

SUNRISEMEZZ PLC

INTERIM REPORT AND CONDENCED FINANCIAL
STATEMENTS

for the period 1 January 2023 to 30 June 2023

SUNRISEMEZZ PLC

INTERIM REPORT AND CONDENCED FINANCIAL STATEMENTS for the period 1 January 2023 to 30 June 2023

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SUNRISEMEZZ PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Nayia Morphi - Executive member (Appointed on 21 September 2022)
Maria Demetriou - Non-executive member (Appointed on 21 September 2022)
Zoe Christou Tziortzi - Non-executive member (Appointed on 21 September 2022)
Omnium Corporate and Trustee Services Limited (Appointed on 23 March 2022, resigned on 21 September 2022)

Company Secretary:

Omniserve Limited
The City House
17-19 Themistokli Dervi Street
1066, Nicosia,
Cyprus

Legal Advisers:

Ioannides Demetriou LLC
The City House,
17-19 Themistokli Dervi Street,
1066, Nicosia,
Cyprus

Registered office:

33 Vasilissis Freiderikis
Palais D'Ivoire, Floor 2
1066, Nicosia
Cyprus

Bankers:

Astrobank Limited
1, Spyrou Kyprianou Avenue
1065, Nicosia,
Cyprus

Registration number:

HE432466

SUNRISEMEZZ PLC

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023

The Board of Directors presents its management report and financial statements of Sunrisemezz PLC (the "Company") for the period 1 January 2023 to 30 June 2023.

Incorporation and listing on the Athens Stock Exchange

The Company Sunrisemezz PLC was incorporated in Cyprus on 23 March 2022 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 23 September 2022 the Company was transformed into a public limited liability company and was renamed from Sunrisemezz Ltd to Sunrisemezz PLC.

On 31 October 2022, the shares of the Company were listed in the Alternative Market EN.A. Plus of the Athens Stock Exchange.

Principal activities and nature of operations of the Company

The principal activity of the Company is the holding and management of the following notes ("the Notes"):

- 95% of the Class B2 mezzanine notes issued by Sunrise I NPL Finance DAC with ISIN IE00BNB1R54
- 95% of the Class B2 mezzanine notes issued by Sunrise II NPL Finance DAC with ISIN IE0006F1V020
- 95% of the Class C2 junior notes issued by Sunrise I NPL Finance DAC with ISIN IE00BN2B2276
- 95% of the Class C2 junior notes issued by Sunrise II NPL Finance DAC with ISIN IE000DAGFA66

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

As described above, the Company holds mezzanine notes and junior notes.

On the issuance of the Notes, a Priority of Payments Schedule ("Waterfall") was established, which is settled on a quarterly basis. Based on this schedule, the principal repayments regarding the mezzanine and junior Notes are the last ones in the order of priority. The Waterfall is as follows:

A. Pre-acceleration order of priority:

- Issuers and other securitization expenses - priority 1
- Servicer and deferred servicer fees – priority 2
- Letter of guarantee providers interest, commitment fees due and other outstanding fees and Limited Resource Lender's due and other outstanding fees – priority 3
- Commissions for Hercules Asset Protection Scheme ("HAPS") – priority 4
- Interest payments of senior notes not paid by the HAPS Guarantor – priority 5
- Interest payments of senior notes due – priority 6
- Reserves for senior notes' interest and other expenses and fees – priority 7
- Principal repayment of Limited Resource Lender – priority 8
- Interest payments of mezzanine notes (including deferred interest) – priority 9
- Principal repayments of senior notes (up until their redemption in full)– priority 10
- Principal repayments of mezzanine notes (up until their redemption in full) – priority 11
- Principal repayments of junior notes – priority 12

