

**GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY**

Company number 773263

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 7 OCTOBER 2024 (DATE OF INCORPORATION)

TO 31 DECEMBER 2025

**GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY DIRECTORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 7 OCTOBER 2024 (DATE OF INCORPORATION) TO 31 DECEMBER 2025**

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**DIRECTORS AND OTHER INFORMATION**

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| <b>Directors</b>                       | John Paul Maguire (appointed 7 October 2024)<br>Diego Montauban (appointed 7 October 2024)<br>Michael Stott (appointed 7 October 2024) |
| <b>Registered office</b>               | 32 Molesworth Street<br>Dublin 2<br>D02 Y512<br>Ireland  |
| <b>Company Secretary and Registrar</b> | MFD Secretaries Limited<br>32 Molesworth Street<br>Dublin 2<br>D02 Y512<br>Ireland   |
| <b>Company Registration Number</b>     | 773263   |
| <b>Bankers</b>                         | Citibank, NA London Branch<br>25 Canada Square<br>London, E14 5LQ<br>United Kingdom  |
| <b>Auditors</b>                        | Deloitte Ireland LLP<br>Chartered Accountants & Statutory Audit Firm<br>29 Earlsfort Terrace<br>Dublin 2<br>D02 AY28<br>Ireland        |
| <b>Solicitors</b>                      | Maples and Calder<br>75 St. Stephen's Green<br>Dublin 2<br>D02 PR50<br>Ireland   |
| <b>Investment Manager</b>              | Waterfall Asset Management, LLC<br>1251 Avenue of the Americas<br>New York<br>NY 10020<br>United States of America                     |
| <b>Administrator</b>                   | U.S. Bank Global Fund Services (Ireland) Limited<br>24-26 City Quay<br>Dublin 2<br>Ireland   |
| <b>Corporate Administrator</b>         | Maples Fiduciary Services (Ireland) Limited<br>32 Molesworth Street<br>Dublin 2<br>D02 Y512<br>Ireland                                 |

**DIRECTORS AND OTHER INFORMATION (continued)**

|   |   |
|---|---|
| <b>Security Trustee</b>                         | Citibank, NA London Branch<br>25 Canada Square<br>London, E14 5LQ<br>United Kingdom   |
| <b>Business Operating Services<br/>Provider</b> | Waterfall Asset Management (Ireland) Designated Activity Company<br>32 Molesworth Street<br>Dublin 2<br>D02 Y512<br>Ireland |

## **DIRECTORS' REPORT**

The Directors present the first Director's report and audited financial statements of Glencar Investments 55 Designated Activity Company (the "Company") for the financial period from 7 October 2024 (date of incorporation) to 31 December 2025. The financial statements have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company was incorporated under the Companies Act 2014 on 7 October 2024 with registration number 773263.

In 2024 the Company authorised the creation and issue of EUR 291,392,041 in aggregate principal amount of Notes due December 2034 for the purpose of providing a loan of an aggregate principal amount of EUR 291,392,041 (the "Loan") to Glencar ICAV acting solely on behalf of its sub-fund Glencar 2 ("Borrower") in connection with the financing of a portfolio of nonperforming secured and unsecured loans of different Spanish banking entities and properties (the "Portfolio").

The Company also entered into a Note Purchase Agreement dated 4 December 2024 (the "Note") as borrower, with Waterfall Victoria Master Fund Ltd as lender, for a maximum commitment of up to EUR 291,392,041. In January 2025 the Notes were listed on the Vienna Stock Exchange. The amount drawn down under the Loan during the financial period was EUR 253,511,076 with repayments of EUR 74,009,753. The carrying values of the Loan as at 31 December 2025 were EUR 179,501,323.

The amount drawn down under the Note during the financial period was EUR 253,511,076 with repayments of EUR 73,910,919. The values of the Note as at 31 December 2025 were EUR 179,445,805.

The Directors expect the activities to continue for the foreseeable future and will continue to review the management of the existing portfolio of the Company.

## **RESULTS AND DIVIDENDS**

The profit of the Company on ordinary activities for the financial period before taxation amounted to EUR Nil and after charging taxation of EUR Nil, the profit after taxation of EUR Nil was transferred to reserves. The Company earned interest income on financial assets at fair value through profit and loss totalling EUR 4,419,446.

The results for the Company for the financial period are set out on page 16. No dividends were paid during the financial period and the Directors do not recommend the payment of a dividend for the financial period under review.

## **KEY PERFORMANCE INDICATORS**

Management uses a range of measures to monitor performance and manage the business.

The key financial performance indicators (KPIs) used by management include:

- Interest income – EUR 4,419,446
- Interest expense – EUR 4,419,446

The Directors are satisfied with the performance of the Company by reference to these indicators.

## **CHANGE OF DIRECTOR**

On 7 October 2024 John Paul Maguire, Diego Montauban and Michael Stott were appointed as a Director of the Company.

Other than previously stated there have been no changes in Directors, Secretary or registered office during the financial period.

## **DIRECTORS' REPORT (CONTINUED)**

### **ISSUE OF SHARE CAPITAL**

Authorised share capital consists of 100 ordinary shares of EUR 1 each. MaplesFS Trustees Ireland Limited acquired 1 share in the Company on 7 October 2024. The entire share capital of the Company is held on trust for charitable purposes by MaplesFS Trustees Ireland Limited.

### **DIRECTORS, SECRETARY AND THEIR INTERESTS**

The Directors and Secretary who held office at 31 December 2025 had no direct or beneficial interests in the shares, share options, deferred shares or debentures of the Company at any time during the financial period, requiring disclosures in the Directors' report pursuant to Section 329 of the Companies Act 2014.

In accordance with the Company's Articles of Association, the Directors are not required to retire by rotation.

### **POLITICAL DONATIONS**

The Company made no political donations or incurred any political expenditure during the financial period.

