

**SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY
DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

COMPANY REGISTRATION NUMBER: 711847

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

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SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

Directors and other information

Directors	Bronagh Hardiman Margaret Boylan
Company Secretary and Corporate Service Provider	Wilmington Trust SP Services (Dublin) Limited Fourth Floor 3 George's Dock IFSC Dublin 1 Ireland
Registered Office	Fourth Floor 3 George's Dock IFSC Dublin 1 Ireland
Independent Auditor	EisnerAmper Audit Limited 6, The Courtyard Building, Carmanhall Road Sandyford, Dublin, D18 CA22 Ireland
Solicitor	Arthur Cox 10 Earlsfort Terrace Dublin 2 D02 T380 Ireland
Servicer	Intrum Hellas A.E.D.A.D.P. 109 – 111 Mesogeion Av. 11526 Athens Greece
Account bank, Paying agent, Cash manager, Security & Note Trustee and Registrar	BNY Mellon, N.A, London Branch One Canada Square Canary Wharf London E14 5AL
Originating bank	Piraeus Bank 94 Vasilissis Sofias Ave. & Kerasountos 1 115 28 Athens Greece
Bankers	Bank of New York Mellon London Branch One Canada Square Canary Wharf London E14 5AL Piraeus Bank 94 Vasilissis Sofias Ave. & Kerasountos 1 115 28 Athens Greece

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

Directors' report

The Directors present the audited financial statements of Sunrise III NPL Finance Designated Activity Company (the "Company" or the "Issuer") for the financial year ended 31 December 2024.

Business review and principal activities

The Company was incorporated and registered in Ireland with limited liability on 18 January 2022 for the purpose of entering into a loan portfolio securitisation transaction.

On 10 November 2022, the Company purchased from Piraeus Bank S.A. (the "Seller") a portfolio of loans pursuant to the Loan Portfolio Purchase Agreement. The loans are denominated primarily in euro's ("EUR" or "€") and are (i) secured over residential or other real estate property located in Greece, (ii) small business loans or (iii) unsecured consumer loans. Intrum Hellas A.E.D.A.D.P. services the loans on behalf of the Company.

The Company has financed the purchase of the Loan portfolio by issuing the following Class A, Class B & Class C notes (the "Notes"):

	Nominal value €
Class A Asset Backed Fixed Rate Notes due April 2064	160,000,000
Class B1 Asset Backed Fixed Rate Notes due April 2064	44,000,200
Class B2 Asset Backed Fixed Rate Notes due April 2064	50,999,800
Class C1 Asset Backed Variable Return Notes due April 2064	116,216,042
Class C2 Asset Backed Variable Return Notes due April 2064	134,704,958

The proceeds from the subscription of the Notes was applied by the Company to, inter alia fund the purchase of the Loan portfolio and to fund the purchase from Piraeus Bank of the REOCo Bond Loan Receivables on the terms and subject to the conditions set out in the Loan Portfolio Purchase Agreement.

Piraeus Bank and the Company entered into a Greek Assignment Agreement on the issuance date pursuant to which Piraeus Bank assigned and transferred the REOCo Bond Loan Receivables to the Company in accordance with Greek Law.

The Company's only sources of funds for the payment of principal and interest due on the Notes issued are the principal and interest collections which the Company is entitled to receive from the loan portfolio. The Company retains €250 per quarter as profit before tax based on the contractual documents.

The Notes issued are limited recourse obligations whereby the obligation of the Company in respect of interest and principal payments on the Notes issued are restricted to the income and cashflows generated from the loan portfolio.

Results and dividends

The results for the year and the Company's financial position at the end of the year are set out on page 10 and 11. The Directors have not recommended a dividend for the financial year (2023: €Nil).

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

Directors' report (continued)

Audit committee

As at the date of these financial statements, the Company is operating within the balance sheet and turnover threshold limits as set out under Section 167(1) of the Companies Act 2014 and as such the Company does not meet the requirements to establish an audit committee for the current financial year ended 31 December 2024.

Directors' compliance statement

If a Company exceeds the two threshold limits as set out under Section 225(7) of the Companies Act 2014 the Company is required to include a Directors' compliance statement. As the Company does not exceed both threshold limits, the Directors are not required to include a compliance statement in their statutory directors' report for the current financial year ended 31 December 2024.

Directors, secretary and their interests

The Directors who served the Company during the year and up to the date of the approval of financial statements were as follows:

Margaret Boylan
Bronagh Hardiman

Secretary

Wilmington Trust SP Services (Dublin) Limited served as Company Secretary for the year ended 31 December 2024.

