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Registered number: MC-161501

UK registration number: FC026606

Business office:
20 Bank Street
Canary Wharf
London, E14 4AD
United Kingdom

Registered office:
Maples Corporate Services Limited,
PO Box 309,
Ugland House,
George Town,
Grand Cayman,
KY1-1104,
Cayman Islands

MORGAN STANLEY SINOPE CAYMAN LIMITED

Report and financial statements

31 December 2023

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MORGAN STANLEY SINOPE CAYMAN LIMITED

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MORGAN STANLEY SINOPE CAYMAN LIMITED

STRATEGIC REPORT

The Directors present their Strategic report for Morgan Stanley Sinope Cayman Limited (the “Company”) for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The Company is an exempted company incorporated under the laws of the Cayman Islands and its principal activity is to enter into financing transactions and investments with no significant changes expected in 2024.

The Company’s ultimate parent undertaking and controlling entity is Morgan Stanley, which, together with the Company and Morgan Stanley’s other subsidiary undertakings, form the Morgan Stanley Group (the “Group”). The Company’s immediate parent undertaking is Morgan Stanley Himalia Cayman Limited.

The management and control of the Company is in the United Kingdom (“UK”) and the Company is liable to UK Corporation tax on its taxable profits.

BUSINESS REVIEW

Overview of 2023 performance and key performance indicators

The Company’s main key performance indicators are loss after tax, total assets and total liabilities.

The Company reported a loss for the year of €554,000 compared to profit of €1,995,000 in the prior year. Loss in the current year mainly comprises of net interest expense of €546,000 (2022: net interest income of €8,012,000) from other Morgan Stanley Group undertakings.

The Company’s total assets at 31 December 2023 were €651,191,000 compared to €631,336,000 at 31 December 2022 which comprise of loans and advances, other receivables due from other Morgan Stanley Group undertakings and investment in subsidiaries. The increase of €19,855,000 is primarily due to an increase in dividend receivable and interest income accrual for the year. The Company’s total liabilities at 31 December 2023 were €458,875,000 compared to €438,466,000 at 31 December 2022 which primarily comprise of debt and other borrowings due to other Morgan Stanley Group undertakings. Total liabilities have increased by €20,409,000 primarily due to interest expense accrued on loans from other Morgan Stanley Group undertakings.

The Company’s net assets were €192,316,000 (2022: €192,870,000).

RISK MANAGEMENT

As an intermediate holding company, the Company is exposed to the risk of decline in value of its investments in subsidiary undertakings. Due to the current financial strength of its subsidiary undertakings, the Directors consider that the actual risk the Company is exposed to is minimal.

The Directors consider that the Company’s key financial risks are credit risk, primarily its concentration of exposure to other Morgan Stanley Group undertakings and liquidity risk arising primarily through its exposure to other Morgan Stanley Group undertakings presented within other receivables and payables, loans and advances and debt and other borrowings. The Company leverages the Morgan Stanley Group’s credit and liquidity risk frameworks to identify, measure, monitor and control credit risk and to ensure that the Company has access to adequate funding.

The Company also has some limited exposure to country, operational and legal, regulatory and compliance risks. The Company leverages the risk management policies and procedures of the Morgan Stanley Group.

MORGAN STANLEY SINOPE CAYMAN LIMITED

STRATEGIC REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

GOING CONCERN

Retaining sufficient liquidity and capital to withstand market pressures remains central to the Company's strategy.

Taking the above factors into consideration, the Directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the annual report and financial statements.

Approved by the Board and signed on its behalf by

DocuSigned by:

285C66151CE9447...
Emma Martin

Director

28 October 2024

MORGAN STANLEY SINOPE CAYMAN LIMITED

DIRECTORS' REPORT

The Directors present their report and financial statements for the Company for the year ended 31 December 2023.

RESULTS AND DIVIDENDS

The loss for the year, was €554,000 (2022: profit for the year €1,995,000).

During the year, no dividends were paid or proposed (2022: €nil).

RISK MANAGEMENT AND FUTURE DEVELOPMENTS

Information regarding risk management and future developments has been included in the Strategic report.

