally imposed capital requirements.

17. Senior Loan

	Year ended 2024 €	Year ended 2023 €
Deutsche Bank Senior Loan	-	1,799,550
	<u> </u>	<u> </u>

The Company as borrower financed part of the purchase price for the acquisition of the Mortgage Loans by entering into a loan pursuant to the facility agreement with the Senior Lender dated 30 August 2018.

The maturity date of the Senior Loan is the payment date immediately following the sixth anniversary of the completion date (31 August 2024). The interest rate is Margin + EURIBOR. The Company shall, on each payment date and to the extent of funds available, repay the loans in part or in whole in accordance with (and to the extent provided for in) the pre- enforcement waterfall or post-enforcement waterfall, as applicable. The Senior Loan was repaid in full during the financial year.

On 14 August 2025, the Senior Loan was delisted from the International Stock Exchange.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

18. Related party transactions

Centralis Ireland Limited provides corporate services to the Company at arm's length commercial rates. John Carberry and Minling Tang were Directors of the Company during the year and are also employees of Centralis Ireland Limited. No fees were paid to the Directors during the year (2023: Nil). The scope of the corporate services agreement with Centralis Ireland Limited includes Directorship services and hence administration fees paid to the administrator includes fees paid for directorship services (including the making available of individuals to act as Directors of the Company). As an estimation, the Directors believe that less than 10% of the fees chargeable by Centralis Ireland Limited relate to the provision of Directors to the Company. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

Arrow Global Limited is the master servicer for the Company. The master servicer also holds junior notes in the amount of €2,585,669 at the financial year end (2023: €4,651,666). There were fees accrued to the master servicer in the amount of €18,000 for services provided throughout the financial year (2023: €18,000).

In August 2020, legal title for the loan portfolio was transferred to Mars Capital Finance Ireland Designated Activity Company. Mars Capital Finance Ireland Designated Activity Company is the Loan Servicer for the Company. The Company retained beneficial ownership of the loan portfolio.

There were no other contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year.

19. Charges

As at 30 September 2024, Deutsche Bank AG (the "Security Agent") holds a first fixed floating charge on all freehold and leasehold property, together with all buildings, fixtures and fixed plant and machinery and all future freehold and leasehold property, buildings, fixtures & fixed plant machinery, a charge on future ancillary rights, uncalled share capital of the Company, goodwill, intellectual property, material contracts, insurance proceeds, receivables and leases. The Security Agent holds a first floating charge on the secured parties assets and undertakings (2023: as above).

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

20. Financial Risk Management

The Company's financial instruments include Mortgage Loans, Cash and cash equivalents, Receivables, Senior Loan, Notes issued and Payables that arise directly from its operations.

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

The risk profile of the Company is such that market risk, credit risk, liquidity risk and other risks of the Mortgage Loans are borne fully by the Noteholders.

The Company has exposure to market risk, liquidity risk, credit risk, operational risk and concentration risk from its use of financial instruments.

1. Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of a financial instrument. Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and market price risk. The Noteholder are exposed to the market risk of the Mortgage Loans.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. However the Mortgage Loans are mostly denominated in Euro and therefore the exposure to foreign currency movement is not a high risk. No sensitivity analysis is presented as the exposure of the Company to foreign currency risk is limited.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market price.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in an active market for identical assets or liabilities;

Level 2: inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

20. Financial Risk Management (continued)

1. Market risk (continued)

(ii) Price risk (continued)

Financial instruments measured at fair value through profit or loss

	Level 1	Level 2	Level 3	30/09/24
Assets	€	€	€	Total
	€	€	€	€
Mortgage Loans	-	-	25,309,545	25,309,545
	-	-	25,309,545	25,309,545
	-	-	25,274,462	25,274,462
	-	-	25,274,462	25,274,462
	-	-	33,912,369	33,912,369
	-	-	33,912,369	33,912,369
	-	-	32,699,825	32,699,825
	-	-	32,699,825	32,699,825

The table below reconciles the fair value of the financial instruments categorised in Level 3 as at 2024 and 2023.

Level 3 Reconciliation - Mortgage Loans

	As at 30/09/24	As at 30/09/23
	€	€
Balance at the beginning of the financial year	33,912,369	43,592,848
Collections, advances and Mortgage loans sold/exited	(8,342,944)	(8,244,365)
Net movement on financial assets at fair value through profit or loss	(259,880)	(1,436,114)
Balance at the end of the financial year	25,309,545	33,912,369

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

20. Financial Risk Management (continued)

1. Market Risk (continued)

(ii) Price risk (continued)

Level 3 Reconciliation - Notes issued

	As at 30/09/24	As at 30/09/23
	€	€
Balance at the beginning of the financial year	32,699,825	32,222,494
Repayment	(10,649,471)	-
Net Movement on financial liabilities at fair value through profit or loss	3,224,108	477,331
Balance at the end of the financial year	<u><u>25,274,462</u></u>	<u><u>32,699,825</u></u>

The Mortgage Loans represent the expected future cash flows from the Company's interest in a pool of mortgage loans. Level 3 is deemed to be the most appropriate categorisation for the Company's interests in the Mortgage Loans.