B. Acceleration order of priority:

- Issuers and other securitization expenses - priority 1
- Servicer and deferred servicer fees – priority 2
- Letter of guarantee providers interest, commitment fees due and other outstanding fees and Limited Resource Lender's due and other outstanding fees – priority 3
- Commissions for Hercules Asset Protection Scheme ("HAPS") – priority 4
- Interest payments of senior notes not paid by the HAPS Guarantor – priority 5
- Interest payments of senior notes due – priority 6 - Principal amounts to letter of guarantee providers – priority 7
- Principal repayment of Limited Resource Lender – priority 8
- Principal repayments of senior notes (up until their redemption in full)– priority 9
- Interest payments of mezzanine notes (including deferred interest) – priority 10
- Principal repayments of mezzanine notes (up until their redemption in full) – priority 11
- Principal repayments of junior notes – priority 12

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INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD 1 JANUARY 2023 TO 30 JUNE 2023

The acceleration order of priority applies at redemption events or on final maturity date. For the period ended 30 June 2023, the pre-acceleration order of priority applies.

For the period from 1 January 2023 to 30 June 2023, the Company has received coupon payments of €12,371,851 in relation to the Notes it holds.

Events after the reporting period

On 12 July 2023, during the Company's Annual General Meeting ("AGM"), the shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by €10,503,085.03 by reducing the nominal value of the entire shares from €0.14 each to €0.0812 each. The capital reduction is expected to be completed in the fourth quarter of the financial year 2023.

Related party transactions

Disclosed in note 14 of the financial statements.

By order of the Board of Directors,

Omniserve Ltd
Secretary

29 September 2023

SUNRISEMEZZ PLC

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period 1 January 2023 to 30 June 2023

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
Note	€	€
Interest income	4 <u>1,291,107</u>	318,980
Total net income	1,291,107	318,980
Fair value changes in financial assets at fair value through profit or loss	9 1,807,289	-
Administration and other expenses	5 <u>(186,897)</u>	<u>(57,851)</u>
Operating profit	<u>2,911,499</u>	<u>261,129</u>
Finance costs	6 <u>(1,327)</u>	-
Profit before tax	2,910,172	261,129
Tax	<u>(29,950)</u>	-
Net profit for the period	2,880,222	261,129
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,880,222</u>	<u>261,129</u>
Profit per share attributable to equity holders (cent)	7 <u>1.61</u>	<u>1.72</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

SUNRISEMEZZ PLC

INTERIM STATEMENT OF FINANCIAL POSITION

30 June 2023

	Note	30/6/2023 €	31/12/2022 €
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	9	<u>13,116,749</u>	22,416,703
		<u>13,116,749</u>	22,416,703
Current assets			
Refundable taxes	8	100,292	100,292
Cash and cash equivalents	10	<u>14,116,286</u>	2,094,762
		<u>14,216,578</u>	2,195,054
Total assets		<u><u>27,333,327</u></u>	<u>24,611,757</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	25,007,345	25,007,345
Retained earnings /(accumulated losses)		<u>2,202,954</u>	(677,268)
Total equity		<u>27,210,299</u>	24,330,077
Current liabilities			
Trade and other payables	12	101,028	281,680
Current tax liabilities	13	<u>22,000</u>	-
		<u>123,028</u>	281,680
Total liabilities		<u>123,028</u>	281,680
Total equity and liabilities		<u><u>27,333,327</u></u>	<u>24,611,757</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

SUNRISEMEZZ PLC

INTERIM STATEMENT OF CHANGES IN EQUITY for the period 1 January 2023 to 30 June 2023

	Share capital €	Retained earnings/ (accumulated losses) €	Total €
Opening balance as at 23 March 2022	-	-	-
Comprehensive income			
Net profit for the period	-	261,129	261,129
Total comprehensive income for the period	-	261,129	261,129
Transactions with owners			
Issue of share capital	25,007,345	-	25,007,345
Total transactions with owners	25,007,345	-	25,007,345
Balance as at 30 June 2022	25,007,345	261,129	25,268,474
Opening balance as at 1 January 2023	25,007,345	(677,268)	24,330,077
Comprehensive income			
Net profit for the period	-	2,880,222	2,880,222
Total comprehensive income for the period	-	2,880,222	2,880,222
Balance as at 30 June 2023	25,007,345	2,202,954	27,210,299

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are individual tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2.65%, when the entitled shareholders are individual tax residents of Cyprus, regardless of their domicile.