### **GOING CONCERN**

The Company's financial statements for the financial period ended 31 December 2025 have been prepared on a going concern basis. The Investment Manager engages in active cash management to ensure efficient utilisation of funds and that the Company has sufficient liquidity, which includes utilisation of models on cash flow forecasting. The Company has access to debt financing going forward to help it meet any obligations. The financial liabilities of the Company are limited recourse obligations and are payable solely out of proceeds received by or on behalf of the Issuer in respect of the Company's assets and therefore the claims of Noteholders are limited to the value of the Company's net assets. The Directors anticipate that the assets will generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

The financial asset held by the company referred to in Note 1 above has a maturity date of December 2034. The Borrower has been in recent discussion with the Company regarding the potential early repayment of the financial asset, however no formal agreement has been put in place at the time of signing these Financial Statements. As a result, a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern exists. In the event of an early repayment, the Company would consider a range of actions, which would include seeking to redeploy the proceeds, where available in accordance with the Company's investment objective and applicable eligibility criteria to ensure that the Company continues to be a going concern.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk and uncertainties facing the Company relate to risks arising on its financial instruments which include market risk (interest rate, price and currency risks), operational risk, liquidity risk, credit risk and concentration risk. Further details of the Company's risk management procedures are outlined in note 13.

### **SUBSEQUENT EVENTS**

At the date of approval of these financial statements, the Directors are not aware of any other matters or circumstances which have arisen that have significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial period subsequent to 31 December 2025.

### **POWER OF DIRECTORS**

The Board is responsible for managing the business affairs of the Company in accordance with the Company's Constitution. The Board may delegate certain functions to Maples Fiduciary Services (Ireland) Limited (the "Corporate Administrator") and U.S. Bank Global Fund Services (Ireland) Limited (the "Administrator") and other parties, subject to the supervision and direction by the Board. The Board consists of three Directors. The Board have delegated the day-to-day administration of the Company to the Administrator and the investment management and distribution functions to Waterfall Asset Management LLC (the "Investment Manager"). Consequently, none of the Directors are executive Directors of the Company.

## **DIRECTORS' REPORT (CONTINUED)**

### **SHAREHOLDERS' MEETINGS**

The shareholders' rights and the operations of shareholders meetings are defined in the Company's Constitution and comply with the Companies Act 2014. The Company holds a general meeting each financial period as its annual general meeting. The annual general meeting is specified in the notice sent out for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by the Companies Act 2014.

### **ACCOUNTING RECORDS**

The Directors are responsible for ensuring that proper accounting records are kept by the Company, as outlined in Sections 281 to 285 of the Companies Act 2014. The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper accounting records are the use of appropriate systems and procedures and by employing a service provider with appropriate expertise and by providing adequate resources to the financial function. The Administrator is responsible for the preparation and maintenance of the accounting records. The accounting records for the financial period 31 December 2025 are kept at 24-26 City Quay, Dublin 2, Ireland.

### **AUDIT COMMITTEE**

The Board of Directors, having given due consideration to Section 167(1) and Section 167(3) of the Companies Act 2014 and noting the contractual obligations of the Administrator and the limited recourse nature of the Notes issued by the Company, the Board of Directors concluded that there is currently no need for the Company to have an audit committee in order for the Board of 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.

### **STATEMENT OF RELEVANT AUDIT INFORMATION**

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

- 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.

### **INDEPENDENT AUDITOR**

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, were appointed as auditors during the period and have expressed their willingness to continue in the office in accordance with Section 383(2) of the Companies Act 2014.

### **DIRECTORS' COMPLIANCE STATEMENT**

The Company does not meet the qualifying conditions in accordance with Section 225(7) of the Companies Act 2014 for the requirement to provide a "Compliance Policy Statement".

Approved and authorised for issue on 31 March 2026.



**John Paul Maguire**  
Director



**Diego Montauban**  
Director

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the Directors to prepare financial statements for each financial period. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("relevant financial reporting framework"). 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 period end date and of the profit or loss of the Company for the financial period 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY

### Report on the audit of the financial statements

#### Opinion on the financial statements of Glencar Investments 55 DESIGNATED ACTIVITY COMPANY (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of the result for the financial period then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 18, including material accounting policy information as set out in note 3.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union ("the relevant financial reporting framework").

#### 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 described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities, 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.

#### Material uncertainty related 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.

We draw attention to note 2(a) in the financial statements, which indicates that the Borrower has initiated discussions for early repayment of the Financial Asset that currently matures in December 2034. As stated in note 2(a), these events or conditions, along with the other matters as set forth in note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY

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

- obtaining management's going concern assessment covering at least 12 months from the date of approval and evaluating whether the assessment period and methodology were appropriate;
- holding discussions with management regarding
  - the status of early repayment discussions;
  - the range of plausible outcomes and timing; and
  - the Company's planned actions if early repayment occurs;
- inspecting relevant underlying documentation, including the loan agreement (key terms, maturity, prepayment provisions) and Board minutes/correspondence available up to the date of signing for evidence of decisions, intent, and governance around liquidity management;
- considering subsequent events up to the date of this report for any developments in relation to the loan, early repayment, or other matters impacting liquidity;
- considering management's evidence from historically similar fact patterns (including documented outcomes for comparable Section 110 entities managed under similar structures) as corroborative information, while concluding on going concern based on the Company's specific facts and circumstances;
- evaluating the adequacy of the relevant disclosures included in the financial statements on going concern and, through our audit procedures, assessing whether they are appropriate.

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

### Summary of our audit approach

|                          |   |
|--------------------------|---|
| <b>Key audit matters</b> | <p>The key audit matters that we identified in the current period were:</p> <ul style="list-style-type: none"> <li>• Going concern (see material uncertainty related to going concern section)</li> <li>• Valuation of Financial Assets at Fair Value through Profit or Loss</li> </ul> <p>Within this report, any new key audit matters are identified with  and any key audit matters which are identified with .</p> |
| <b>Materiality</b>       | <p>The materiality that we used in the current period was €2,692k which was determined on the basis of 1.5% of financial liabilities at fair value through profit or loss.</p>  |
| <b>Scoping</b>           | <p>We determined the scope of our audit by obtaining an understanding of the Company and its operating environment and assessing the risks of material misstatement.</p>  |

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY

### Valuation of Financial Assets at Fair Value through profit or loss ➤

**Key audit matter description**



For the financial period ended 31 December 2025 the value of the financial assets at fair value through profit or loss is € 179 million which makes up approximately 99.64% of the Company's total assets of € 180 million.

The valuation of financial assets at fair value through profit and loss is considered a key audit matter as it comprises the most significant number on the Statement of Financial Position and is an area at risk of potential management bias due to the level of subjectivity. The valuation is also a key contributor to the financial performance and has been identified as a significant risk of material misstatement, the risk being that they may not be valued correctly in accordance with IFRS 13.