The Directors and secretary do not have any direct or beneficial interest in the shares, share options, deferred shares and debentures of the Company during the financial year. The Directors of the Company, Bronagh Hardiman and Margaret Boylan, are employees of Wilmington Trust SP Services (Dublin) Limited ("Wilmington Trust"), being the entity that acts as secretary and administrator of the Company.

During the year the Company purchased services to the value of €17,065 (2023: €22,595) from Wilmington Trust. These services were provided under normal commercial terms.

Going concern

The Board of Directors have made an assessment of the Company covering at least 12 months from the date of approval of these financial statements, having taken into consideration the factors relating to (a) the Company's financial position, (b) the Seller's financial position and (c) the performance of the underlying Loans Receivable.

The Notes in issue are on a limited recourse basis, meaning that the noteholders are directly exposed to cash-flows generated by the assets, and will suffer losses where these are insufficient in line with the priorities of payments of the Notes in issue.

Having considered the above factors, the Directors conclude that it is appropriate to prepare these financial statements on a going concern basis.

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

Directors' report (continued)

Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to keeping adequate accounting records by contracting service providers with appropriate expertise to provide adequate resources to the financial function. The accounting records of the Company are maintained at the registered office: Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland.

Principal risks and uncertainties

The operations of the Company are subject to various risks. Information about the financial risk management objectives and policies of the Company, along with the Company's exposure to risks including interest risk, credit risk and liquidity risk, are disclosed in note 16 to the financial statements.

Political donations

The Company made no political donations during the financial year ended 31 December 2024 (2023: €Nil).

Relevant audit information

The Directors believe they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Future developments

No changes are expected to the Company's operations in the future as the Company's operations are governed by the transaction documents. The future performance of the Company depends on the performance of the loan portfolio.

Subsequent events

There have been no other significant events since the statement of financial position date up to the approval of these financial statements which require adjustment to or disclosure in these financial statements.

Independent auditor

EisnerAmper Audit Limited, Chartered Accountants and Statutory Audit Firm were appointed and have signified their willingness to continue in office as auditors in accordance with the provisions of Section 383(1) of the Companies Act 2014 and have been engaged as auditors.

On behalf of the Board:



Bronagh Hardiman

Director



Margaret Boylan

Director

Date: 23 January 2026

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board



Bronagh Hardiman
Director



Margaret Boylan
Director

Date: 23 January 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sunrise III NPL Finance Designated Activity Company (the 'Company') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are 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 Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA"), 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.

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.

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 from the date 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.

Other information

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY (continued)

Other information (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of the sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6 of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY (continued)

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 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 IAASA's website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter MacDonald
For and on behalf of EisnerAmper Audit Limited
Chartered Accountants and Statutory Audit Firm
Dublin

23 January 2026

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Note	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Net income from deemed loan receivable	4	15,042,504	6,792,098
Net finance cost	5	(11,854,438)	(3,652,210)
Other gains - financial assets at FVTPL		34,642	58,904
Other income		402,624	106,637
		<u>3,625,332</u>	<u>3,305,429</u>
Administrative expenses	6	(3,624,332)	(3,304,429)
Profit before tax		<u>1,000</u>	<u>1,000</u>
Income tax charge	7	(250)	(250)
Profit after tax		750	750
Total comprehensive income for the year		<u>750</u>	<u>750</u>

The results for the year was derived from continuing operations.

(The notes on pages 14 to 27 form an integral part of these financial statements)

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024	Note	2024 €	2023 €
Non-current assets			
Deemed loan receivable	8	174,581,349	204,193,670
Current assets			
REOCo loan receivable	9	13,693,151	13,146,275
Deemed loan receivable	8	49,430,233	34,839,695
Other receivables	10	3,975	1
Cash and cash equivalents	11	25,369,289	24,630,515
Total assets		<u>263,077,997</u>	<u>276,810,156</u>
Equity			
Share capital	12	1	1
Retained earnings		<u>2,213</u>	<u>1,463</u>
Total equity		<u>2,214</u>	<u>1,464</u>
Non-current liabilities			
Notes issued	13	259,935,269	273,691,248
Limited recourse loan	14	1,013,209	1,174,754
Current liabilities			
Other payables	15	<u>2,127,304</u>	<u>1,942,689</u>
Total liabilities		<u>263,075,782</u>	<u>276,808,691</u>
Total equity and liabilities		<u>263,077,996</u>	<u>276,810,156</u>

Approved by the board and authorised for issue on 23 January 2026.



