Registered number: 13971923

FAGUS HOLDCO PLC (formerly HAYA HOLDCO 2 PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

FAGUS HOLDCO PLC (formerly HAYA HOLDCO 2 PLC)

COMPANY INFORMATION

Directors	CSC Directors (No.1) Limited (appointed 11 March 2022) CSC Directors (No.2) Limited (appointed 11 March 2022) Aidan Whiteman de Brunner (appointed 6 September 2023) Cornelis Maas (resigned 6 September 2023) Gerald (Liam) Porter Strong (resigned 6 September 2023) Enrique Dancausa Trevino (resigned 6 September 2023)
Company secretary	CSC Corporate Service (UK) Limited
Registered number	13971923
Registered office	10th Floor 5 Churchill Place London E14 5HU United Kingdom
Independent auditors	Deloitte LLP P.O. Box 403 Gaspé House 66 – 72 Esplanade St Helier, Jersey JE4 8WA Channel Islands

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Directors present the Strategic Report of Fagus Holdco PLC (formerly Haya Holdco 2 PLC) (the “Company”) for the year ended 31 December 2023.

Incorporation, principal activities, business review and future developments

The Company was incorporated as a public limited company on 11 March 2022 as Haya Holdco 2 PLC in the United Kingdom and registered in England and Wales under the Companies Act 2006. On 21 September 2023, the Company changed its name to Fagus Holdco PLC.

The Company was established for purposes of financial recapitalisation of the group of companies to which the Company formerly belonged to (the “Group”).

On 11 April 2022, Promontoria Holding 62, B.V. (“PH62”) sold to the Company 9,683,010 shares, with a nominal value of €1 per share representing 100% of the share capital of the Company’s subsidiary Haya Real Estate, S.A.U. (the “Subsidiary”, “HRE”) for the amount of approximately €102,179 thousand. This amount was not paid upfront, but left outstanding, taking the form of a receivable under a shareholder loan between PH 62, B.V. as lender and the Company as borrower (the “PH62 SHL”). This receivable was cancelled by the acceptance by Fagus Holdco PLC of the debt held by Promontoria Holding 62, B.V. with the parent company for the same amount (€102,179 thousand).

On 14 June 2022, the Company issued an aggregate principal amount of €368,430 thousand of Notes (the “Notes”) pursuant to an indenture dated 14 June 2022 (the “Indenture”) between, among others, the Company, Plataforma Ltd (formerly Haya Holdco 1 Ltd) Ltd as parent guarantor (the “Parent”), HRE as guarantor, GLAS Trust Company LLC as trustee (the “Trustee”) and GLAS Trust Corporation Limited as security agent (the “Security Agent”) The Notes were listed on the Luxembourg Stock Exchange, trading on the Euro MTF market and had a maturity date of 30 November 2025. At the financial year end, the principal balance of the Notes outstanding amounted to €Nil (2022: €349,581 thousand).

Proceeds from the Notes were provided to the Subsidiary as an equity investment of €202,179 thousand and a loan to the Subsidiary (the “Shareholder Loan”) of €166,251 thousand. The balance outstanding on the equity investment and Shareholder Loan at the financial year end is €Nil (2022: €49,979 thousand) and €Nil (2022: €137,053 thousand) respectively. The Shareholder Loan and equity investment were cancelled upon disposal of the Subsidiary.

On 10 May 2023, the Company as sole shareholder of the Subsidiary signed a binding agreement to sell 100% of the share capital of HRE to Intrum Holding Spain, S.A.U. (the “Sale”). Simultaneously, the members of an ad hoc committee of holders of the Company's Notes due in 2025 and other holders of Notes, collectively representing over 85% of the Notes executed a binding lock-up agreement (the “Lock-Up Agreement”), pursuant to which the consenting Noteholders granted the necessary consents under the Notes (the “Restructuring”) to facilitate the Sale.

Upon closing of the Sale on 5 September 2023, HRE partially redeemed the Notes with the cash proceeds from the Sale, net of certain fees, transaction expenses and operating and wind-down expenses for the Company and its Parent. The Notes that were not redeemed were exchanged to become limited recourse debt instruments of the Company (the "Deferred Consideration Instruments" or "DCIs") that permit payment of certain earn-outs and released escrow amounts which the Company is entitled to under the Sale to Noteholders. The earn-outs relate to legacy HRE litigation cases (the "Claims") that if successful would result in receipt of funds ultimately for the benefit of the DCI holders. The exchanged DCIs were issued at a notional amount of €6,991,630 due 2029 and are listed on The International Stock Exchange (TISE).

On the same date as the closing of the Sale on 5 September 2023, the issued share capital in the Company was transferred to a newly incorporated entity and new parent (the "New Parent") Fagus Topco Limited.

Streamlined Energy and Carbon Reporting

The Company is out of the scope of the Streamlined Energy and Carbon Reporting (SECR), as it does not meet the numerical thresholds in relation to turnover and number of employees.

Financial key performance indicators

Given the nature of the Company's activities following the Restructuring and Sale, the Directors consider the recoverability of the Claims receivable to be the key performance indicator for the Company and the balance owing on the related Deferred Consideration Instruments issued. The balance of the Claims receivable was €1,469 thousand as at year end. The outstanding principal balance on the Deferred Consideration Instruments is €6,992 thousand and additional amounts owing to the Deferred Consideration Instrument Holders is €6,554 thousand.

During the year, the Company made a profit of €159,650 thousand (2022: loss of €159,650 thousand), which is mainly attributed to the gain recognised on the write off the outstanding balance of the Notes following the closing of the Sale on 5 September 2023.

Financial Instruments

The Company's operations were primarily financed through the issuance of the Notes. The Company issued the DCIs on 5 September 2023 for the purposes of the Restructuring and Sale of HRE as explained in the business review above and is also entitled to receive Escrowed Amounts as per the Escrow agreement. The risk profile of the Company is such that all risks of the Claims receivable are ultimately borne by the DCI Holders.

Principal risks and uncertainties

Whilst the Directors have overall responsibility for the establishment and oversight of the Company's risk management framework, this obligation has been allocated and managed in accordance with the Company's transaction documents which outline the governance processes. Further details of financial risk management are outlined in Note 17 of the financial statements.

Impacts of geopolitical tensions and macro-economic factors are also considered as uncertainties. For details please refer to section "Principal activities, business review and future developments". The Company is mainly exposed to credit risk, liquidity risk, market risk and business risk. The principal nature of such risks is summarised below.

Credit risk

The maximum exposure to credit risk is considered by the Directors to be the carrying value of the Escrowed Amounts (see Note 14), Claims receivable (see Note 15), and cash and cash equivalents (see Note 10). Credit risk at the balance sheet date arises from the Company's failure to receive funds from the Escrowed Amounts or Claims receivable. As at the date of signing these financial statements, these amounts have been received.