Notes issued represent the obligations due by the Company for settlement of amounts payable to the Noteholders and also represent the residual profit or loss of the Company. Level 3 is deemed to be the most appropriate categorisation for the Company's Notes issued.

Due to the limited recourse nature of the Notes issued by the Company, any profits or losses arising from movements in fair value pass to the Noteholders. Therefore, the Company has no exposure to price risk.

Sensitivity Analysis

If the price per square footage of the underlying properties had been increased by 10% higher and all other variables were held constant, the fair value of the Financial assets at fair value through profit or loss would increased by €2,530,955 (2023: €3,391,237).

Financial instruments not measured at fair value through profit or loss

	As at 30/09/24			
Assets	Level 1	Level 2	Level 3	Total
	€	€	€	€
Cash and cash equivalents	19,620	-	-	19,620
Receivables	-	377,600	-	377,600
	<u>19,620</u>	<u>377,600</u>	<u>-</u>	<u>397,220</u>
	<u><u>19,620</u></u>	<u><u>377,600</u></u>	<u><u>-</u></u>	<u><u>397,220</u></u>
Liabilities	Level 1	Level 2	Level 3	Total
	€	€	€	€
Payables	-	423,676	-	423,676
	<u>-</u>	<u>423,676</u>	<u>-</u>	<u>423,676</u>
	<u><u>-</u></u>	<u><u>423,676</u></u>	<u><u>-</u></u>	<u><u>423,676</u></u>

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

20. Financial Risk Management (continued)

1. Market Risk (continued)

(ii) Price risk (continued)

	As at 30/09/23			
Assets	Level 1	Level 2	Level 3	Total
	€	€	€	€
Cash and cash equivalents	299,607	-	-	299,607
Receivables	-	624,136	-	624,136
	<u>299,607</u>	<u>624,136</u>	<u>-</u>	<u>923,743</u>
Liabilities				
Senior Loan	-	1,799,550	-	1,799,550
Payables	-	329,610	-	329,610
	<u>-</u>	<u>2,129,160</u>	<u>-</u>	<u>2,129,160</u>

Cash and cash equivalents are short term and readily convertible. As such, Level 1 has been deemed the most appropriate category.

Receivables represent the contracted amounts for settlement of receivables and as such, Level 2 has been deemed the most appropriate category.

Payables represent the contractual amounts and obligations due by the Company for settlement of payables and expenses. As such, Level 2 is deemed to be the most appropriate category.

Senior Loan represents the contractual amounts and obligations due by the Company for settlement of amounts payable to the Senior Lender. As such, Level 2 is deemed to be the most appropriate category.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

20. Financial Risk Management (continued)

1. Market Risk (continued)

(iii) Interest rate risk

The following table provides an analysis of the interest rate profile of the Company as at 30 September 2024 and 30 September 2023.

Assets	Interest rate	2024	2023
		€	€
Receivables	Non-interest Bearing	377,600	624,136
Financial assets at fair value through profit or loss	Floating rate	25,309,545	33,912,369
Cash and cash equivalents	Floating rate	19,620	299,607
		<u>25,706,765</u>	<u>34,836,112</u>
Liabilities			
Payables	Non-interest Bearing	423,676	329,610
Senior Loan	Floating rate	-	1,799,550
Notes issued	Floating rate	25,274,462	32,699,825
		<u>25,698,138</u>	<u>34,828,985</u>

Due to the limited recourse nature of the Notes, profits arising from movements in interest rates pass to the Noteholders. Therefore, the Company has no exposure to interest rate risk and the movements in interest rates have no impact on the profit or loss or the equity of the Company.

Sensitivity analysis

If interest rates had been 100 basis points higher and all other variables were held constant, the interest income on the financial assets designated at FVTPL would have increased by €158,479 (2023: €240,651) and the interest expense of the Notes would have increased by €2,853 (2023: €63,195) resulting in a net impact on the P/L and Equity of €155,626 (2023: €177,456).

2. Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts owed in full when due.

The maximum exposure to the credit risk at the reporting date was:

	2024	2023
	€	€
Financial assets at fair value through profit or loss	25,309,545	33,912,369
Cash and cash equivalents	19,620	299,607
Receivables	377,600	624,136
	<u>25,706,765</u>	<u>34,836,112</u>

Due to the limited recourse nature of the Notes, any profit or loss arising from the credit risk will pass on to the Noteholders.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

20. Financial Risk Management (continued)

2. Credit risk (continued)

Mortgage Loans

The Company's business objective rests on the purchase of a portfolio of mortgage loans and their related security in respect of properties located in Ireland and the United Kingdom. The Directors rely on the information provided by the Loan Servicer on a monthly basis to review the performance of the Mortgage Loans. This includes information about the current status of Mortgage Loans, that is, whether the loan is performing, repossession and eviction, indexed value of properties and ageing analysis of Mortgage Loans.

