Nicosia, 9 April 2025

Phoenix Vega Mezz Plc Financial Statements 2024

The Board of Directors of Phoenix Vega Mezz Plc ("Company"), on its meeting of 9 April 2025, approved the financial statements of the Company for the period 1 January 2024 to 31 December 2024.

The main activity of the Company is the holding and management of 65% of the Mezzanine Notes and 45% of the Junior Notes[1] 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 financial year 2024, and respective comparatives, are presented below:

Selected P&L figures (€mn)	**31/12/24**	**31/12/23**
Interest income	**9.3**	9.9
Net gains / (losses)[2]	**51.8**	3.2
Impairment (losses)/releases[3]	**(0.4)**	(0.7)
Expenses[4]	**(0.4)**	(0.3)
Operating profit / (loss)	**60.2**	12.0
Profit / (loss) before tax	**60.7**	12.3
Net profit / (loss) for the year	**59.6**	11.2

Selected financial position figures (€mn)	**31/12/24**	**31/12/23**
Investments at amortized cost	**10.4**	6.4
Financial assets at fair value through profit or loss	**72.5**	26.5
Cash at bank	**8.2**	14.4
Other[5]	**0.3**	0.4
Total assets	**91.4**	47.7

[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.
[2] Net gains/(losses) from financial assets at fair value through profit or loss and from adjustments on investments at amortized cost
[3] Impairment (losses)/releases on investments at amortised cost
[4] Administration and other expenses
[5] "Other" refers to receivables and refundable taxes

The fair value of the Notes as at 31 December 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 15.67% discount rate as at 31 December 2024, and an assumed residual term of 10 years, for the risk adjusted expected future cash flows.

In Note 6.5, the 2024 Annual Financial Statements incorporate the effect in net profit of possible changes in one of the significant inputs of the valuation methodology, keeping all other inputs constant.

For 2024, the Company reported net gains from the financial assets at fair value through profit or loss and from adjustments on investments at amortized cost of €51.8 million. The increase in the carrying amount of financial assets measured at fair value through profit or loss in the current year, 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.

For 2024, the Company has received €10.6 million of coupon payments in relation to the Notes it holds. Post 31 December 2024, the Company has additionally received coupons of €3.4 million. The payment of coupons to the holders of the mezzanine notes issued by Vega III NPL Finance DAC in 2024 has been deferred, while since Q2.2024, the payment of coupons to the holders of the mezzanine notes issued by Phoenix NPL Finance DAC has been also deferred.

The main assets of the Company are the Notes. Therefore, its revenues shall derive mainly 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 Board of Directors report of the 2024 Financial Statements).

The Company's expenses during the same financial period relate to tax expense for 2024, operating and administrative expenses, such as insurance fees, auditors' fees, third party fees for the provision of legal, administrative and other professional 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, the nominal value of the shares was reduced to €10.5 million, as the amount of €16.0 million was returned in cash to the shareholders. Following the above, the payment of capital to the beneficiaries (€ 0.0128 per share) took place on Tuesday, 3 December 2024.

Taking into account the coupons collected from the Notes, and the estimated future liabilities and expenses of the Company, the Board of Directors intends to propose to the upcoming AGM a cash distribution to the Company's shareholders. The intended distribution is expected to take place within the calendar year 2025, subject to AGM approvals and applicable regulatory and corporate requirements.

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.

Further to the Annual Financial Statements, the Company published 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.

The Company

Phoenix Vega Mezz PLC