Liquidity risk

Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on the due date.

The Company's assets are financed primarily by the issuance of the DCIs. Payments on the DCIs are limited in recourse to the receipt of funds from the Escrowed Amounts, Claims receivable and available cash and cash equivalents.

Principal risks and uncertainties (continued)

Currency risk

The Company's financial assets and financial liabilities are mainly denominated in Euros (€) and therefore the Company has minimal exposure to foreign currency risk.

Capital risk management

The Company is not subject to any external capital requirements except for the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement during the year and up to the date of signing of these financial statements.

Directors' statement of compliance with Section 172(1) of the Companies Act 2006

The governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The Directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 as follows:

(a) the Company's transaction documents have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company as disclosed in Note 1;

(b) the Company has no employees;

(c) the Company fosters its relationships with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the Company's transaction documents and fee arrangements agreed in advance. The Company has no customers.

(d) the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;

(e) the Company maintains a reputation for high standards of business conduct via professional third parties who have been assigned operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and

(f) the Company's sole shareholder is Fagus Topco Limited.

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

……………………………..
Aidan Whiteman de Brunner
Director

Date: 5 July 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report together with the audited financial statements for the year ended 31 December 2023.

Corporate governance

The Directors have been charged with governance in accordance with the underlying Company's transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key activities have been predetermined and the operational roles have been assigned to third parties and are strictly governed by the corresponding transaction documents concerning those roles.

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used in the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure, to achieve business objectives whilst enabling them to comply with all statutory obligations.

Due to the nature of the securities which have been issued on The International Stock Exchange (TISE), the Directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is exempt from the disclosure requirements of the provisions of the UK Corporate Governance Code.

Share capital

The issued share capital consists of 50,000 (2022: 50,000) fully paid Ordinary Shares of £1 (2022: £1) each (equivalent to €1.17 each).

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Results and dividends

The profit for the year, after taxation, amounted to €159,650 thousand (2022: loss of €159,650 thousand).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2023 (2022: None).

Directors' and company shareholdings

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

CSC Directors (No.1) Limited (appointed 11 March 2022)
CSC Directors (No.2) Limited (appointed 11 March 2022)
Aidan Whiteman de Brunner (appointed 6 September 2023)
Cornelis Maas (resigned 6 September 2023)
Gerald (Liam) Porter Strong (resigned 6 September 2023)
Enrique Dancausa Trevino (resigned 6 September 2023)

CSC Corporate Services (UK) Limited was appointed company secretary on 11 March 2022 and continued to act as secretary for the financial year ending 31 December 2023. The Directors and their immediate relatives did not hold a beneficial interest in the ordinary share capital of the Company.

Directors' interest in contracts

The Company has no employees. CSC Capital Markets UK Limited provides corporate services to the Company at arm's length commercial rates. CSC Capital Markets UK Limited received fees in the amount of €177 thousand (2022: €76 thousand for corporate administrative services which includes the provision of directorship services by its employees.

The Company has no customers. Refer to page 4 - the Strategic Report - Directors' statement of compliance with Section 172(1) of the Companies Act 2006.

Going concern

The Directors have prepared these financial statements on the going concern basis which assumes that the Company will continue in operational existence for a period of not less than 12 months following the date of approval of these financial statements and will have adequate funds available to meet its obligations as they fall due.

The ability of the Company to meet its obligations to the DCI holders and to meet its operating and administrative expenses is dependent principally on the recoverability of the Claims receivable and available cash and cash equivalents.

The Directors have performed an assessment of going concern and the focus was on the Company's position in respect of the potential for reduced cash flows and the operational resilience of the Company and are satisfied that the Company will have sufficient liquidity to cover its expenses for at least 12 months from the date of signing these financial statements.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management

Information on financial risk management is included in the financial instruments section of the Strategic Report.

Charitable and political donations

During the year the Company made no donations to charities and has never made political donations (2022: None).

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the period under review and remain in force as at the date of approval of the financial statements.

Future developments

Information on future developments is included in the principal activities, business review and future developments section of the Strategic Report.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to ensure that the Company's auditors are aware of that information.

Subsequent events

On 28 March 2024 the Court of First Instance No. 82 of Madrid handed down its ruling relating to one of the Claims involving Unicaja bank in Spain. Contrary to the argument advanced by the Company as to the intent of the parties, the judge found that there was no error in the drafting of the disputed clause surrounding the termination fee and that the contract should be interpreted according to the literal meaning of its words. The judge did, however, establish that the termination fee should be calculated at €15,679 thousand and that, consequently, Unicaja must pay the Company a further €1,241 thousand in this regard plus legal interest bringing the total to €1,469 thousand.

Following the signing of the Sale Agreement dated 10 May 2023, an Escrow Agreement was signed on 01 September 2023 between Fagus Holdco PLC (the "Seller"), Intrum Holding Sapin, S.A.U., (the "Buyer"), Intrum AB, Glas Trust Company PLC (the "Notes Trustee") and Glas Specialist Services Limited (the "Escrow Agent"), where the Buyer and Intrum AB agreed to transfer to the Escrow Account Escrowed Amounts of €11,045 thousand. This amount became available to the Company in June 2024 and is expected to be distributed to the DCI holders in line with the transaction documents on the next interest payment date falling on 30 August 2024.

There have been no other significant events affecting the Company since the year end and up to the date of signing the financial statements.

Independent auditor

The auditor, Deloitte LLP, were reappointed as the auditors of the Company during the year under review and are to remain in office until the conclusion of the Company's Annual General Meeting to approve its financial statements. Having expressed their willingness to continue in office and pursuant to section 489 of the Companies Act 2006, a resolution concerning their re-appointment will be considered at the forthcoming Annual General Meeting.

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

………………………………..
Aidan Whiteman de Brunner
Director

Date: 5 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAGUS HOLDCO PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Fagus Holdco Plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of cashflows; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard 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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Recoverability of receivables Within this report, key audit matters are identified as follows: (!) Newly identified

Materiality	The materiality that we used in the current year was €276,000 which was determined on the basis of total assets of the company.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	In prior year, the company was a parent holding an investment in subsidiary and our key audit matter related to the valuation of the investment in subsidiary at cost less impairment. The company disposed of its investment in subsidiary during the period and our key audit matter identified in the current year related to the valuation of further amounts receivable by the company in accordance with the terms of this transaction. In addition, going concern was also a key audit matter due to the material uncertainty that was associated with the sale of the subsidiary. This has since taken place, and there is no such material uncertainty in the current year. We have concluded therefore that going concern is no longer a key audit matter.