Bronagh Hardiman
Director



Margaret Boylan
Director

(The notes on pages 14 to 27 form an integral part of these financial statements)

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Share Capital	Retained Earnings	Total Equity
	€	€	€
Balance as at 01 January 2023	1	713	714
Share capital issued	-	-	-
Profit for the year and total comprehensive income	-	750	750
Balance as at 31 December 2023	<u>1</u>	<u>1,463</u>	<u>1,464</u>
	Share Capital	Retained	Total Equity
	€	€	€
Balance as at 01 January 2024	1	1,463	1,464
Share capital issued	-	-	-
Profit for the year and total comprehensive income	-	750	750
Balance as at 31 December 2024	<u>1</u>	<u>2,213</u>	<u>2,214</u>

(The notes on pages 14 to 27 form an integral part of these financial statements)

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024	Note	Financial year ended 31 December 2024 €	Financial year ended 31 December 2023 €
Cash flows from operating activities			
Profit after tax		750	750
Adjusted for non-cash items			
Fair Value movement - REOCo bond loan		(34,642)	(58,904)
Interest income		(18,000,264)	(18,467,875)
Other interest		(402,624)	(106,636)
Interest expense		8,955,666	9,034,720
Impairment of deemed loans receivable		6,048,063	17,531,288
Modification of financial liabilities	13	2,898,771	(5,382,510)
Modifications (loss)/gain on deemed loans receivable		(3,090,303)	(5,855,511)
Other movements	8	(1,726,413)	(1,511,952)
Increase in other receivables	10	(3,974)	-
(Decrease)/Increase in other payables		184,615	1,409,026
Net cash used in operating activities		<u>(5,170,355)</u>	<u>(3,407,604)</u>
Cash flows from investing activities			
Proceeds from loan portfolio repayments	8	31,790,701	48,052,887
REOCo advances		(4,550,000)	(14,930,000)
Interest received from REOCo bond loan advances		26,465	33,629
Proceeds from REOCo bond loan repayments		4,011,300	1,809,000
Bank interest received		402,624	106,636
Net cash generated from investing activities		<u>31,681,090</u>	<u>35,072,152</u>
Cash flows from financing activities			
Interest paid on Notes issued	13	(8,966,073)	(7,974,508)
Principal repayments on Notes issued	13	(16,636,560)	(17,407,602)
Interest paid on limited recourse loans		(8,135)	(8,086)
Principal repayments on limited recourse loan		(161,193)	(49,116)
Net cash used in financing activities		<u>(25,771,961)</u>	<u>(25,439,312)</u>
Net increase in cash and cash equivalents		738,774	6,225,236
Cash and cash equivalents at start of year/period	11	<u>24,630,515</u>	<u>18,405,279</u>
Cash and cash equivalents at end of year/period		<u><u>25,369,289</u></u>	<u><u>24,630,515</u></u>

(The notes on pages 14 to 27 form an integral part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company was incorporated and registered in Ireland with limited liability on 18 January 2022 for the purpose of entering into a loan portfolio securitisation transaction. On 10 November 2022, the Company purchased from Piraeus Bank S.A. (the “Seller”) a portfolio of loans pursuant to the Loan Portfolio Purchase Agreement. The loans are denominated primarily in EUR and are (i) secured over residential or other real estate property located in Greece, (ii) small business loans or (iii) unsecured consumer loans. Intrum Hellas A.E.D.A.D.P. services the loans on behalf of the Company.

The Company has financed the purchase of the Loan portfolio by issuing the following Class A, Class B & Class C notes (the “Notes”):

	Nominal value €
Class A Asset Backed Fixed Rate Notes due 2062	160,000,000
Class B1 Asset Backed Fixed Rate Notes due 2062	44,000,200
Class B2 Asset Backed Fixed Rate Notes due 2062	50,999,800
Class C1 Asset Backed Variable Return Notes due 2062	116,216,042
Class C2 Asset Backed Variable Return Notes due 2062	134,704,958

The proceeds from the subscription of the Notes was applied by the Company to, inter alia fund the purchase of the Loan portfolio and to fund the purchase from Piraeus Bank of the REOCo Bond Loan Receivables on the terms and subject to the conditions set out in the Loan Portfolio Purchase Agreement.