Refer also to note 3(f) and 9 in the financial statements.

**How the scope of our audit responded to the key audit matter**



The procedures we performed to address the key audit matter included the following:

We obtained an understanding, assessed the design and determined the implementation of the controls that have been implemented over the valuation process for financial assets at fair value through profit or loss.

We challenged whether the valuation policy adopted for the financial assets is in line with IFRS 13, and challenged the valuation recognised by management, which is equivalent to cost. We reviewed the financial statements of the Investee Company and assessed their credit worthiness.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

### Our application of materiality

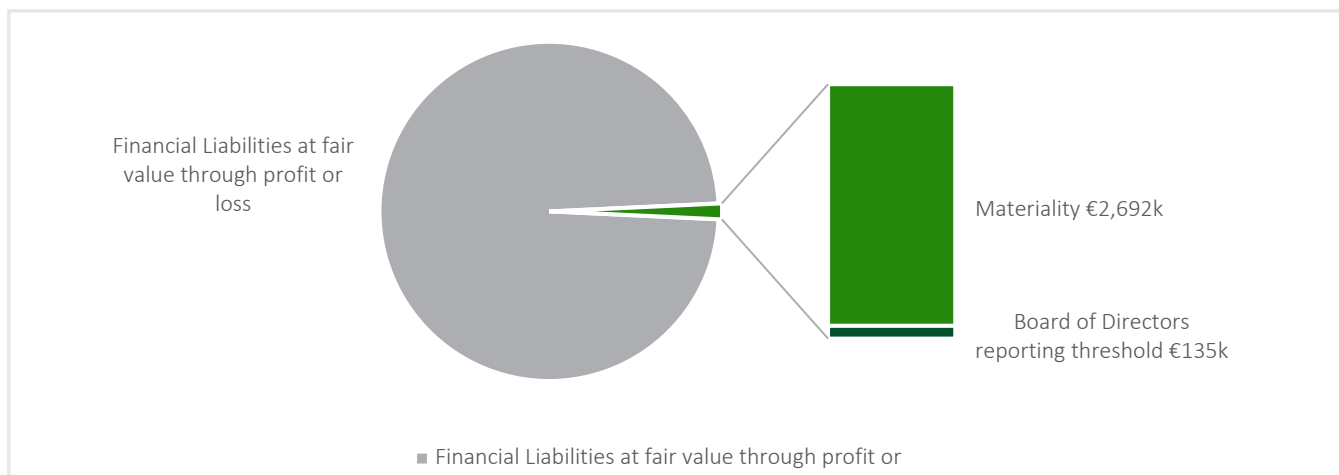
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

|  |  |
|--|--|
| <b>Materiality</b>                         | €2,692k  |
| <b>Basis for determining materiality</b>   | 1.5% of financial liabilities at fair value through profit or loss   |
| <b>Rationale for the benchmark applied</b> | <p>We have considered financial liabilities at fair value through profit or loss to be the critical component for determining materiality because the main objective of the Company is to provide noteholders with a long term risk adjusted return.</p> <p>In determining our benchmark, we have considered quantitative and qualitative factors such as our understanding of the nature of the Company and its environment, the focus of the users of the financial statements, and the industry and economic environment in which the Company operates.</p> |

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Performance materiality was set at 80% of materiality for the 2025 audit. In determining performance materiality, we considered the following factors:

- our understanding of the Company;
- the quality of the control environment;

We agreed with the Board of Directors that we would report to them all audit differences in excess of €135k as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the Company, types of financial assets, the involvement of the third party service providers, the accounting processes and controls in place, and the industry in which the Company operates. We have conducted our audit based on the books and records maintained by the administrator, U.S. Bank Global Fund Services (Ireland) Limited. We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### Other information

The other information comprises the information included in the Directors' Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Audited Financial Statements.

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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY

### Responsibilities of directors

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As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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 IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and the Board of Directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Valuation of financial assets at fair value through profit or loss;
- Accuracy of revenue recognition.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY

In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2014.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the listing rules of Vienna Stock Exchange and tax legislation.

### **Audit response to risks identified**

As a result of performing the above, we identified 'Valuation of financial Assets at fair value through profit or loss' as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the annual accounts;
- enquiring of management and the Board of Directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud in Revenue Recognition, independently valuing all securities and completing an unrealised gain/loss reconciliation; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters prescribed by the Companies Act 2014**

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Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- In our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

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

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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.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENCAR INVESTMENTS 55 DESIGNATED ACTIVITY COMPANY

### Use of our report

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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.

*Niamh Geraghty*

Niamh Geraghty  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

01 April 2026

**STATEMENT OF COMPREHENSIVE INCOME**

|   | Note | For the financial<br>period ended<br>31 December 2025 |
|---|------|---|
|   |      | EUR   |
| Interest income on financial assets at fair value through profit or loss          | 4    | 4,419,446   |
| Bank interest income  |      | 990   |
| Net unrealised gain on financial liabilities at fair value through profit or loss |      | 154,352   |
| Interest expense on financial liabilities at fair value through profit or loss    | 5    | <u>(4,419,446)</u>                                    |
| <b>Net investment gain</b>  |      | <u><b>155,342</b></u>                                 |
| <br>  |      |   |
| Other expenses  | 6    | <u>(155,342)</u>                                      |
| <b>Total expenses</b>   |      | <u><b>(155,342)</b></u>                               |
| <br>  |      |   |
| <b>Net gain for the financial period before taxation</b>                          |      | <u><b>-</b></u>                                       |
| <br>  |      |   |
| Current tax expense   | 8    | -   |
| <br>  |      |   |
| <b>Net gain for the financial period after taxation</b>                           |      | <u><b>-</b></u>                                       |
| <br>  |      |   |
| Other comprehensive income  |      | -   |
| <br>  |      |   |
| <b>Total comprehensive income</b>   |      | <u><b>-</b></u>                                       |

All items dealt in arriving at the profit for the financial period ended 31 December 2025 related to continuing operations.