4. Conclusions relating to going concern.

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

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

- We obtained an understanding of relevant controls around management's going concern assessment;
- We obtained and read management's going concern assessment, in order to understand, challenge and evidence the key judgements made by management, by comparing the judgements to the obligations stipulated in the prospectus; and
- We assessed the appropriateness of the disclosures made in the financial statements.

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 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

5.1. Recoverability of receivables

Key audit matter description	On 10 May 2023, the Company signed a binding agreement to sell 100% of the share capital of Haya real estate to Intrum Holding. Simultaneously, the members of an ad hoc committee of holders of the Company's Notes due in 2025 and other holders of Notes, collectively representing over 85% of the Notes executed a binding lock-up agreement, pursuant to which the consenting Noteholders granted the necessary consents under the Notes to facilitate the Sale. Upon closing of the Sale on 5 September 2023, the company partially redeemed the Notes with the cash proceeds from the Sale, net of certain fees, transaction expenses and operating and wind-down expenses. The Notes that were not redeemed were exchanged to become limited recourse debt instruments of the Company that permit payment of certain earn-outs and released escrow amounts the Company is entitled to under the Sale to Noteholders. In accordance with the terms of the disposal of its investment in subsidiary, which was effected on 5 September 2023, the company is entitled to receive amounts related to certain earn-outs and releases from escrow. Management is required to make judgements as to the amounts recoverable in both these cases, and therefore we have concluded that this represents a key audit matter. The receivables recognised as at 31 December 2023 in relation to these entitlements are as follows: Unicaja Claim The Unicaja Claim relates to a dispute between the company's former subsidiary and its customer, Unicaja Banco, that arose on contract termination. The dispute primarily centred on the calculation of the termination fee payable. On 28 March 2024 the Court of First Instance No. 82 of Madrid handed down its ruling on this dispute. This ruling established that Unicaja must pay the company €1,241k. The expected settlement is €1,469k which includes interest Consequently, €1,469k has been recognised in the financial statements. Dispute Reserve Account An escrow agreement was signed on 1 September 2023 between the company and Intrum Holding, where it was agreed to transfer to an escrow account €11 million of the sale proceeds. The amount was to be made available to the company in June 2024 subject to completion to completion of the escrow conditions. Further details are included within the accounting policies in note 14: Dispute reserve account and note 15: claim receivable.
How the scope of our audit responded to the key audit matter	• We gained an understanding of the nature of the receivables from review of the related transaction documents and assessed the entitlement of the company to these amounts under the terms of the agreements; • We obtained an external confirmation in respect of the cash held in respect of the dispute reserve account; • We verified subsequent cash receipts post year end; and • We evaluated whether the receivables are properly classified and disclosed in the financial statements.

Key observations	Based on the work performed we concluded that the amounts recorded for these receivables were appropriate.

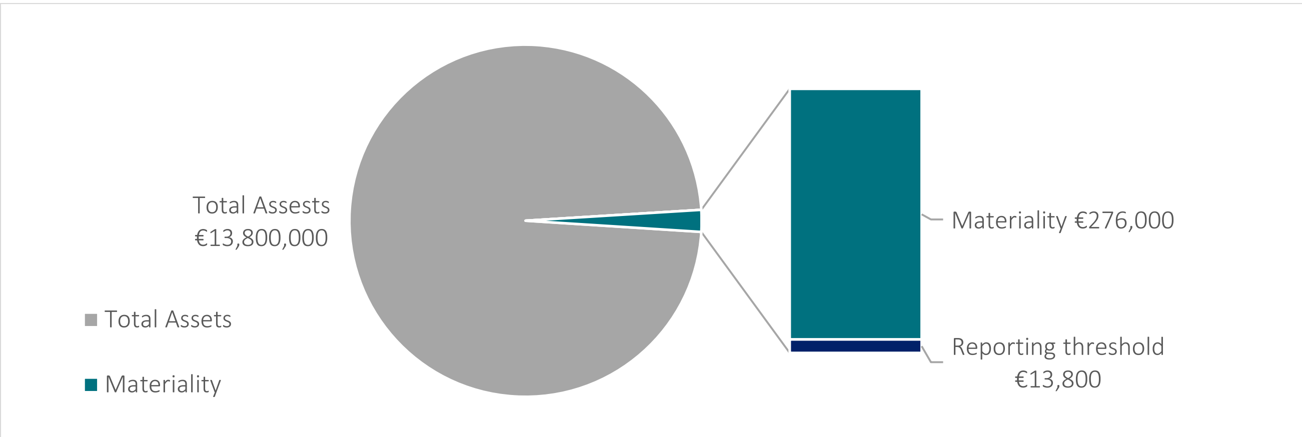
6. Our application of materiality

6.1. 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:

Materiality	€276,000 (2022: €3,872,000)
Basis for determining materiality	2% of total assets.
Rationale for the benchmark applied	We determined materiality based on total assets as the return on the company's total assets is the key driver of shareholder value, in particular given that the company's net asset value is relatively small, and the note holders' focus is on realising the claims.



6.2. Performance materiality

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 70% of materiality for the 2023 audit (2022: 70%). In determining performance materiality, we considered the following factors:

- the quality of the control environment;
- our assessment of engagement risk and risks of material misstatement; and
- sales of subsidiary.

6.3. Error reporting threshold

We agreed with the board of directors that we would report to the directors all audit differences in excess of €13,800, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement.

7.2. Our consideration of the control environment

We obtained an understanding of the relevant controls in relation to key business processes that address the risks of material misstatement in financial reporting. Our audit scope included assessment of the accounting processes and controls in place at the third-party accounting service provider, which maintains accounting books and records of the company.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

9. Responsibilities of directors

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 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.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.

11.1. 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 including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.
- results of our enquiries of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector.
- 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.
  - 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. In common with all audits under ISAs (UK), 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 UK Companies Act, the International Stock Exchange Listing Rules and tax legislation.

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.

11.2. Audit response to risks identified.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. Our procedures to respond to risks identified included the following:

- enquiring of management and the 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; 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 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

12. Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Jonathan Wiseman (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Helier, Jersey
Date: 08 July 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	For the year 31-Dec-23 €'000	For the period 11-Mar-22 to 31-Dec-22 €'000
Interest receivable and similar income		10,390	8,343
Interest payable and similar expenses		(27,366)	(19,007)
Net interest expense		(16,976)	(10,664)
Other income		33	-
Loss on Claims receivable	15	(12,294)	-
Gain on cancellation of Notes	12	210,408	-
Impairment of equity investment in HRE	8	-	(152,200)
Operating expenses	3	(21,112)	(495)
Fair value movement of the derivative contracts	9	(1,067)	3,709
Movement on Deferred Consideration Instruments		658	-
Profit/(Loss) on ordinary activities before taxation		159,650	(159,650)
Taxation	6	-	-
Profit/(Loss) for the financial year/period		159,650	(159,650)
Other comprehensive income for the year/period			
Other comprehensive income for the year/period		-	-
Total comprehensive income/(expense) for the year/period		159,650	(159,650)

All amounts relate to continuing operations.

