



Nicosia, 27 September 2024

**Update on the financial developments of Phoenix Vega Mezz Plc
for the first half of 2024**

The Board of Directors of Phoenix Vega Mezz Plc (“Company”), on its meeting of 27 September 2024, approved the financial statements of the Company for the period ended 30 June 2024.

The main activity of the Company is the holding and management of 65% of the Mezzanine Notes and 45% of the Junior Notes¹ of the Phoenix and Vega portfolios, which were contributed by Piraeus Financial Holdings SA to the Company («Notes»).

The Company’s key financial information for the first half of 2024, and respective comparatives, are presented below:

Selected P&L figures (€mn)	01/01/24 - 30/06/24	01/01/23 - 30/06/23
Operating profit	52.7	6.8
Profit before tax	52.9	6.8
Net profit for the period	52.5	6.5

Selected financial position figures (€mn)	30/06/24	31/12/23
Investments at amortized cost	8.9	6.4
Investments at fair value through profit or loss	70.2	26.5
Cash at bank	21.1	14.4
Total assets	100.4	47.7

The fair value of the Notes as at 30 June 2024 and 31 December 2023 was estimated by an independent valuer, in accordance with generally accepted principles and appropriate methods followed internationally. A Discounted Expected Cash Flows valuation methodology was used incorporating an estimated 18% discount rate as at 30 June 2024, and an assumed residual term of 10 years, with a 40% haircut applied to the longer-term part of the residual term period.

¹ The Phoenix and Vega Mezzanine and Junior Notes together refer to the Phoenix Portfolio, the Vega I Portfolio, the Vega II Portfolio, and the Vega III Portfolio, with gross book value totaling €6.7 billion, transferred by way of securitization in July 2020 by Piraeus Financial Holdings to the special purpose companies Phoenix NPL Finance DAC, Vega I NPL Finance DAC, Vega II NPL Finance DAC and Vega III NPL Finance DAC (the ‘Issuers’), respectively, based in Ireland. The portfolios mainly included claims on non-performing loans.

As referenced in Note 3 of the first half 2024 Financial Statements, if the residual term of the valuation were to increase by 1 year, the fair value of the Notes, keeping the remaining unobservable inputs constant, would increase by €2.7 million.

The increase in the carrying amount of financial assets measured at fair value through profit or loss in the current period, is primarily attributable to the revision of the estimated future cash flows of the Notes and the assumed residual term of the valuation, following the update in the business plans of the securitized portfolios.

The main assets of the Company are the Notes. Therefore, its revenues shall derive from the collection of coupons from the Notes. This collection depends on the amount of the total revenues of the Issuers, which will be returned, among other things, to the Company, as a noteholder, according to the Priority of Payments Schedule (as described in the Management Report of the first half 2024 Financial Statements). For the first half of 2024, the Company has received €6.8 million of coupon payments in relation to the Notes it holds. Post 30 June 2024 the Company has additionally received coupons of €2.4 million. In the nine-month 2024 period, the coupons to the holders of the mezzanine notes issued by Vega III NPL Finance DAC were deferred, while in Q2 and Q3 2024 the coupons to the holders of the mezzanine notes issued by Phoenix NPL Finance DAC were also deferred.

The Company's expenses during the same financial period relate to tax expense for the first half 2024, operating and administrative expenses, such as insurance fees, auditors' fees, third party fees for the provision of legal, administrative and investor relations services.

On 5 July 2024, during the Company's Annual General Meeting, the shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by €16.0 million, by reducing the nominal value of each share from €0.0212 each to €0.0084 each. As a result of the above share capital reduction and subject to ordinary conditions precedent, the amount of €16.0 million will be distributed to the Company's shareholders in cash return, amounting to € 0.0128 per each share. The reduction and the distribution of capital is expected to be completed in the fourth quarter of the financial year 2024. The Company will inform the investment community on the progress and timeline of the distribution of capital in a timely manner, in accordance with the requirements of the applicable legal and regulatory framework.

It is noted that the Company, as the holder of the Notes, cannot unilaterally influence the formulation or implementation of the Phoenix and Vega Portfolios' Business Plans, which are being executed by the servicer of the portfolios. Consequently, the Company cannot unilaterally affect its revenues.

In the context of upgrading market transparency, the Company publishes today a file containing key financial information related to the mezzanine notes of the Phoenix, Vega I, Vega II, and Vega III securitisations. This can be accessed on the Company's website www.phoenixvegamezz.com.cy.

The Company

Phoenix Vega Mezz PLC