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

STATEMENT OF FINANCIAL POSITION

|  | Note | As at<br>31 December 2025<br>EUR |
|--|------|----------------------------------|
| <b>Assets</b>  |      |                                  |
| <b>Non-current assets</b>  |      |                                  |
| Financial assets at fair value through profit or loss                          | 9    | 179,501,323                      |
| Receivable for share capital   |      | <u>1</u>                         |
| <b>Total non-current assets</b>  |      | <b><u>179,501,324</u></b>        |
| <b>Current assets</b>  |      |                                  |
| Cash and cash equivalents  | 10   | 8,437                            |
| Interest receivable on financial assets at fair value through profit or loss   |      | 631,349                          |
| Other receivables and prepayments  |      | <u>3,190</u>                     |
| <b>Total current assets</b>  |      | <b><u>642,976</u></b>            |
| <b>Total assets</b>  |      | <b><u>180,144,300</u></b>        |
| <b>Liabilities</b>   |      |                                  |
| <b>Current liabilities</b>   |      |                                  |
| Other payables   | 11   | 67,145                           |
| Interest payable on financial liabilities at fair value through profit or loss | 14   | <u>631,349</u>                   |
| <b>Total current liabilities</b>   |      | <b><u>698,494</u></b>            |
| <b>Non-current liabilities</b>   |      |                                  |
| Financial liabilities at fair value through profit or loss                     | 9    | <u>179,445,805</u>               |
| <b>Total current liabilities</b>   |      | <b><u>179,445,805</u></b>        |
| <b>Total liabilities</b>   |      | <b><u>180,144,299</u></b>        |
| <b>Equity</b>  |      |                                  |
| Share capital  | 13   | 1                                |
| Retained earnings  |      | <u>-</u>                         |
| <b>Total equity</b>  |      | <b><u>1</u></b>                  |
| <b>Total equity and liabilities</b>  |      | <b><u>180,144,300</u></b>        |

On behalf of the Board:



**John Paul Maguire**  
Director



**Diego Montauban**  
Director

**Date:** 31 March 2026

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

STATEMENT OF CHANGES IN EQUITY

For the financial period ended 31 December 2025

|                                       | Share capital<br>EUR | Retained<br>earnings<br>EUR | Total<br>equity<br>EUR |
|---------------------------------------|----------------------|-----------------------------|------------------------|
| Balance as at 7 October 2024          | -                    | -                           | -                      |
| Issue of share capital                | 1                    | -                           | 1                      |
| <b>Balance as at 31 December 2025</b> | <b>1</b>             | <b>-</b>                    | <b>1</b>               |

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

STATEMENT OF CASH FLOWS

For the financial  
period ended  
31 December 2025  
EUR

**Cash flows from operating activities:**

Result for the financial period from operations before tax -

*Adjustments to reconcile result for the financial period resulting from operations to net cash provided by/(used in) operating activities:*

Interest income on financial assets at fair value through profit or loss (4,419,446)

Interest expense on financial liabilities at fair value through profit or loss 4,419,446

Unrealised fair value gain on financial liabilities at fair value through profit or loss (154,352)

Increase in other payables 67,145

Increase in other receivables and prepayments (3,190)

**Net cash used in operating activities (90,397)**

**Cash flow from investing activities**

Payment for financial assets at fair value through profit and loss (253,511,076)

Proceeds from repayments of financial assets at fair value through profit and loss 74,009,753

Interest received 3,788,097

**Net cash used in investing activities (175,713,226)**

**Cash flow from financing activities**

Proceeds from issuance of profit participating notes 253,511,076

Payments from redemption of profit participating notes (73,910,919)

Interest paid (3,788,097)

**Net cash provided by financing activities 175,812,060**

**Increase in cash and cash equivalents 8,437**

**Cash and cash equivalents at beginning of the financial period -**

**Cash and cash equivalents at end of the financial period 8,437**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. General information**

The Company was incorporated under the Companies Act 2014 on 7 October 2024 with registration number 773263. The principal activity of the Company is investing in financial assets.

In 2024 the Company authorised the creation and issue of EUR 291,392,041 in aggregate principal amount of Notes due December 2034 for the purpose of providing a loan of an aggregate principal amount of EUR 291,392,041 (the "Loan") to Glencar ICAV acting solely on behalf of its sub-fund Glencar 2 ("Borrower") in connection with the financing of a portfolio of nonperforming secured and unsecured loans of different Spanish banking entities and properties (the "Portfolio").

The Company also entered into a Note Purchase Agreement dated 4 December 2024 (the "Note") as borrower, with Waterfall Victoria Master Fund Ltd as lender, for a maximum commitment of up to EUR 291,392,041

The amount drawn down under the Loan during the financial period was EUR 253,511,076 with repayments of EUR 74,009,753. The carrying values of the Loan as at 31 December 2025 were EUR 179,501,323.

The amount drawn down under the Note during the financial period was EUR 253,511,076 with repayments of EUR 73,910,919. The carrying values of the Note as at 31 December 2025 were EUR 179,445,805.

### **2. Basis of preparation**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, as applied in accordance with the Companies Act 2014.

The Company's financial statements for the financial period ended 31 December 2025 have been prepared on a going concern basis. The Investment Manager engages in active cash management to ensure efficient utilisation of funds and that the Company has sufficient liquidity, which includes utilisation of models on cash flow forecasting. The Company has access to debt financing going forward to help it meet any obligations. The financial liabilities of the Company are limited recourse obligations and are payable solely out of proceeds received by or on behalf of the Issuer in respect of the Company's assets and therefore the claims of Noteholders are limited to the value of the Company's net assets. The Directors anticipate that the assets will generate enough cash flow on an ongoing basis to meet the Company's liabilities as they fall due.

The financial asset held by the company referred to in Note 1 above has a maturity date of December 2034. The Borrower has been in recent discussion with the Company regarding the potential early repayment of the financial asset, however no formal agreement has been put in place at the time of signing these Financial Statements. As a result, a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern exists. In the event of an early repayment, the Company would consider a range of actions, which would include seeking to redeploy the proceeds, where available in accordance with the Company's investment objective and applicable eligibility criteria to ensure that the Company continues to be a going concern.

#### **(b) New and amended standards and interpretations**

##### **New standards, amendments and interpretations not yet adopted**

IFRS 18 Presentation and Disclosure in Financial Statements, issued in April 2024 and effective for annual periods beginning on or after 1 January 2027, replaces IAS 1 Presentation of Financial Statements. The Company is currently assessing the impact of IFRS 18 on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures, issued in May 2024 and effective for annual periods beginning on or after 1 January 2027. The Company will assess its eligibility to apply IFRS 19 at the date of initial application.