The notes on pages 21 to 38 are an integral part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2023
Registered number: 13971923

	Note	31-Dec-23 €'000	31-Dec-22 €'000
Non-current assets			
Equity investment in HRE	**8**	**-**	**49,979**
Shareholder Loan with HRE	**7**	**-**	**108,706**
Derivative financial instruments	**9**	**-**	**6,464**
		-	**165,149**
Current assets			
Shareholder Loan with HRE	**7**	**-**	**28,347**
Dispute Reserve Account	**14**	**11,045**	**-**
Other debtors		**47**	**-**
Claims receivable	**15**	**1,469**	**-**
Cash and cash equivalents	**10**	**1,241**	**127**
Total assets		**13,802**	**28,474**
Creditors: amounts falling due within one year	**11**	**(13,743)**	**(7,585)**
Total assets less current liabilities		**59**	**186,038**
Creditors: amounts falling due after more than one year	**12**	**-**	**(345,629)**
Net assets/(liabilities)		**59**	**(159,591)**
Capital and reserves			
Called up share capital	**13**	**59**	**59**
Profit and loss account		**-**	**(159,650)**
Total shareholder's funds		**59**	**(159,591)**

The notes on pages 21 to 38 are an integral part of these financial statements.

The financial statements on pages 17 to 38 were authorised for issue by the Board of Directors on 27 June 2024 and were signed on its behalf:

……………………………….
Aidan Whiteman de Brunner
Director

Date: 5 July 2024

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital €'000	Profit and loss account €'000	Total shareholder's funds €'000
At 11 March 2022	-	-	-
Shares issued during the period	59	-	59
Loss for the period and total comprehensive expense	-	(159,650)	(159,650)
At 31 December 2022	59	(159,650)	(159,591)
Profit for the year and total comprehensive income	-	159,650	159,650
At 31 December 2023	59	-	59

The notes on pages 21 to 38 are an integral part of these financial statements.

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	For the year 31-Dec-23	For the period 11-Mar-22 31-Dec-22
		€'000	€'000
Cash flows from operating activities			
Profit/(loss) for the financial year/period		159,650	(159,650)
Adjustments for:			
Interest receivable and similar income		(10,390)	(8,343)
Interest payable and similar expenses		27,366	19,007
Increase in debtors		(47)	-
(Decrease)/Increase in creditors		(168)	365
Change in fair value of interest rate cap	9	1,067	(3,709)
Movement on Deferred Consideration Instruments		(658)	-
Impairment of Investment in HRE	8	-	152,200
Loss on Claims receivable		12,294	
Gain on cancellation of Notes		(210,408)	-
Net cash used in operating activities		(21,294)	(130)
Cash flows from investing activities			
Shareholder Loan with HRE		-	(166,251)
Equity instruments		2,126	(202,179)
Repayments of SHL		128,545	30,506
Interest received on SHL		11,698	7,035
Receipts/Payments from interest rate cap	9	5,397	(2,755)
Funding dispute reserve account	14	(11,045)	-
Net cash generated from investing activities		136,721	(333,644)
Cash flows from financing activities			
Issue of SSNs		-	368,430
Repayments of SSNs		(83,679)	(18,849)
Interest paid on SSNs		(30,634)	(15,739)
Issued share capital		-	59
Net cash (used in) generated from financing activities		(114,313)	333,901
Opening balance cash and cash equivalents		127	-
Net increase in cash and cash equivalents		1,114	127
Cash and cash equivalents at the end of the year		1,241	127

The notes on pages 21 to 38 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Fagus Holdco PLC (formerly Haya Holdco 2 PLC) was incorporated on 11 March 2022 in the United Kingdom and registered in England and Wales under the Companies Act 2006 as a public limited company. The address of its registered office is 10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU.

Statement of compliance

The financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards ("UK-adopted IFRS") as applied in accordance with the provisions of the Companies Act 2006. These polices have been applied consistently, other than where new policies have been adopted.

In the prior period, the financial statements were prepared under FRS 101 as the Company was consolidated into the Group.

2. Accounting policies

2.1 Adjusting of Statement of Comprehensive Income

The Directors have adjusted the format of the statement of comprehensive income as allowed under the Companies Act 2006. This adjustment takes into account the opinion of the Directors that net interest expense constitutes a more appropriate reflection of the Company's activities than turnover and cost of sale in the statement of comprehensive income.

2.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by financial instruments recognised at fair value.

2.3 Adoption of new and revised standards

New and revised Standards and Interpretations in issue

There are a number of standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2023 that were not applicable to the Company and therefore have not been applied in preparing these financial statements. The following amended standards and interpretations have not had a significant impact:

- Narrow scope amendments to IAS 1, Practice statement 2 & IAS 18
- Amendment to IAS 12 – deferred tax – related to assets & liabilities arising from single transaction
- IFRS 17 – Insurance contracts as amended in December 2021
- Amendments to IAS 8 – Definition of accounting estimates

New and revised Standards and Interpretations in issue but not yet effective

The IASB has published a number of minor amendments to IFRS Accounting Standards that are effective from 1 January 2024. The Company expects they will have an insignificant effect, when adopted, on the financial statements.

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

- Amendments to IAS 1- Classification of Liabilities as Current or Non-current (effective from 1 January 2024)
- Amendment to IFRS 18 – Leases on sale and leaseback (effective from 1 January 2024)
- Amendments to IAS 21 'Lack of Exchangeability' (effective from 1 January 2025)

The Directors do not expect that the Standards listed above will have a material impact on the financial statements of the Company in future periods.

2. Accounting policies (continued)

2.4 Going concern

The Directors have prepared these financial statements on the going concern basis which assumes that the Company will continue in operational existence for a period of not less than 12 months following the date of approval of these financial statements and will have adequate funds available to meet its obligations as they fall due.

The ability of the Company to meet its obligations to the DCI holders and to meet its operating and administrative expenses is dependent principally on the recoverability of the Claims receivable and available cash and cash equivalents.

The Directors have performed an assessment of going concern and the focus was on the Company's position in respect of the potential for reduced cash flows and the operational resilience of the Company and are satisfied that the Company will have sufficient liquidity to cover its expenses for at least 12 months from the date of signing these financial statements.

2.5 Foreign currency translation

Functional and presentation currency

These financial statements are presented in EUR (€) which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. All figures in the financial statements are rounded to the nearest €thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within ' Interest payable and similar expenses. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Interest income and expense recognition

Interest income and interest expense are recognised within ‘Interest receivable and similar income’ and ‘Interest payable and similar expenses’ in the Statement of Comprehensive Income. Accrued interest income and accrued interest expense are recognised in 'Debtors: amounts falling due within one year' and 'Creditors: amounts falling due within one year' on the balance sheet.