The Servicer undertakes ongoing reviews in respect of each borrower and each loan to the extent such relevant information is received from the borrowers. The Loan Servicer conducts this review process on a regular basis to identify concern as to the ability of a borrower to meet its financial obligations under the relevant loan agreements. Such a review may include an inspection of the related properties or property and compliance check of such borrower's covenants under the related loan documentation.

The Loan Servicer provides fair value reviews to the Directors. The fair value of the Mortgage Loans is determined using market indications and other factors such as prevailing rents and comparable underlying collateral.

Cash and cash equivalents

Fitch's credit rating profile of the cash and cash equivalents balance is as follows:

Cash and cash equivalents	Credit rating 2024	As at 30/09/24 €	Credit rating 2023	As at 30/09/23 €
Deutsche Bank	F1	19,620	F1	299,607

The credit risk of other exposures is minimised by monitoring the credit rating of counterparties. The cash on deposit is held with Deutsche Bank. Deutsche Bank currently holds a F1 (2023: F1) short-term deposit rating by Fitch's. Included within the receivables line item are Accrued income € Nil (2023: €251,703) and Other receivable €345,235 (2023: €345,235). The Accrued income was collected subsequent to year end. The Other receivables represent receivable from Junior Noteholders.

The credit risk relating to these amounts is considered to be immaterial.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

20. Financial Risk Management (continued)

3. Liquidity risk

The underlying Mortgage Loans are financed principally by a senior loan and the issuance of the Notes. These financing policies substantially reduce the Company's liquidity risk by matching the maturity profile of the Company's funding to the profile of the underlying Mortgage Loans.

The following table gives liquidity analysis of the Company for their financial liabilities as at 30 September 2024.

Liabilities	Less than 1 year	1-5 years	Over 5 years	As at 30/09/24
	€	€	€	Total €
Financial liabilities at FVTPL	-	25,274,462	-	25,274,462
Payables	423,676	-	-	423,676
	<u>423,676</u>	<u>25,274,462</u>	<u>-</u>	<u>25,698,138</u>

The following table gives liquidity analysis of the Company for their financial liabilities as at 30 September 2023.

Liabilities	Less than 1 year	1-5 years	Over 5 years	As at 30/09/23
	€	€	€	Total €
Financial liabilities at FVTPL	-	32,699,825	-	32,699,825
Senior Loan	1,820,849	-	-	1,820,849
Payables	329,610	-	-	329,610
	<u>2,150,459</u>	<u>32,699,825</u>	<u>-</u>	<u>34,850,284</u>

Future interest on the Notes is not included in the table above because it will be determined on the basis of future net income of the Mortgage Loans which cannot be reliably estimated at this time.

The Company minimised liquidity risk by matching the cash inflows from Mortgage Loans and the cash outflows for liabilities by incorporating terms of payments in the Notes documents such as priority of payments/waterfall and limited recourse.

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued) Financial year ended 30 September 2024

20. Financial Risk Management (continued)

4. Operational risk

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 external factors other than credit, markets and liquidity issues such as those arising from legal, regulatory and conduct requirements and generally accepted standards to corporate behaviour.

All management and administration functions are outsourced to reputable third party vendors and this mitigates the operational risk. The Directors who are employees of the corporate administrator do not receive any fees in respect of their duties. The corporate administrator employs different teams to provide the various corporate administrative functions to the Company to ensure there is adequate segregation of duties.

5. Concentration risk

Concentration risk can arise from the type of assets held as security against the Mortgage Loans, the maturity of the loans, the concentration of sources of funding, concentration of counterparties or geographical locations.

The Company assessed the concentration risk of the Mortgage Loans at the year end date.

Loans by geographical location

	2024
Location	% of portfolio
Ireland	96.23%
United Kingdom	3.77%

	2023
Location	% of portfolio
Ireland	97.33%
United Kingdom	2.67%

21. Ownership of the Company

The Company issued 1 share of the total authorised shares of 100,000 to Centralis Ireland Limited which is held in on behalf of the Company.

22. Capital management

The Company views the share capital as its capital. The Company is a special purpose vehicle set up to issue debt for the purpose of making investments as defined under the offering circular. Share capital of €1 was issued in line with Irish Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements (2023: as above).

Padstow AssetCo Designated Activity Company

Notes to the financial statements (continued)
Financial year ended 30 September 2024

23. Events after the end of the reporting period

On 14 August 2025, the Senior Loan was delisted from the International Stock Exchange.

There were no other subsequent events after the financial year ended 30 September 2024 which require disclosure in the financial statements.

24. Approval of financial statements

The Board of Directors approved these financial statements for issue on 5 February 2026.