The Directors have considered the new standards, amendments and interpretations and do not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors do not expect these new standards, amendments and interpretations to have a material impact on the Financial Statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**3. Material accounting policies**

**(a) Basis of measurement**

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities at fair value. Income and expenses are recorded on an accrual basis. Realised gains and losses from security transactions are computed on a specific identification basis. Security transactions are recorded on a trade-date basis.

**(b) Functional and presentation currency**

These financial statements are presented in Euro ("EUR") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The Company's financial assets at fair value through profit or loss are denominated in EUR and the Company is funded via debt financing denominated in EUR. The performance of the Company is measured and reported to the shareholders in EUR. The Directors of the Company believe that EUR most faithfully represents the economic effects of the underlying transactions, events and conditions.

**(c) Foreign currency transactions**

Transactions in foreign currencies are translated to EUR at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to EUR at the exchange rate ruling at the reporting date. Foreign currency differences arising on translation are recognised as profit or loss in the Statement of Comprehensive Income.

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS as issued by the International Accounting Standards Board requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Management's estimates and associated assumptions are based on management's historical experience and various other factors including IFRS accounting prescriptions that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

*Judgements*

In the process of applying the Company's accounting policies, management has not made any judgements, which could have a significant effect on the amount recognised in the financial statements other than those referenced below. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods.

*Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed in note 3(f).

*Fair value of financial instruments*

Where the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The judgements include considerations of inputs such as discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**3. Material accounting policies (continued)**

**(e) Financial instruments**

The financial instruments held by the Company include the following:

- Financial assets at fair value through profit or loss;
- Financial assets at amortised cost;
- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss.

*Classification*

IFRS 9 establishes specific categories into which all financial assets and financial liabilities must be classified. The classification of financial instruments determines how these financial assets or liabilities are subsequently measured in the financial statements. There are three categories of financial assets: Financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. There are two categories of financial liabilities: Financial liabilities at fair value through profit or loss and financial liabilities at amortised cost.

The Company classifies financial assets as measured at amortised cost or at fair value through profit or loss. Financial assets measured at amortised cost include cash and cash equivalents, interest receivable and other receivables and prepayments. The Company measures financial assets at fair value through profit or loss upon initial recognition when the assets are managed, evaluated and reported internally on a fair value basis and the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial assets at fair value through profit or loss relate to the Mezzanine Loan and the repo.

*Recognition*

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

*Measurement*

Financial instruments classified at fair value through profit or loss are initially measured at cost at the time of acquisition, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income. Subsequent to initial recognition, all instruments classified as at fair value through profit or loss, are measured at fair value, on a monthly basis, with changes in their fair value recognised in the Statement of Comprehensive Income.

*Fair Value Measurement Principles*

Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the financial asset. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire, are extinguished, or if the Company transfers the financial assets to a third party and transfers all the risks and rewards of ownership of the financial asset, or if the Company does not retain control and transfers substantially all the risk and rewards of ownership of the financial asset. The Company accounts for its investments in accordance with IFRS 13, Fair Value Measurement, which defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. In accordance with IFRS 13, investments are reflected in the Statement of Financial Position at fair value, with changes in unrealised gains and losses resulting from changes in fair value reflected in the Statement of Comprehensive Income as net unrealised gain/(loss) on financial assets at fair value through profit and loss. Fair value is the amount that would be received from the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e. exit price). For investments for which there is no readily available independent pricing information or for which the Investment Manager believes the quoted prices obtained from such external pricing sources does not accurately reflect the fair value of these Notes, the Investment Manager may fair value such investments based on internal valuation models in accordance with the Investment Manager's valuation policy. When data is not available from external data sources or inputs are unobservable, the valuation of investments is based on cash flow models that consider inputs including default rates, prepayment rates, loss severity, expected yield-to-maturity, and other inputs specific to each investment. Investments are categorised in Level 3 of the fair value hierarchy when external pricing data is unobservable and/or based on internal valuation models.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**3. Material accounting policies (continued)**

**(e) Financial instruments (continued)**

*Financial assets and liabilities at amortised cost*

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Subsequent to initial recognition, an expected credit loss allowance is recognised for financial assets measured at amortised cost which results in an accounting loss being recognised in the Statement of Comprehensive Income when an asset is newly originated.

Financial assets measured at amortised cost include cash and cash equivalents, interest receivable and other receivables and prepayments. Financial liabilities measured at amortised cost include interest payable and other payables.

The carrying amount of financial assets measured at amortised cost approximates their fair value.

*Impairment*

The Company assesses the expected credit losses associated with its financial assets carried at amortised cost using both historical analysis and forward looking information. Where applicable, the Company recognises a loss allowance for such losses at each reporting date. The Directors have assessed the likelihood of incurring credit losses using probability of default, exposure at default and loss given default, based on all current financial information available and, where applicable, reports provided by the investment manager. As at 31 December 2025 cash and cash equivalents are held with a counterparties with a credit rating of at least A-1+. Applying the requirements of IFRS 9, the expected credit loss is immaterial for the Company and, as such, no expected credit loss has been recognised within the financial statements.

*De-recognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the right 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.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or have expired.

*Offsetting*

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

*Cash and cash equivalents*

The Company has defined cash and cash equivalents as cash, demand deposits and short-term, highly liquid investments with original maturities of three months or less and are subject to insignificant risk of changes in their fair value. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Material accounting policies (continued)**

**(f) Taxation**

Current tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax liability is the expected tax payable on the taxable income for the period, using the tax rates applicable to the Company's activities enacted or substantially enacted at the Statement of Financial Position date, and any adjustments to tax payable in respect of previous periods.

The Company is an Irish registered company and qualifies as a securitisation company under Section 110 of the Taxes Consolidation Act, 1997. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D.

The Company is a close company under Section 440 of the Taxes Consolidation Act, 1997 and is liable to a surcharge of 20% on undistributed investment and estate income. The surcharge is included in the current tax expense in the Statement of Comprehensive Income for the earliest accounting period which ends at a time which is 12 months or more after the end of the accounting period in which the surcharge arose.