The Company accounts for interest income and interest expense on an effective interest rate basis. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses.

2.7 Operating Segments

The Company has not disclosed segmental information because in the opinion of the Directors the Company operates in one business sector and one geographic segment and generates all income in the United Kingdom.

2.8 Financial instruments

The Company's financial instruments comprise of Claims receivable, Deferred Consideration Instruments, the Shareholder Loan, Equity investment, Cash, Notes and various receivables and payables that arise from its operations.

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it 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 sum of: (i) the consideration received (including any new asset obtained less any new liability assumed); and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in Statement of comprehensive income. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Derecognition of Financial Instruments (continued)

Financial liabilities are derecognised when the Company obligation is discharged, cancelled or expires. A financial liability (or part of it) is extinguished when the Company either:

- discharges the liability (or part of it) by paying the creditor; or
- is legally released from primary responsibility for the liability either by process of law or the creditor.

Financial assets

Financial assets are measured on initial recognition at fair value. Under IFRS 9, the classification and subsequent measurement of financial assets is principally determined by the entity's business model and their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest'). The standard sets out three types of business model:

- Hold to collect: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are accounted for at amortised cost.
- Hold to collect and sell: this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity as circumstances change. These assets are accounted for at fair value through other comprehensive income (FVOCI).
- Hold to sell: the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation. These assets are held at fair value through profit or loss (FVTPL). An entity may also designate assets at FVTPL upon initial recognition where it reduces an accounting mismatch. An entity may elect to measure certain holdings of equity investment at FVOCI, which would otherwise have been measured at FVTPL.

The Company has assessed its business models in order to determine the appropriate IFRS 9 classification for its financial assets. The Claims receivable and Dispute Reserve Account are held to collect contractual cash flows and therefore meet the criteria to remain at amortised cost. In order to be accounted for at amortised cost, it is necessary for individual instruments to have contractual cash flows that are solely payments of principal and interest. These financial assets meet these criteria and are therefore subsequently measured at amortised cost.

Financial assets and liabilities measured at amortised cost are accounted for under the effective interest rate ('EIR') method. This method of calculating the amortised cost of a financial asset or liability involves allocating interest income or expense over the relevant period. The EIR rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Shareholder Loan

The Shareholder Loan is being measured under IFRS 9 as loans and receivables, being non-derivative financial instruments with fixed or determinable repayments that are not quoted in an active market. The Shareholder Loan is measured initially at their fair value, and subsequently at amortised cost using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cashflows considering all contractual terms of the financial instrument but does not consider future credit losses.

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Impairment losses on the Shareholder Loan

The Company has reviewed the underlying business of the Subsidiary in order to assess for impairment of the Shareholder Loan. In arriving at the Expected Credit Losses ("ECL") associated in respect of the Shareholder Loan, a three- stage model is adopted by the Company:

- Stage 1: 12 month ECL calculated at initial recognition covering expected defaults over the next 12 months;
- Stage 2: Lifetime ECL calculated following a significant deterioration in credit quality relative to initial recognition; and
- Stage 3: Lifetime ECL (credit impaired) calculated once deemed to be credit impaired and interest revenue recognised on the revised underlying receivable balance, net of the lifetime loss allowance.

The ECL allowance on the Shareholder Loan is calculated using probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") and utilises a variety of measurement models and other relevant judgements exercised by the Company. These models incorporate their historical experience of credit losses and recoveries, the specific composition of the underlying receivables, risk evaluation at the time of origination and a forecast of future economic conditions.

The Company considers the PD on initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information and some of the indicators that are incorporated in the assessment include; internal credit rating and actual or expected significant changes in the operating results of the Subsidiary.

The Shareholder Loan would be considered impaired if the expected cash flows in respect of the underlying business of the Subsidiary were considered lower than the carrying value of the Shareholder Loan. As at 31 December 2023, the Shareholder Loan is fully repaid.

Equity investment and Impairment of the Equity Investment

Equity investment relates to relates to a contribution in kind made by the Company to the Subsidiary. The Equity investment is measured at cost less impairment losses in accordance with IAS 27.

The Equity investment in the Subsidiary was assessed to determine if there is any indication that the investment might be impaired. At year end, the carrying amount of this investment was €Nil (2022: €202,179 thousand). The recoverable amount was determined based on a value-in-use calculation which requires the use of assumptions. The recoverable amount was calculated as €Nil (2022: €49,979 thousand), indicating that an impairment of provision of €Nil (2022: €152,200 thousand) was to be made against the investment.

The calculation of value-in-use incorporates cash flow projections based on management's view on the potential evolution of the business in the coming years. The key assumptions used in the valuation are outlined below;

- Cash projections; these are based on Assets under management (AuMs) and cash volumes activity on a contract by contract basis based on current rotation levels and non-performing asset market expectations.
- Discount rate; this relates to the 2022 results and is based on the weighted average cost of capital of 8.48% and the basis is in line with industry averages.

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Claims receivable

Claims receivable relate to the rights to certain earn-outs and any recoveries assigned to the Company following the Sale and Restructuring as detailed in Note 15. The Unicaja claim is held at the expected recovery following the judge's ruling on 28 March 2024.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value. The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

Financial liabilities which are not held for trading or are not financial liabilities designated upon initial recognition as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Notes

The Notes are classified as Creditors: amounts falling due after more than one year and are initially recognised at fair value at the date of issuance of the liability and are subsequently measured at amortised cost using the effective interest rate.

Deferred Consideration Instruments

The DCIs relate to debt instruments of the Company that permit payment of certain earn-outs and released escrow amounts the Company is entitled to under the Sale to DCI holders. The DCIs are measured at amortised cost which are represented by the additional amounts owing to the DCI holders and this is based on the expected assets on the balance sheet at the reporting date. The measurement basis is determined to mirror the accounting treatment of the assets held by the Company.

Derivatives

The derivative instruments utilised by the Company are interest rate cap. Such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Company in line with the Company's risk management policy. Derivative financial instruments are classified as fair value through profit and loss account and recorded at fair value, with any gain or loss on re-measurement being recognised in the Statement of Comprehensive Income. The Company does not enter into speculative derivative contracts. The Company does not apply hedge accounting. The fair value of the derivative is calculated by discounting future cash flows using observable market data at that date. The fair value of the derivative financial instruments is derived from counterparty valuations.

2. Accounting policies (continued)

2.9 Current and deferred tax

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Cash and cash equivalents

Cash is represented by deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

All withdrawals from the Company’s bank accounts are governed by the detailed priority of payments set out in the underlying transaction documentation and as such are considered restricted.