Piraeus Bank and the Company entered into a Greek Assignment Agreement on the issuance date pursuant to which Piraeus Bank assigned and transferred the REOCo Bond Loan Receivables to the Company in accordance with Greek Law.

The Company’s only sources of funds for the payment of principal and interest due on the Notes issued are the principal and interest collections which the Company is entitled to receive from the loan portfolio. The Company retains €250 per quarter as profit before tax based on the contractual documents.

The Notes issued are limited recourse obligations whereby the obligation of the Company in respect of interest and principal payments on the Notes issued are restricted to the income and cashflows generated from the loan portfolio.

2. Basis of preparation

These financial statements have been prepared in accordance with IFRS as adopted by the EU. The principal accounting policies applied in the preparation of these financial statements are set out below. The financial statements have been prepared on a going concern basis consistently, as the Board of the Directors assessed as appropriate. Please also refer to the Going Concern section below.

The following new standards became effective in 2024:

Description	Effective Date
IAS 1 (Amendment) - Classification of liabilities as current or non-current	01/01/2024
IAS 1 (Amendment) - Non-current Liabilities with Covenants	01/01/2024
IAS 7 and IFRS 7 (Amendment) - Supplier Finance Arrangements	01/01/2024
IFRS 16 (Amendment) Lease Liability in a Sale and Leaseback	01/01/2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of preparation (continued)

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the Companies Act 2014. IFRSs applied by the Company in the preparation of these financial statements are those that were effective at 31 December 2024.

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The impact of such changes on the financial statements is not expected to be material.

Description	Effective Date
IAS 21 (Amendment) - The Effects of Changes in Foreign Exchange Rates	01/01/2025
IFRS 9 and IFRS 7 (Amendment) - Classification and Measurement of Financial Instruments	01/01/2026
IFRS 18 - Presentation and Disclosure in Financial Statements	01/01/2027

Going concern

The Board of Directors have made an assessment of the Company covering at least 12 months from the date of approval of these financial statements and up to the Final Maturity Date ("3 April 2064"), having taken into consideration the factors relating to (a) the Company's financial position, (b) the Seller's financial position and (c) the performance of the underlying loans receivable, and (d) the limited recourse of the Notes in issue.

The Notes in issue will mature in April 2064 and are on a non recourse basis, meaning that the noteholders are directly exposed to cash-flows generated by the assets, and will suffer losses where these are insufficient in line with the priorities of payments of the loan Notes in issue. Having considered the above factors, the Directors conclude that it is appropriate to prepare these financial statements on a going concern basis.

3. Accounting policies

Classification and measurement of financial assets and financial liabilities

The financial assets and financial liabilities of the Company comprise the deemed loan receivable, other receivables, cash and cash equivalents, Notes issued and other payables.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income (FVOCI) at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Accounting policies (continued)

Financial assets (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the classification depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

All other financial assets are classified as measured at FVTPL.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

The subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses)" together with foreign exchange gains and losses. Impairment losses are presented in Net income from Deemed Loan receivable. The Company's financial assets measured at amortised cost (AC) comprise: the deemed loan receivable, other receivables, and cash and cash equivalents.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the year in which it arises. The Company's financial assets measured at FVTPL comprise the REOCo bond loan receivable.

Financial assets - Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) for debt instruments (including loans) measured at amortised cost and exposures arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting year about past events, current conditions and forecasts of future conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Accounting policies (continued)

Financial assets - Impairment (continued)

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within “net income from Deemed Loan receivable”. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the balance sheet net of the allowance for ECL. The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial instrument assessed for impairment. Refer to Note 16 Credit risk section for a description of impairment methodology applied by the Company for calculating expected credit losses for financial assets that are subject to impairment under IFRS 9.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Deemed loan receivable

Under IFRS 9 Financial instruments, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective. The Directors of the Company concluded that upon legal transfer of the loans to the Company, the Originator has retained substantially all the risks and rewards of the securitised loans Portfolio as the Originator fully retained all three classes of notes at that time. Therefore the Company recognised a deemed loan receivable due from the Originator rather than the underlying loans.

Subsequent to the accounting derecognition of the underlying loans by the Originator, the Company continues to present the transferred assets as a deemed loan receivable.