The notes on pages 8 to 12 form an integral part of these financial statements.

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INTERIM CASH FLOW STATEMENT for the period 1 January 2023 to 30 June 2023

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,910,172	261,129
Adjustments for:		
Fair value gains on financial assets at fair value through profit or loss	(1,807,288)	-
Interest income from financial assets at fair value through profit or loss	4 (1,264,608)	(318,980)
Interest income from bank deposits	4 (26,499)	-
	(188,223)	(57,851)
Changes in operating assets and liabilities:		
(Decrease)/increase in trade and other payables	(180,653)	57,851
Coupons received	12,371,851	-
Cash generated from operations before income tax payments	12,002,975	-
Interest received from bank deposits	26,499	-
Tax paid	(7,950)	-
Net cash generated from operating activities	12,021,524	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase in cash and cash equivalents	12,021,524	-
Cash and cash equivalents at beginning of the period	2,094,762	-
Cash and cash equivalents at end of the period	10 14,116,286	-

The notes on pages 8 to 12 form an integral part of these financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS for the period 1 January 2023 to 30 June 2023

1. Basis of preparation

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention and financial assets at fair value through profit or loss.

As of the date of the authorisation of these financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2023 have been adopted by the EU through the endorsement procedure established by the European Commission.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2. Significant accounting policies

The interim financial statements, which are presented in Euro, have been prepared in accordance with international Financial Reporting Standards, including IAS 34 "Interim Financial Reporting"

The accounting policies used in the preparation of the interim financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2022.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

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

These interim financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2022.

3. Fair value estimation

The carrying amounts and fair values of certain financial assets are as follows:

	Carrying amounts		Fair values	
	30/6/2023	31/12/2022	30/6/2023	31/12/2022
	€	€	€	€
Financial assets				
Cash and cash equivalents	14,116,286	2,094,762	14,116,286	2,094,762
Fair value through profit or loss	13,116,749	22,416,703	13,116,749	22,416,703
	27,233,035	24,511,465	27,233,035	24,511,465

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the period 1 January 2023 to 30 June 2023

3. Fair value estimation (continued)

Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company considered two widely used valuation methods to calculate the Fair Value of the Notes: (i) income approach (Discounted Cash Flow method) and (ii) Market approach (Comparable transactions method). However, only the outcome of the income approach was used in the valuation of the Notes by the independent valuer.

Fair value measurements recognised in interim statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

30 June 2023	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Mezzanine notes (Class B2)	-	-	13,116,749	13,116,749
Total	-	-	13,116,749	13,116,749

31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Mezzanine notes (Class B2)	-	-	22,327,823	22,327,823
Junior notes (Class C2)	-	-	88,880	88,880
Total	-	-	22,416,703	22,416,703

4. Interest income

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
	€	€
Interest income from financial assets at fair value through profit or loss	1,264,608	318,980
Interest income from bank deposits	26,499	-
	1,291,107	318,980

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NOTES TO THE INTERIM FINANCIAL STATEMENTS for the period 1 January 2023 to 30 June 2023

5. Administration expenses

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
	€	€
Rent	3,070	-
Annual levy	350	350
Auditors' remuneration	22,000	22,000
Accounting fees	19,250	17,000
Legal fees	8,500	8,500
Directors' fees	12,000	3,000
Other professional fees	121,727	7,001
	<u>186,897</u>	<u>57,851</u>

6. Finance costs

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
	€	€
Bank charges	1,327	-
Finance costs	<u>1,327</u>	<u>-</u>

7. Profit per share attributable to equity holders

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
Profit attributable to shareholders (€)	<u>2,880,222</u>	<u>261,129</u>
Weighted average number of ordinary shares in issue during the period	<u>178,623,895</u>	<u>15,173,458</u>
Profit per share attributable to equity holders (cent)	<u>1.61</u>	<u>1.72</u>