**(g) Share capital**

Share capital is issued in EUR. Dividends are recognised as liabilities in the financial period in which they are approved.

**(h) Interest income and expense**

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable and recognised in the Statement of Comprehensive Income. The Loan and Note are zero coupon and have been issued at a discount with the discount being amortised and booked as interest on a straight line basis over the contractual life of the loan and the Note which will mature in 2034.

**(i) Cash and cash equivalents**

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

**(j) 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 asset at fair value through profit or loss

|                 | For the financial period<br>31 December 2025 |
|-----------------|--|
|                 | EUR  |
| Interest income | 4,419,446                                    |
|                 | <u>4,419,446</u>                             |

5. Interest expense on financial liabilities at fair value through profit or loss

|                  | For the financial period<br>31 December 2025 |
|------------------|--|
|                  | EUR  |
| Interest expense | 4,419,446                                    |
|                  | <u>4,419,446</u>                             |

6. Other expenses

|                                  | For the financial period<br>31 December 2025 |
|----------------------------------|--|
|                                  | EUR  |
| Corporate administration fees    | 18,751                                       |
| Administration fees              | 10,768                                       |
| Audit fees                       | 18,552                                       |
| Business operating services fees | 60,159                                       |
| Tax compliance fees              | 5,584  |
| Legal fees                       | 5,066  |
| Servicer fees                    | 4,907  |
| Custodian fees                   | 19,375                                       |
| Trustee fees                     | 5,333  |
| Foreign exchange (gain)/loss     | (915)  |
| Bank charges                     | 6,199  |
| Other expenses                   | 1,563  |
|                                  | <u>155,342</u>                               |

Fees and expenses (excluding VAT) paid to the Company's statutory auditor, in respect of the financial period are as follows:

|                               | For the financial<br>period 31 December<br>2025 |
|-------------------------------|---|
|                               | EUR   |
| Audit of financial statements | 18,550  |
| Other assurance services      | -   |
| Tax advisory services         | -   |
| Other non-audit services      | -   |
|                               | <u>18,550</u>                                   |

7. Employee numbers and costs

There were no employees during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Tax on ordinary activities

|  | For the financial<br>period<br>31 December 2025 |
|--|---|
|  | EUR   |
| <b>Analysis of tax charge for the financial period</b> |   |
| Current financial period                               | -   |
| <b>Total tax charge</b>                                | <b>-</b>  |
| <b>Reconciliation of effective tax rate</b>            |   |
| Profit on ordinary activities before taxation          | -   |
| Tax at statutory rate for Republic of Ireland of 12.5% | -   |
| Income subject to taxation at higher tax rate          | -   |
| <b>Total tax charges</b>                               | <b>-</b>  |

The Company is taxed at a rate of 25% in accordance with the provisions of Section 110 Taxes Consolidation Act 1997. The Company is liable to a close company surcharge of 20% on undistributed investment and estate income in accordance with the provisions of Section 440 Taxes Consolidation Act 1997. There are no other undisclosed factors expected to impact future tax charges.

9. Fair value measurements

*Valuation of financial instruments*

The Company adopted the provisions of IFRS 13, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. IFRS 13 established a fair value hierarchy that prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily available, actively quoted prices or for which fair value can be measured from actively quoted prices in an orderly market, will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Investments measured and reported at fair value are classified and disclosed into one of the following categories based on the inputs as follows:

**Level 1** — Quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company has the ability to access.

**Level 2** — Pricing inputs are other than quoted prices in active markets including, but not limited to, quoted prices for similar assets and liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs. The Investment Manager subjects these broker quotes to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 investment including, but not limited to, the number and quality of broker quotes and/or vendor pricing, the standard deviation of obtained broker quotes and/or vendor pricing and the percentage deviation from independent pricing sources and/or vendor pricing.

**Level 3** — Significant unobservable inputs are based on the best information available in the circumstances, to the extent observable inputs are not available, including the Company's own assumptions used in determining the fair value of investments. Fair value for these investments is determined using valuation methodologies that consider a range of factors including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment.

The inputs into the determination of fair value require significant judgement by management. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Investment Manager's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Fair value measurements (continued)

The valuation of the Company's financial instruments in accordance with IFRS 13 fair value hierarchy levels as of 31 December 2025 is as follows:

As at 31 December 2025

|  | Level 1 | Level 2 | Level 3     | Total       |
|--|---------|---------|-------------|-------------|
| Financial assets at fair value through profit or loss      | -       | -       | 179,501,323 | 179,501,323 |
| Financial liabilities at fair value through profit or loss | -       | -       | 179,445,805 | 179,445,805 |

The changes in financial instruments measured at fair value for which the Company has used Level 3 inputs to determine fair value for the financial period 31 December 2025 as follows:

| <i>Financial assets:</i>           | The Loan<br>EUR    | Total<br>EUR       |
|------------------------------------|--------------------|--------------------|
| Balance at 7 October 2024          | -                  | -                  |
| Purchases                          | 253,511,076        | 253,511,076        |
| Repayments                         | (74,009,753)       | (74,009,753)       |
| Ending balance at 31 December 2025 | <u>179,501,323</u> | <u>179,501,323</u> |

| <i>Financial liabilities:</i>                                 | Notes<br>EUR       |
|---|--------------------|
| Balance at 7 October 2024                                     | -                  |
| Proceeds  | 253,511,076        |
| Repayments  | (73,910,919)       |
| Net change in unrealised gain/(loss) on financial liabilities | (154,352)          |
| Ending balance at 31 December 2025                            | <u>179,445,805</u> |

The Company's policy is to recognise transfers in and transfers out as of the beginning of the financial period of the event or the change in circumstances that caused the transfer. Transfers between Level 2 and Level 3 generally relate to whether there were changes in the significant relevant observable and unobservable inputs that are available for the fair value measurements of such financial instruments. There were no transfers into or out of Level 3 for the financial period ended 31 December 2025.

Valuation Process for Fair Value Measurements

The Company follows valuation processes and procedures reasonably designed to result in the application of fair value measurements which it believes are appropriate and reliable and which are based on observable inputs, when possible. In addition, the Investment Manager endeavours to consistently apply this valuation methodology and make certain that assumptions and inputs are reasonable. The Investment Manager has also implemented processes reasonably designed for the fair, consistent and verifiable valuation of investments. Further, these processes are reasonably designed to provide for segregation of duties and oversight of the Investment Manager's fair value methodologies, techniques and validation procedures.