Embedded derivative

Derivatives may be embedded in another contractual arrangement (a “host contract”). The Company accounts for an embedded derivative separately from the host contract when the host contract is a liability and not itself carried at fair value through profit or loss, the terms of the embedded derivative would meet the definition of a derivative if it was contained in a separate contract, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. However, embedded derivatives with risks and characteristics closely related to those of the host contracts are not separated and are measured as part of the overall amortised cost of the related instrument.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes issued

The Notes issued are initially measured at fair value, which equates to the Notes proceeds (fair value of consideration received) adjusted for any incremental direct costs. Subsequently, they are carried at amortised cost using the effective interest rate method. The carrying amount of the debt is increased by the finance cost in respect of the reporting period and reduced by payments in respect of the debt in that period as well as any modification gains/losses. Premiums on the issue of the debt securities are added to the principal balance on the Notes and are accounted for using the effective interest rate method with reference to the earliest date at which the option to redeem the Notes may be exercised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Accounting policies (continued)

Other liabilities

Other liabilities are measured at amortised cost.

Modification and derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

If the modification is not substantial, the Company recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate. The Company recognises any adjustment to the amortised cost of the financial liability in profit or loss as income or expense at the date of the modification. Modification gains and losses are presented in 'Net finance income/(costs)' in the profit or loss account.

The limited recourse nature of the notes issued gives rise to modifications in response to changes in the carrying value of the reference assets. These modifications are not considered substantial changes to the terms and conditions of the notes issued and therefore are accounted for as described in the above paragraph.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the reporting date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments. Cash and cash equivalents are measured at amortised cost.

Share capital

Share capital represents funds raised by issuing shares in return for cash or other consideration. Share capital comprises ordinary shares issued by the Company.

Taxation

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

Current tax comprises the expected tax payable on the taxable income for the year, using the tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Accounting policies (continued)

Taxation (continued)

Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by IAS 12 'Income Tax'. Provision is made at the tax rates which are expected to apply in the years/periods in which the temporary differences reverse. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of financial assets

The ECL allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting year. Details of the key assumptions and inputs used are disclosed in note 16 Credit risk section.

4. Net income from deemed loan receivable	Year ended 31 December 2024 €	Year ended 31 December 2023 €
Interest income	18,000,264	18,467,875
Movement in ECLs	(6,048,063)	(17,531,288)
Modification gains	3,090,303	5,855,511
	<u>15,042,504</u>	<u>6,792,098</u>

Interest income represents the net interest income on the deemed loan receivable. Movement in ECLs and modification gains/losses are presented in net income from the deemed loans receivable.

5. Net finance income/(cost)	Year ended 31 December 2024 €	Year ended 31 December 2023 €
Interest on Class A Notes	(397,694)	(462,509)
Interest on Class B1 Notes	(3,960,106)	(3,966,070)
Interest on Class B2 Notes	(4,590,084)	(4,596,996)
Interest on Limited Recourse Loan	(7,783)	(9,146)
Modification of financial liabilities	(2,898,771)	5,382,511
	<u>(11,854,438)</u>	<u>(3,652,210)</u>

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (continued)**

6. Administrative expenses	Year ended 31 December 2024	Year ended 31 December 2023
	€	€
Servicing fees	2,098,232	2,771,349
Corporate service fees	17,065	22,595
Auditors' remuneration	30,000	49,185
Tax fees	2,854	7,250
Other expenses	54,155	50,435
Bank fees	77,709	-
Monitoring agent fees	142,000	75,000
Rating agent fees	-	31,110
Fees and other third parties	1,202,317	297,505
	<u>3,624,332</u>	<u>3,304,429</u>

Auditor's remuneration (VAT excluded) in respect of the financial year	Year ended 31 December 2024	Year ended 31 December 2023
	€	€
Statutory audit	30,000	40,000
Tax compliance services	2,854	7,250
	<u>32,854</u>	<u>47,250</u>

Apart from the Directors, the Company has no employees and, other than the fees paid to Wilmington Trust SP Services (Dublin) Limited, the Directors received no remuneration during the year. The terms of the corporate services agreement provide for a single fee for the provision of corporate services (including making available of individuals to act as directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The Company has allocated an amount of €1,000 per director of the total administration fees paid to Wilmington Trust for the provision of the services of director. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

7. Tax on profit on ordinary activities

	Year ended 31 December 2024	Year ended 31 December 2023
	€	€
Current tax at 25%:	<u>250</u>	<u>250</u>

The current tax charge for the financial year is higher than the current charge that would result from applying the standard rate of Irish corporation tax on ordinary activities. The differences are explained below:

Profit before tax	1,000	1,000
Profit before tax multiplied by the standard rate of Irish corporation tax for the year at 12.5%	125	125
Higher rate of tax applicable under Section 110 of the TCA	<u>125</u>	<u>125</u>
	<u>250</u>	<u>250</u>

The Company is a qualifying Company within the meaning of Section 110 of the TCA, 1997. As such, the profits are chargeable to income tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D of the TCA 1997.