2. Accounting policies (continued)

2.13 Critical accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial period in which the estimates are revised if the revision affects only that financial period or in the financial period of the revision and future periods if the revision affects both current and future financial periods. The following judgment and estimates are considered significant for the Financial Statements.

Critical accounting estimates

Impairment of the Equity investment
The Equity investment in the Subsidiary was assessed to determine if there is any indication that the investment might be impaired. At year end, the carrying amount of this investment was €Nil (2022: €202,179 thousand). The recoverable amount was determined based on a value-in-use calculation which requires the use of assumptions. The recoverable amount was calculated as €Nil (2022: €49,979 thousand), indicating that an impairment of provision of €Nil (2022: €152,200 thousand) was to be made against the investment.

The calculation of value-in-use incorporates cash flow projections based on management's view on the potential evolution of the business in the coming years. The key assumptions used in the valuation are outlined below;

- Cash projections; these are based on Assets under management (AuMs) and cash volumes activity on a contract by contract basis based on current rotation levels and non-performing asset market expectations.
- Discount rate: this is based on the weighted average cost of capital and the basis is in line with industry averages.

Management has performed sensitivity analysis of the key inputs and assumptions used in the calculation of impairment. The results of the sensitivities do not have any material impact therefore these are not disclosed in the financial statements.

Critical accounting judgments

The following are the critical judgements, apart from those involving estimations (which are dealt with separately above), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements;

Contingent asset
Management have applied judgement in relation to the recognition of a contingent asset at the balance sheet date. Based on all observable inputs and legal information, Management judge that it is best recognised as a contingent asset instead of on the balance sheet. This is based on legal advice regarding the probability of a favourable result. Please see Note 20 for more details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.13 Critical accounting judgements and estimates

Climate change
In preparing the financial statements, the Company has considered the impact of climate-related risks on its financial position and performance, including the impact on expected credit losses. While the effects of climate change represent a source of uncertainty, the Company does not consider there to be a material impact on its judgements and estimates from the physical or transition risks in the short to medium term.

Estimates and judgements are regularly reviewed based on past experience, expectations of future events and other factors.

The Directors are satisfied that any sources of estimation uncertainty have been disclosed appropriately and that any change in the key inputs of these estimates would not have any material impact on the financial statements.

3. Operating expenses

	For the year 31-Dec-23	For the period 11-Mar-22 to 31-Dec-22
	€'000	€'000
Board of Directors fees	(116)	(97)
CSC fees	(177)	(76)
Audit fees - including VAT	(77)	(163)
Professional fees	(20,741)	(157)
Bank charges	(1)	(2)
	(21,112)	(495)

The increase in professional fees is predominantly due to costs associated with the Restructuring and Sale.

4. Auditors' remuneration

	For the year 31-Dec-23	For the period 11-Mar-22 to 31-Dec-22
	€'000	€'000
Fees payable to the Company's auditors and their Associates for the audit of the Company's annual financial statements	(64)	(136)
VAT	(13)	(27)
	(77)	(163)

Included in the Auditors' remuneration is €Nil (2022: €119 thousand) relating to fees for Plataforma Ltd.

During the year, fees incurred for non-audit services amounted to €Nil (2022: €28 thousand).

5. Employees

The Company has no employees. CSC Capital Markets UK Limited provides corporate services to the Company at arm's length commercial rates. CSC Capital Markets UK Limited received fees in the amount of €177 thousand (2022: €76 thousand for corporate administrative services which includes the provision of directorship services by its employees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Tax on loss

	For the year 31-Dec-23 €'000	For the period 11-Mar-22 to 31-Dec-22 €'000
Current tax	-	-
Deferred tax	-	-
Total tax income included in other comprehensive income	-	-

The tax assessed for the year is the same (2022: same) as the standard rate of corporation tax in the UK for the period ended 31 December 2023 of 25% (2022: 19%). The differences are explained below:

	For the year 31-Dec-23 €'000	For the period 11-Mar-22 to 31-Dec-22 €'000
Profit/(Loss) on ordinary activities before tax	**159,650**	**(159,650)**
Effects of:		
Non-trade loan relationship	**17,352**	**6,955**
Management expenses per accounts	**21,112**	**495**
Non-deductible (income)/expenditure	**(198,114)**	**152,200**
Adjusted profit	-	-
Profit/(Loss) multiplied by the standard rate of tax in the UK of 19%	-	-
Tax charge	-	-

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed this increase in corporation tax rate to 25% from April 2023.

During 2022 the UK Government confirmed its intention to implement the OECD Inclusive Framework Pillar 2 rules in the UK, including a Qualified Domestic Minimum Top-Up Tax rule. This legislation, which was enacted in 2023, will seek to ensure that UK headed multinational groups pay a minimum tax rate of 15 per cent on UK and overseas profits arising after 31 December 2023. Given the headline tax rate in the UK and the nature of the Company's business, there is not currently expected to be any impact of these rules on the Company

7. Shareholder Loan with HRE

	31-Dec-23 €'000	31-Dec-22 €'000
Shareholder Loan with HRE (Non-current)		
Principal	-	108,706
	-	108,706
Shareholder Loan with HRE (Current)		
Principal	-	27,039
Interest	-	1,308
	-	28,347

Part proceeds from the Notes were provided to the Subsidiary as loan for €166,251 thousand, with an interest rate of 9% plus 3-months EURIBOR plus a margin of 0.25% maturing on 30 November 2025. The balance outstanding on the Shareholder Loan at the financial year end is €Nil (2022: €137,053 thousand). Principal repayments on the Shareholder Loan in the financial year were €135,745 thousand (2022: €30,552 thousand). The Shareholder Loan was written to €Nil following the Sale of the Subsidiary.

8. Equity Investment in HRE

	31-Dec-23 €'000	31-Dec-22 €'000
Equity investment in HRE	-	202,179
Impairment of Investment in HRE	-	(152,200)
	-	49,979

On 14 June 2022, Fagus Holdco PLC, in the context of the debt refinancing and recapitalization, contributed a total amount of €202,179 thousand to the Subsidiary by way of a contribution in kind, offsetting intragroup payable in the same amount between HRE (as borrower) and Fagus Holdco PLC (as lender). The Company is the sole shareholder owing 100% equity in the Subsidiary. The Subsidiary is a Spanish incorporated entity, and all of its activities are performed in Spain.

On 5 September 2023, the Equity investment was reduced to Nil as part of the Sale of the Subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Derivative financial instrument

	31-Dec-23 €'000	31-Dec-22 €'000
Opening balance	6,464	-
Day 1 Interest rate cap	-	2,755
Interest rate cap settlement	(5,397)	-
Fair value movement	(1,067)	3,709
	-	6,464

On 19 July 2022, the Company entered into an interest cap agreement for a premium amount of €2,755 thousand at a rate of 2.5% and maturing on 30 July 2025.