The following table summarises the valuation techniques and significant unobservable inputs used for the financial assets that are categorised within Level 3 of the fair value hierarchy as of 31 December 2025:

|                       | Level 3 Fair Value as of<br>31 December 2025 | Valuation<br>Technique  | Unobservable<br>Input | Range* | Weighted<br>Average* |
|-----------------------|--|---|-----------------------|--------|----------------------|
| Financial assets      | 179,501,323                                  | Priced by investment manager at fair value equivalent to cost.      | N/A                   | N/A    | N/A                  |
| Financial liabilities | 179,445,805                                  | Net available amount disburseable under Note issued by the Company. | N/A                   | N/A    | N/A                  |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**10. Cash and cash equivalents**

|              | <b>31 December 2025</b> |
|--------------|-------------------------|
|              | <b>EUR</b>              |
| Cash at bank | <u>8,437</u>            |

Cash and cash equivalents are held on account with Citi. Citi is rated Aa3 by Moody's.

**11. Other payables**

|                                  | <b>31 December 2025</b> |
|----------------------------------|-------------------------|
|                                  | <b>EUR</b>              |
| Administration fees              | 3,640                   |
| Audit fees                       | 17,697                  |
| Business operating services fees | 40,010                  |
| Tax compliance fees              | 5,584                   |
| Due to Management Company        | 214                     |
|                                  | <u>67,145</u>           |

**12. Financial liabilities designated at fair value through profit and loss**

The financial liabilities are limited recourse obligations of the Company which are payable solely out of proceeds received by or on behalf of the Issuer in respect of the financial assets held including all available cash applied in accordance with the priority of payments. The claims of Noteholders shall be limited to the value from time to time of the financial assets.

The Notes are measured at fair value and recognised as liabilities in the Statement of Financial Position. For the financial period ended 31 December 2025, the total outstanding Notes balance was EUR 179,445,805.

**13. Called up share capital presented as equity**

|                                   | <b>31 December 2025</b> |
|-----------------------------------|-------------------------|
|                                   | <b>EUR</b>              |
| <i>Authorised capital</i>         |                         |
| 100 ordinary shares of EUR 1 each | <u>100</u>              |
| <br>                              |                         |
| <i>Issued share capital</i>       |                         |
| 1 ordinary share of EUR 1 each    | <u>1</u>                |

The entire share capital of the Company is held on trust for charitable purposes by MaplesFS Trustees Ireland Limited. MaplesFS Trustees Ireland Limited is located at 32 Molesworth Street, Dublin 2, Ireland.

**14. Financial instruments and financial risk management**

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the Company's exposure to each of the significant risks and the Company's management of these risks.

**Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of a debt instrument issued as disclosed in note 11 and equity comprising issued capital and retained earnings as disclosed in note 12 and in the Statement of Changes in Equity respectively. The Company is not exposed to any externally imposed capital requirements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14. Financial instruments and financial risk management (continued)**

**a) Market risk**

Market risk is the risk that changes in market variables, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market risk is the potential adverse changes in the values of the financial instruments due to unfavourable changes in the level or volatility of interest rates, collateral values or market values of the underlying financial instruments. The Investment Manager manages the Company's exposure to market risk through the use of risk management strategies. The liquidity of the financial asset held by the Company may fluctuate over time and may at times be illiquid. The market for less liquid financial assets may be more volatile than the market for more liquid financial assets. Investments in relatively illiquid financial assets may restrict the ability of the Company to dispose of its holding at a price and times that the Company wishes to do so. If the Company were forced to dispose of an investment at an inopportune time, it might be forced to do so at a substantial discount to market value, resulting in a loss for the Company.

**a) (i) Currency risk**

Foreign exchange risk is the risk that fluctuations in foreign exchange rates will impact the Company's performance. These risks include, among other factors, the potential for unfavourable fluctuations in exchange rates of foreign currencies or devaluation of currencies, less public information with respect to issuers of securities and the level of governmental supervision and regulation of foreign denominated security exchanges, brokers and issuers of securities as well as the possibility of political and economic instability. Both interest income and interest expense are denominated in EUR, the functional currency. The Company incurs certain administrative and professional expenses in EUR. These transactions are not significant and the total exposure to exchange rate fluctuations is not significant, consequently no foreign currency sensitivity analysis has been disclosed.

**a) (ii) Price risk**

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The sensitivity of the total financial assets and financial liabilities at fair value through profit or loss held by the market price movements is highlighted below:

| <b>As at financial period ended 31 December 2025</b> | <b>Total<br/>EUR</b> | <b>Price Increase of 5%<br/>EUR</b> | <b>Price Decrease by 5%<br/>EUR</b> |
|--|----------------------|-------------------------------------|-------------------------------------|
| Total financial assets                               | 179,501,323          | 188,476,389                         | 170,526,257                         |
| Total financial liabilities                          | 179,445,805          | 188,418,095                         | 170,473,515                         |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial instruments and financial risk management (continued)

a. (iii) Interest rate risk

At the reporting date the interest rate profile of the Company's financial instruments was as follows.

| As at 31 December 2025                                     | Fixed rate | Floating rate | Non-interest bearing | Total       |
|--|------------|---------------|----------------------|-------------|
|  | EUR        | EUR           | EUR                  | EUR         |
| <i>Financial assets:</i>                                   |            |               |                      |             |
| Cash and cash equivalents                                  | -          | 8,437         | -                    | 8,437       |
| Financial assets at fair value through profit or loss      | -          | -             | 179,501,323          | 179,501,323 |
| Other assets   | -          | -             | 634,540              | 634,540     |
|  | -          | 8,437         | 180,135,863          | 180,144,300 |
| <i>Financial liabilities:</i>                              |            |               |                      |             |
| Financial liabilities at fair value through profit or loss | -          | -             | 179,445,805          | 179,445,805 |
| Other liabilities  | -          | -             | 698,494              | 698,494     |
|  | -          | -             | 180,144,299          | 180,144,299 |

A 100bps increase or decrease in interest rates will cause the interest on floating rate assets to increase or decrease by EUR84.

A 100bps increase or decrease in interest rates will cause the interest on floating rate liabilities to increase or decrease by EUR Nil.