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Deemed loan receivable	31-Dec-24	31-Dec-23
	€	€
Opening balance	239,033,365	278,782,203
Additions	-	-
Repayments	(31,790,701)	(48,052,887)
Interest and other finance income	18,000,264	18,467,874
Modification gains	3,090,303	5,855,511
Movement in ECLs	(6,048,063)	(17,531,288)
Other movements	1,726,413	1,511,952
Closing balance	224,011,581	239,033,365
Current portion	(49,430,233)	(34,839,695)
Non current portion	174,581,348	204,193,670
ECL Movement:		
Opening balance	(18,595,397)	(1,064,109)
Movement in ECL's	(6,048,063)	(17,531,288)
Closing balance	(24,643,460)	(18,595,397)

On 10 November 2022, the Company purchased from the Seller a portfolio of loans pursuant to the Loan Portfolio Purchase Agreement. The loans are denominated primarily in EUR and are (i) secured over residential or other real estate property located in Greece, (ii) small business loans or (iii) unsecured consumer loans. Intrum Hellas A.E.D.A.D.P. services the loans on behalf of the Company.

The Company has financed the purchase of the loan portfolio by issuing Class A, Class B and Class C Notes (note 13). Other movements relate to passed through expenses paid on behalf of the Company by the servicer.

9. REOCo bond loan receivable	31-Dec-24	31-Dec-23
	€	€
REOCo bond loan receivable	13,659,700	13,121,000
REOCo bond loan interest receivable	33,451	25,275
	13,693,151	13,146,275

On 10 November 2022, the Company acquired from Piraeus Bank a bond loan issued by Sunrise III REAL ESTATE S.M.S.A for a maximum amount of Euro 1 billion. The purpose of the loan is to finance the company's activities relating to the acquisition of real estate property.

The bond loan bears fixed interest of 1% per annum and variable interest equal to the lesser of:

(A) the greater of:

(i) zero; and

(ii) the realised EBIT of the REOCo in respect of the relevant REOCo Collection Period after deduction of:

(a) any income tax payable by REOCo or on its behalf in respect of such REOCo Interest Period;

(b) the REOCo Fixed Interest Amount due and payable in respect of such REOCo Interest Period; and

(c) EUR 2,500;

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. REOCo bond loan receivable (continued)

(B) the amount of REOCO Available Funds available on each REOCo Payment Date after payment of items per Acceleration Priority.

The entity is required to repay the bond loan in full and pay any accrued but unpaid interest thereon on the earlier of:

- (a) the REOCo Payment Date following the date on which there are no further Properties relating to the Loan Portfolio and the REOCo has no REOCo Properties; and
- (b) the REOCo Bond Loans Repayment Date (i.e. April 2064).

Management determined the fair value of the REOCo bond loan receivable by reference to the cost of the underlying real estate assets acquired by the issuer and funded through the facility, including transaction costs. The said approach was applied taking into account the limited recourse nature of the debt asset and the elapsed time since origination of the properties. As such, the measurement was classified as Level 3 of the fair value hierarchy. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

10. Other receivables	31-Dec-24	31-Dec-23
	€	€
Prepayments	3,974	-
Unpaid share capital	1	1
	<u>3,975</u>	<u>1</u>

Other receivables are classified as current.

11. Cash and cash equivalents	31-Dec-24	31-Dec-23
	€	€
BNY Mellon	16,912,634	19,352,623
Piraeus Bank	8,456,655	5,277,892
	<u>25,369,289</u>	<u>24,630,515</u>

All withdrawals from the Company's bank accounts are in accordance with the detailed priority of payments set out in the securitisation agreements.

12. Share capital	31-Dec-24	31-Dec-23
Authorised:	€	€
100 ordinary shares of €1 each	<u>100</u>	<u>100</u>
Issued:		
1 ordinary share of €1 each	<u>1</u>	<u>1</u>

The Company has issued 1 share of the total authorised shares of 100 to Wilmington Trust SP Services (Dublin) Limited. All shares are held under the terms of declarations of trust under which the relevant share trustee holds the issued shares of the Company in trust for a charity.