8. Refundable taxes

	30/6/2023	31/12/2022
	€	€
Corporation tax	100,292	100,292
	<u>100,292</u>	<u>100,292</u>

9. Financial assets at fair value through profit or loss

	30/06/2023	31/12/2022
	€	€
Balance as at 1 January 2023/ 23 March 2022	22,416,703	-
Additions	-	25,005,341
Interest income	1,264,608	2,046,389
Change in fair value	1,807,289	(2,213,830)
Coupons received	(12,371,851)	(2,421,197)
Balance as at 30 June 2023 /31 December 2022	<u>13,116,749</u>	<u>22,416,703</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS for the period 1 January 2023 to 30 June 2023

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

Financial assets designated as at fair value through profit or loss are analysed as follows:

	30/6/2023	31/12/2022
	€	€
Financial assets at fair value through profit or loss		
Mezzanine notes (Class B2)	13,116,749	22,327,823
Junior notes (Class C2)	-	88,880
	<u>13,116,749</u>	<u>22,416,703</u>

10. Cash and cash equivalents

Cash balances are analysed as follows:

	30/6/2023	31/12/2022
	€	€
Cash at bank	<u>14,116,286</u>	<u>2,094,762</u>
	<u>14,116,286</u>	<u>2,094,762</u>

11. Share capital

	30/06/2023	30/06/2023	31/12/2022	31/12/2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €0.14 each	<u>178,623,895</u>	<u>25,007,345</u>	<u>178,623,895</u>	<u>25,007,345</u>
Issued and fully paid				
Balance as at 1 January 2023/23 March 2022	178,623,895	25,007,345	-	-
Issue of shares	-	-	178,623,895	25,007,345
Balance as at 30 June 2023/31 December 2022	<u>178,623,895</u>	<u>25,007,345</u>	<u>178,623,895</u>	<u>25,007,345</u>

12. Trade and other payables

	30/6/2023	31/12/2022
	€	€
Trade payables	31,827	29,980
Accruals	<u>69,201</u>	<u>251,700</u>
	<u>101,028</u>	<u>281,680</u>

13. Current tax liabilities

	30/6/2023	31/12/2022
	€	€
Corporation tax	<u>22,000</u>	-
	<u>22,000</u>	-

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NOTES TO THE INTERIM FINANCIAL STATEMENTS for the period 1 January 2023 to 30 June 2023

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	01/01/2023- 30/6/2023	23/03/2022- 30/06/2022
	€	€
Directors' fees	<u>12,000</u>	<u>3,000</u>
	<u>12,000</u>	<u>3,000</u>

15. Events after the reporting period

During August 2023 the Company received coupon payments of €3,705,010.

On 12 July 2023, during the Company's AGM, the shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by €10,503,085.03 by reducing the nominal value of the entire shares from €0.14 each to €0.0812 each. The capital reduction is expected to be completed in the fourth quarter of the financial year 2023.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Disclaimer

These interim unaudited financial statements are solely for informational purposes, are not an offer to sell or a solicitation of an offer to buy or provide a basis for evaluations, and do not constitute investment, legal, accounting, regulatory, taxation, or other advice. No representation, warranty, or undertaking is being made and no reliance may be placed for any purpose whatsoever on the information contained in these interim unaudited financial statements in making any investment decision. Users are solely responsible for forming their own opinions and conclusions on such matters and for making their own independent assessments of the Company. Users are solely responsible for seeking independent professional advice in relation to the Company and they should consult with their own advisers as to the legal, tax, business, financial and related aspects and/or consequences of any investment decision. No responsibility or liability is accepted by any person for any of the information or for any action taken by the users or any of their officers, employees, agents, or associates based on such information. The Company, its financial and other advisors, and their respective directors, officers, and representatives expressly disclaim any and all liability that may arise from these interim unaudited financial statements and any errors contained herein and/or omissions and accept no liability for any loss howsoever arising, directly or indirectly, from any use of the information in these interim unaudited financial statements.