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations; this arises principally from the Company's investment in the Mezzanine note and the Repo agreement. The Company has sought to mitigate credit risk by conducting their contractual transactions with institutions which are reputable and well established. The Directors engage the services of internal experts who assess the credit risk of the counterparties. In addition, the Directors have appointed Waterfall Asset Management as the Investment Manager. The Investment Manager regularly engages with and monitors the various counterparties, which allows them to assess credit risk as appropriate. The Investment Manager then advises the Board accordingly. The Investment Manager has informed the Board that they have not identified any significant deterioration in credit risk to date.

The Directors have assessed the credit risk associated with the Company's financial assets and are satisfied that these amounts are recoverable and the Company's exposure to credit risk is not significant. For the financial period ended 31 December 2025, the maximum exposure to credit risk was related to the financial assets of the Company totalling EUR 180,144,300.

*Financial assets at fair value through profit and loss*

The Company's primary credit risk is based on the collection of principal and interest payments under the investment in the Mezzanine Loan and the repo agreement. As of the financial period end 31 December 2025 the Company held financial assets at fair value through profit and loss of EUR 179,501,323.

*Cash and cash equivalents*

The Company held cash of EUR 8,437 which represents its maximum credit exposure on this financial asset type. The cash and cash equivalents are held at Northern Trust with a rating of Aa2 assigned by Moody's to Citi.

Applying the requirements of IFRS 9, the Expected Credit Loss ("ECL") is immaterial for the Company and, as such, no ECL has been recognised within the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial instruments and financial risk management (continued)

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or liquidate positions in a timely manner at a reasonable price. If the Company were forced to dispose of an illiquid financial asset at an inopportune time, it might be forced to do so at a substantial discount to the market value, resulting in realised losses. The Company attempts to monitor the liquidity of its financial assets by looking at factors such as the expected exit strategy, the bid-to-offer spread and the number of broker-dealers making an active market in a particular strategy. The Company's approach is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due. The Company manages its liquidity by utilising the proceeds of financial assets to meet its obligations. The Company expects to settle the contractual value of financial liabilities from the proceeds of financial assets. The Company expects to settle other payables by utilising existing cash balances.

The following are the contractual maturities of the Company's financial assets and liabilities:

| As at 31 December 2025  | Carrying amount<br>EUR | Gross contractual amount<br>EUR | Within 1 year<br>EUR | 2-5 years<br>EUR | More than 5 year<br>EUR |
|---|------------------------|---------------------------------|----------------------|------------------|-------------------------|
| <i>Financial assets:</i>  |                        |                                 |                      |                  |                         |
| Financial assets at fair value through profit and loss                        | 179,501,323            | 217,382,288                     | -                    | -                | 217,382,288             |
| Cash and cash equivalents   | 8,437                  | 8,437                           | 8,437                | -                | -                       |
| Interest receivable on financial assets at fair value through profit and loss | 631,349                | 631,349                         | 631,349              | -                | -                       |
| Other assets  | 3,191                  | 3,191                           | 3,190                | -                | 1                       |
|   | <b>180,144,300</b>     | <b>218,025,265</b>              | <b>642,976</b>       | <b>-</b>         | <b>217,382,289</b>      |
| <i>Financial liabilities</i>  |                        |                                 |                      |                  |                         |
| Financial liabilities at fair value through profit and loss                   | 179,445,805            | 217,481,122                     | -                    | -                | 217,481,122             |
| Interest payable on financial assets at fair value through profit and loss    | 631,349                | 631,349                         | 631,349              | -                | -                       |
| Other liabilities   | 67,145                 | 67,145                          | 67,145               | -                | -                       |
|   | <b>180,144,299</b>     | <b>218,179,616</b>              | <b>698,494</b>       | <b>-</b>         | <b>217,481,122</b>      |

The gross contractual cash flow of the financial liabilities and financial assets at fair value through profit and loss only includes the carrying amount. Interest was not included as it will be determined on future profitability and performance.

e) Concentration risk

The Company reviews the credit concentration of financial assets at fair value through profit or loss held based on Geographical location.

As at the reporting date, the Company's exposures were concentrated in the following geographical locations.

| Location | Exposure<br>31 December 2025<br>% |
|----------|-----------------------------------|
| Spain    | 100                               |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Related party disclosures**

As at 31 December 2025 the Company had engaged in the following related party transactions:

**a. Transactions with Maples Fiduciary Services (Ireland) Limited**

The Company engages Maples Fiduciary Services (Ireland) Limited for various management and administration functions to manage the operational 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, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Maples Fiduciary Services (Ireland) Limited is entitled to receive administrative fees for the services it provides per the terms and conditions of their agreement.

During the financial period the Company incurred a fee of EUR 18,751 relating to administration services provided by Maples Fiduciary Services (Ireland) Limited. The directors, as employees of the Corporate Administrator, may be deemed to have an interest in these fees in their capacity as directors.

Pursuant to Section 305A(1)(a) of the Companies Act 2014 (as amended) Maples Fiduciary Services (Ireland) Limited received EUR 3,000 as consideration for the making available of individuals to act as directors of the Company.

The terms of the corporate services agreement in place between the Company and Maples Fiduciary Services (Ireland) Limited provides for a single fee for the provision of corporate administration services (including the making available of individuals to act as directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. 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. For the avoidance of doubt, notwithstanding the directors of the Company are employees of Maples Fiduciary Services (Ireland) Limited, they each do not receive any remuneration for acting as directors of the Company.

All remaining categories in Section 305 of the Companies Act 2014 relevant to Directors' remuneration are EUR Nil for the financial period.

**b. Directors, Secretary and their interests**

The Directors and Secretary had no interest in the Company during the financial period. The Directors have not been remunerated for their services to the Company or other parties for the financial period under review and this has been considered in the aforementioned Corporate Services Agreement with Maples Fiduciary Services (Ireland) Limited.

**16. Commitments and contingent liabilities**

As at 31 December 2025 the Company had no commitments or contingent liabilities.

**17. Subsequent events**

At the date of approval of these financial statements, the Directors are not aware of any other matters or circumstances which have arisen that have significantly affected or may affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial period subsequent to 31 December 2025.

**18. Approval of the financial statements**

The Board of Directors approved the financial statements on 31 March 2026.