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Notes issued**

	31-Dec-24
	€
Opening balance	273,691,248
Principal repayments	(16,636,560)
Interest paid	(8,966,073)
Interest expense	8,947,883
Modification adjustment	2,898,771
Closing balance	<u><u>259,935,269</u></u>
	31-Dec-23
Opening balance	295,430,295
Principal Repayments	(17,407,602)
Interest Paid	(7,974,508)
Interest Expense	9,025,574
Modification adjustment	(5,382,510)
Closing balance	<u><u>273,691,248</u></u>

In 2022 the Notes issued were initially recognised at fair value, being the fair value of the Loan portfolio transferred, amounting to €282,512,221, and cash received amounting to €11,878,345 and are subsequently measured at amortised cost.

The Notes issued by the Company are limited recourse obligations due to which each class of note holder has the right to receive funds generated from the collateral assets to the extent that funds are available and the right of each class of note holder to receive funds is governed by the priority order of payments. Accordingly, the Company's obligation to noteholders is limited to the net proceeds upon realisation of the collateral. Should the net proceeds be insufficient to make all payments due in respect of the notes the deficit will be borne by the noteholders according to the rights and obligations of the Class C noteholders are subordinate to the Class B noteholders and the rights and obligations of the Class B noteholders are subordinate to the Class A noteholders.

The Directors consider that the timing of the repayment of the Notes is uncertain given that the timing of such payments is dependent on the receipt of interest and principal amounts yielded by the assets. The Notes are subject to mandatory redemption in part at each interest payment date in an amount equal to the principal received or recovered in respect of the mortgage assets.

The Notes will be redeemed at their principal amount outstanding on the last interest payment date falling due in 3 April 2064.

The Directors have determined that an embedded derivative exists in respect of the Class B and Class C Notes. The return on the Class B and Class C Notes is linked to the return on the Deemed Loan receivable and will only be payable to the extent that the Company has sufficient funds available for the purpose. However, it is the view of the directors of the Company that given the designated activities of the Company, i.e., serve the repayment of the Notes using the Loan repayments, the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host contract therefore the embedded derivative is not separated from the host contract. The change in net assets of the Company, i.e. the cash flows arising from assets fully attributable to the Company's noteholders has been recognised as a modification adjustment to the amortised cost of the Notes

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Notes issued (continued)

The nominal value and terms of the Notes issued as at 31 December 2024 are as follows:

Class	Maturity	Margin	Notes issued	Repayment	Total nominal value
			€	€	€
Class A Asset Backed Fixed Rate Notes	03/04/2064	0.30%	160,000,000	(34,044,162)	125,955,838
Class B1 Asset Backed Fixed Rate Notes	03/04/2064	9.00%	44,000,200	-	44,000,200
Class B2 Asset Backed Fixed Rate Notes	03/04/2064	9.00%	50,999,800	-	50,999,800
Class C1 Asset Backed Variable Return Notes	03/04/2064	Variable	116,216,042	-	116,216,042
Class C2 Asset Backed Variable Return Notes	03/04/2064	Variable	134,704,958	-	134,704,958
Total nominal value at year end					471,876,838

The nominal value and terms of the Notes issued as at 31 December 2023 are as follows:

Class	Maturity	Margin	Notes issued	Repayment	Total nominal value
			€	€	€
Class A Asset Backed Fixed Rate Notes	03/04/2064	0.30%	160,000,000	(17,407,602)	142,592,398
Class B1 Asset Backed Fixed Rate Notes	03/04/2064	9.00%	44,000,200	-	44,000,200
Class B2 Asset Backed Fixed Rate Notes	03/04/2064	9.00%	50,999,800	-	50,999,800
Class C1 Asset Backed Variable Return Notes	03/04/2064	Variable	116,216,042	-	116,216,042
Class C2 Asset Backed Variable Return Notes	03/04/2064	Variable	134,704,958	-	134,704,958
Total nominal value at year end					488,513,398

14. Limited Recourse Loan

	31-Dec-24	31-Dec-23
	€	€
Opening balance	1,174,754	1,222,810
Principal repayment during the financial year	(161,193)	(49,116)
Interest expense for the year	7,783	9,146
Interest paid	(8,135)	(8,086)
Closing balance	1,013,209	1,174,754

The Limited Recourse Loan bear interest at 0.75% per annum. They are limited recourse obligations due to which the lender has the right to receive funds generated from the collateral assets to the extent that funds are available and the right of the lender to receive funds is governed by the priority order of payments. Accordingly, the Company's obligation to the lender is limited to the net proceeds upon realisation of the collateral. Should the net proceeds be insufficient to make all payments due in respect of the Limited Recourse Loan the deficit will be borne by the noteholders according to the established priorities.