On 31 August 2023, the interest cap agreement was cancelled bringing the fair value to Nil.

At year end, the Company has a total fair value of €Nil (2022: €6,464 thousand) to hedge the risk of variable interest rates on the Notes. The fair values of such interest rate cap contracts are calculated by discounting future cash flows using appropriate and observable market data.

Financial instruments that are measured in the balance sheet statement at fair value are required to be put into a fair value measurement hierarchy based on fair value measurement as detailed below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other that quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 Inputs for the asset or liability that are not based on observable market date (that is, unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The only financial instruments included in the Company's balance sheet statement that are measured at fair value are derivative contracts. As the fair value of such derivatives is calculated by discounting future cashflows using appropriate and observable market data, these fall within Level 2 of the hierarchy, being an interest rate cap.

10. Cash at bank

	31-Dec-23 €'000	31-Dec-22 €'000
Cash at bank	1,241	127
	1,241	127

The cash at bank is held with Deutsche Bank AG London Branch. Deutsche Bank AG has been rated A by Standard & Poor's.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Creditors: amounts falling due within one year

	31-Dec-23	31-Dec-22
	€'000	€'000
Senior Secured Notes		
Principal	-	(3,952)
Interest	-	(3,268)
Principal due to DCI holders	(6,992)	-
Additional amounts due to DCI holders	(6,554)	-
Accruals	(197)	(365)
	(13,743)	(7,585)

On 5 September 2023, the Company issued Global Notes representing €6,991,630 Deferred Consideration Instruments due 2029 that are listed on The International Stock Exchange (TISE). Any amounts received by the Company in relation to the Dispute Reserve account and Claims are ultimately payable to the DCI holders after discharge of any of the Company's operating expenses in accordance with the transaction documents that govern the Company. The additional amounts are in line with the expected assets on the balance sheet.

12. Creditors: amounts falling due after more than one year

	31-Dec-23	31-Dec-22
	€'000	€'000
Senior Secured Notes		
Principal	-	(345,629)
	-	(345,629)

The Company was funded through the issuance of Senior Secured Notes which were listed on the Luxembourg Stock Exchange, trading on the Euro MTF market and had a maturity date of 30 November 2025. Under the terms of the Company's transaction documents, the Notes were limited recourse debt obligations of the Company and were payable to the extent funds were received from the Company's Shareholder Loan and Equity Investment.

The details of the issued Senior Secured Notes are as indicated below:

		ISIN	Common Code	Interest
Euro-denominated Floating Rate Senior Secured Notes due 2025	Reg S: Rule 144A:	XS2485856178 XS2485856178	248585617 248585617	9% plus 3-months EURIBOR

On 5 September 2023, the Senior Secured Notes were cancelled and marked down to Nil. The payment of the Notes was limited in recourse to proceeds from the Equity and Shareholder Loan. Due to the shortfall in receipts from the Sale, the SSNs were cancelled and written down to Nil resulting in a gain on Notes for the Company of €210,408 thousand.

13. Called up share capital

	31-Dec-23 €'000	31-Dec-22 €'000
Allotted, called up and fully paid		
50,000 Ordinary Shares of £1 each (2022: £1) (equivalent to €1.17 each)	(59)	(59)

The Company has one class of ordinary shares which carry no right to fixed income.

14. Dispute Reserve Account

	31-Dec-23 €'000	31-Dec-22 €'000
Dispute Reserve Account	**11,045**	**-**
	11,045	**-**

Following the signing of the Sale Agreement of the HRE dated 10 May 2023, an Escrow Agreement was signed on 01 September 2023 between Fagus Holdco PLC (the "Seller"), Intrum Holding Sapin, S.A.U., (the "Buyer"), Intrum AB, Glas Trust Company PLC (the "Notes Trustee") and Glas Specialist Services Limited (the "Escrow Agent"), where the Buyer and Intrum AB agreed to transfer to the Escrow Account Escrowed Amounts of €11,045 thousand of the proceeds from the Sale. This amount became available to the Company in June 2024 and is expected to be distributed to the DCI holders in line with the transaction documents on the next interest payment date falling on 30 August 2024.

15. Claims receivable

	31-Dec-23 €'000	31-Dec-22 €'000
Unicaja Claim		
Unicaja Claim at Restructure date	13,763	-
Loss on Claims receivable	(12,294)	-
Unicja Claim at 31 December 2023	1,469	-

The Unicaja Claim related to the dispute between HRE and Unicaja Banco S.A. (Unicaja) that arose on contract termination and where, as disclosed as part of the Restructuring, the maximum potential value of such recoveries was previously estimated to be €16,600 thousand. The dispute primarily centred on the calculation of the termination fee payable. Post completion of the Restructuring the Company continued to defend the claim against Unicaja through the Spanish judicial process. At the Restructure date, the value of the Unicaja Claim was offset against the amounts owing to the Company from the Shareholder Loan.

On 28 March 2024 the Court of First Instance No. 82 of Madrid handed down its ruling. Contrary to the argument advanced by the Company as to the intent of the parties, the judge found that there was no error in the drafting of the disputed clause surrounding the termination fee and that the contract should be interpreted according to the literal meaning of its words. The judge did, however, establish that the termination fee should be calculated at €15,679 thousand and that, consequently, Unicaja must pay the Company a further €1,241 thousand in this regard plus legal interest bringing the total to €1,469 thousand.

16. Financial risk management

The principal risks arising from the Company's financial instruments are liquidity, credit and market risk. The Company has established policies for managing these risks as outlined below.

Credit risk

Credit risk is the risk of impairment and partial or total loss of a receivable due to the deterioration of credit quality on the part of the counterparty. The primary assets of the Company are the Claims receivable. Credit risk is monitored and managed on a regular basis through the review of monthly management.

The credit risk associated with the Claims receivable primarily relates to a negative ruling in the Company's favour. The remaining assets are considered low risk and have been realised post year end.

The maximum exposure to credit risk at the financial year end is as follows:

31-Dec-23	Carrying Value	Maximum Exposure
	€'000	€'000
Dispute Reserve Account	11,045	11,045
Claims receivable	1,469	1,469
Other debtors	47	47
Cash at bank	1,241	1,241
	13,802	13,802

31-Dec-22	Carrying Value	Maximum Exposure
	€'000	€'000
Shareholder Loan with HRE	137,053	137,053
Equity investment in HRE	49,979	49,979
Derivative financial instrument	6,464	6,464
Cash at bank	127	127
	193,623	193,623

Liquidity risk

Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on the due date. The objective of the Company's liquidity management is to ensure the sufficient funds are available to meet the Company's commitments.

The table below analyses the undiscounted cashflows of the financial liabilities at the balance sheet date into relevant maturity groupings. The calculations have been based on the interest rates effective at the balance sheet date.