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Other payables	31-Dec-24	31-Dec-23
		€
Accrued expenses	2,127,066	1,942,451
Corporation tax payable	238	238
	<u>2,127,304</u>	<u>1,942,689</u>

All amounts are due within one year. The fair value of other liabilities which are due within one year approximates their carrying amount at the balance sheet date.

16. Financial risk management

The Company's financial instruments include cash and cash equivalents, deemed loan receivable, Notes issued and other receivables/other payables that raised directly from its operations.

Capital management

The capital managed by the Company is comprised of the Notes issued and outstanding at the financial year end. The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the Noteholders. The Company is not subject to externally imposed capital requirements. The operations of the Company are subject to various risks: credit risk, operational risk and concentration risk

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents and deemed loans receivable. However, ultimately this risk is borne by the noteholders due to the terms of conditions of the loan Notes in issue being on a non recourse basis, meaning that the noteholders are directly exposed to cash-flows generated by the assets, and will suffer losses where these are insufficient in line with the priorities of payments of the Notes in issue.

The maximum exposure to credit risk at the reporting date, in terms of net carrying values, was:

	2024	2023
	€	€
Deemed loan receivable	224,011,581	239,033,365
REOCo loan receivable	13,693,151	13,146,275
Other receivables	3,975	1
Cash and cash equivalents	25,369,289	24,630,515
	<u>263,077,996</u>	<u>276,810,156</u>

The Company uses a simplified approach for determining the recoverable amount of the portfolio. The Company measures the ECL as the difference between the Deemed Loan gross carrying amount and the present value of the estimated future cash flows.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Financial risk management (continued)

Sensitivity

A decrease in the estimated cash flows by 5%, with all other variables held constant, would result in an increase in the ECL of €12 mln (2023: €14m). An increase the discount rate used by 0.5% with all other variables been the same, would result in an increase in the ECL of €5 mln (2023: €7m).

Cash and cash equivalents

Cash balances are held with BNY Mellon and Piraeus Bank which has the following credit ratings from Fitch:

	Ratings
BNY Mellon	AA
Piraeus bank	B

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Liquidity risk

The Company is not exposed to liquidity risk since the Notes issued are limited recourse obligations whereby the obligation of the Company in respect of interest and principal payments on the Notes issued are restricted to the income and cash flows generated from the loan portfolio.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Due to the limited recourse nature of the Notes issued by the Company, profits arising from movements in interest rate pass to the Noteholders. Therefore, the Company has no net exposure to interest rate risk and the movements in interest rate have no impact on the profit or loss or the equity of the Company.

17. Related party transactions

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 "Related Party Disclosures".

The Company has no employees during the financial year and the Directors who are also employees of Wilmington Trust received no remuneration during the financial year. The terms of the corporate services agreement provide for a single fee for the provision of corporate services (including making available of individuals to act as Directors of the Company). As a result, the allocation of fees between the different services provided is a subjective and approximate calculation. The Company has allocated an amount of €1,000 per Director of the total administration fees paid to Wilmington Trust for the provision of the services of Directors. The individuals acting as Directors do not (and will not), in their personal capacity or any other capacity, receive any fee for acting or having acted as Directors of the Company.

The Deemed loan receivable was recognised following the legal transfer of the underlying loans from Piraeus Bank and Intrum Hellas A.E.D.A.D.P. services the loan portfolio on behalf of the Company. The service fee earned was €1,755,007 (2023: €2,517,084) during the year. As at 31 December 2024 Piraeus Bank held 100% of the Class A, Class B notes and Class C notes.

The shares in the Company are held by Wilmington Trust SP Services (Dublin) Limited under Declarations of Trust for charitable purposes. Piraeus bank has no direct ownership interest in the Company.

SUNRISE III NPL FINANCE DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Registered charges

An Irish deed of charge dated 10 November 2022 was entered into by and between the Company and BNY Mellon as Trustee whereby BNY Mellon was assigned all beneficial rights as per the transaction documents. Additionally a Greek Securitisation Law Pledge was executed on 10 November 2022 in which the Company irrevocably and unconditionally pledged and charged to Citibank N.A. all its claims and rights to the Security Assets.

19. Subsequent events

There have been no significant events since the statement of financial position date up to the approval of these financial statements which require adjustment to or disclosure in these financial statements.

20. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 23 January 2026.