31-Dec-23	Carrying Value	Under 1 year	From 1-2 years	From 3-5 years	Over 5 years	Gross Cashflows
	€'000	€'000	€'000	€'000	€'000	€'000
Deferred Consideration Instruments	(13,546)	(11,045)	-	-	(2,501)	(13,546)
Accruals	(197)	(197)	-	-	-	(197)
	(13,743)	(11,242)	-	-	(2,501)	(13,743)

17. Financial risk management (continued)

Liquidity risk (continued)

31-Dec-22	Carrying Value	Under 1 year	From 1-2 years	From 3-5 years	Over 5 years	Gross Cashflows
	€'000	€'000	€'000	€'000	€'000	€'000
Senior Secured Notes - Principal	(349,581)	(3,952)	(3,952)	(341,677)	-	(349,581)
Senior Secured Notes - Interest	(3,268)	(3,268)	-	-	-	(3,268)
Accruals	(365)	(365)	-	-	-	(365)
	(353,214)	(7,585)	(3,952)	(341,677)	-	(353,214)

Currency risk

The Company's financial assets and financial liabilities are mainly denominated in Euros (€) and therefore the Company has minimal exposure to foreign currency risk.

Financial instrument: Category

The following table summarises the Company's categories of financial assets and liabilities presented on the Balance Sheet:

31-Dec-23	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss account	Total
	€'000	€'000	€'000	€'000
Dispute Reserve Account	11,045	-	-	11,045
Claims receivable	1,469	-	-	1,469
Other debtors	47	-	-	47
Cash at bank	1,241	-	-	1,241
Deferred Consideration Instruments	(13,546)	-	-	(13,546)
Accruals	(197)	-	-	(197)
	59	-	-	59

31-Dec-22	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss account	Total
	€'000	€'000	€'000	€'000
Shareholder Loan with HRE	137,053	-	-	137,053
Equity investment in HRE	49,979	-	-	49,979
Derivative financial instrument	-	-	6,464	6,464
Cash at bank	127	-	-	127
Debts with bondholders	(352,849)	-	-	(352,849)
Accruals	(365)	-	-	(365)
	(166,055)	-	6,464	(159,591)

17. Financial risk management (continued)

Analysis of net debt

	As at 1-Jan-23	Issuance	Cashflows	Other changes	As at 31-Dec-23
	€'000	€'000	€'000	€'000	€'000
Cash at bank	127	-	1,114	-	1,241
Debts with bondholders	(349,581)	-	83,679	265,902	-
	(349,454)	-	84,793	265,902	1,241

	As at 11-Mar-22	Issuance	Cashflows	Other changes	As at 31-Dec-22
	€'000	€'000	€'000	€'000	€'000
Cash at bank	-	-	127	-	127
Debts with bondholders	-	(368,430)	18,849	-	(349,581)
	-	(368,430)	18,976	-	(349,454)

18. Related party transactions

CSC Capital Markets UK Limited entered into an agreement with the Company to certain corporate administrative services, bookkeeping and accounting services to the Company. During the financial year, the Company incurred fees of €177 thousand (2022: €76 thousand) from CSC Capital Markets UK Limited.

19. Controlling party

On 5 September 2023, Plataforma Ltd (the previous legal parent company) transferred the entire share capital of Fagus Holdco PLC to Fagus Topco Limited as such making it the new legal parent company. The address of its registered office is 10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU.

The entire issued share capital of Fagus Topco Limited is held on a discretionary trust basis under a share trust deed by the legal parent company, CSC Corporate Services (UK) Limited, a company incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is 10th Floor 5 Churchill Place, London, United Kingdom, E14 5HU. CSC Corporate Services (UK) Limited is a wholly owned subsidiary of CSC Capital Markets UK Limited. However, whilst Fagus Topco Limited is the legal owner of the Company, it does not have any power under the transaction documents. As such, it is not considered to be the Company's controlling party. It is the view of the directors that the Company does not have an ultimate controlling party.

20. Contingent liabilities, assets and commitments

a. Contingent liabilities or commitments

There were no contingent liabilities or commitments as of 31 December 2023 (2022: None). Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits charge from previous disclosed contingent liabilities, provisions are recognised in the period in which the changes in probability occur.

b. Contingent assets

Following the Restructuring and Sale, the Company also had Claims against Sareb relating to two contracts as detailed below.

1) The Ibero contract (a claim of €10,234 thousand) which relates to a 2014 servicing agreement between HRE and Sareb under which HRE acquired exclusive rights to manage a portfolio of non-performing loans (NPLs) and real estate owned assets (REOs) until December 2019. During 2019, Sareb unilaterally changed its business plan, which negatively impacted the earnings of HRE under the contract and;

2) The Esparta contract (a claim of €2,271 thousand) which relates to a 2019 servicing agreement between HRE and Sareb regarding NPLs and REOs. Under the contract HRE managed these assets. In 2020, Sareb changed its strategy with respect to the NPLs and REOs and required HRE to provide services that were not included in the contract. HRE is claiming damages for additional costs incurred relating to the above.

A ruling on these earn-outs is expected in February 2025. As at year end, the Company has disclosed the earn-outs expected from the Sareb Claims as a contingent asset on the basis that it is probable although not virtually guaranteed that the case will be ruled in the favour of the Company. The above are the total Sareb Claim amounts although this amount is not certain to be received. The asset is therefore recognised on a contingent basis and not on the balance sheet of the Company.

21. Subsequent Events

On 28 March 2024 the Court of First Instance No. 82 of Madrid handed down its ruling relating to one of the Claims involving Unicaja bank in Spain. Contrary to the argument advanced by the Company as to the intent of the parties, the judge found that there was no error in the drafting of the disputed clause surrounding the termination fee and that the contract should be interpreted according to the literal meaning of its words. The judge did, however, establish that the termination fee should be calculated at €15,679 thousand and that, consequently, Unicaja must pay the Company a further €1,241 thousand in this regard plus legal interest bringing the total to €1,469 thousand.

Following the signing of Sale Agreement dated 10 May 2023, an Escrow Agreement was signed on 01 September 2023 between Fagus Holdco PLC (the "Seller"), Intrum Holding Sapin, S.A.U., (the "Buyer"), Intrum AB, Glas Trust Company PLC (the "Notes Trustee") and Glas Specialist Services Limited (the "Escrow Agent"), where the Buyer and Intrum AB agreed to transfer to the Escrow Account Escrowed Amounts of €11,045 thousand. This amount became available to the Company in June 2024 and is expected to be distributed to the DCI holders in line with the transaction documents on the next interest payment date falling on 30 August 2024.

There have been no other significant events affecting the Company since the year end and up to the date of signing the financial statements.