DIRECTORS

The following Directors held office throughout the year and to the date of approval of this report:

S E Bayfield

Emma Martin

J O Wood

S I Merry (Resigned on 31 March 2023)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors' and Officers' Liability Insurance is taken out by Morgan Stanley, the Company's ultimate parent undertaking, for the benefit of the Directors and Officers of the Company.

DIRECTORS' INDEMNITY

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the year and up to and including the date of the Directors' report for the benefit of the Directors of the Company and its subsidiary undertakings.

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

GOING CONCERN

The Director's assessment of the Company as a going concern has been included within the Strategic report on page 2.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

The Company was incorporated as an exempted company under the laws of the Cayman Islands. The Directors and the shareholders of the Company require the financial statements of the Company to be prepared in accordance with Part 15 of the Companies Act 2006 of the UK (that would have applied had these been statutory accounts under the Companies Act 2006) and drawn up in Euros.

MORGAN STANLEY SINOPE CAYMAN LIMITED

DIRECTORS' REPORT (CONTINUED)

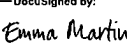
DIRECTORS' RESPONSIBILITIES STATEMENT (CONTINUED)

The Directors are required to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company for that period. In preparing these 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 United Kingdom Accounting Standards, including FRS 101, have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Part 15 of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by

DocuSigned by:

285C66151CE9447...
Emma Martin

Director

28 October 2024

MORGAN STANLEY SINOPE CAYMAN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	2023 €'000	2022 €'000
Net losses on investments in subsidiaries	4	—	(6,008)
Interest income	5	19,875	13,140
Interest expense	5	(20,421)	(5,128)
Net interest income		(546)	8,012
Other expense	6	(2)	—
Impairment loss on financial assets	7	(6)	(9)
(LOSS)/ PROFIT BEFORE TAXATION		(554)	1,995
Income tax expense	8	—	—
(LOSS)/ PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(554)	1,995

All results were derived from continuing operations.

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

MORGAN STANLEY SINOPE CAYMAN LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital	Share premium	Retained earnings	Total equity
	€'000	€'000	€'000	€'000
Balance at 1 January 2022	—	135,000	55,875	190,875
Profit and total comprehensive income for the year	—	—	1,995	1,995
Balance at 31 December 2022	—	135,000	57,870	192,870
Loss and total comprehensive income for the year	—	—	(554)	(554)
Balance at 31 December 2023	—	135,000	57,316	192,316

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

MORGAN STANLEY SINOPE CAYMAN LIMITED

Registered number: MC-161501

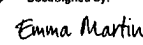
STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 €'000	2022 €'000
ASSETS			
Loans and advances	11	202,087	193,121
Other receivables	11	71,737	60,848
Investments in subsidiaries	9	377,367	377,367
TOTAL ASSETS		651,191	631,336
LIABILITIES AND EQUITY			
LIABILITIES			
Other payables	11	4	1
Debt and other borrowings	11	458,871	438,465
TOTAL LIABILITIES		458,875	438,466
EQUITY			
Share capital	10	—	—
Share premium	10	135,000	135,000
Retained earnings		57,316	57,870
Equity attributable to owners of the Company		192,316	192,870
TOTAL EQUITY		192,316	192,870
TOTAL LIABILITIES AND EQUITY		651,191	631,336

These financial statements were approved by the Board and authorised for issue on 28 October 2024.

Signed on behalf of the Board

DocuSigned by:

 285C08151CE9447...
 Emma Martin

Director

28 October 2024

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

MORGAN STANLEY SINOPE CAYMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. CORPORATE INFORMATION

The Company is incorporated and domiciled in Cayman Islands, at the following registered address of Maples Corporate Services Limited, PO Box 309, Ugland House, George Town, Grand Cayman, KY1-1104, Cayman Islands. The Company is an exempted company and is limited by shares. The registered number of the Company is MC-161501.

The Company's immediate parent undertaking is Morgan Stanley Himalia Cayman Limited, which has its registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, George Town, Grand Cayman, KY1-1104, Cayman Islands. Copies of the financial statements can be obtained from the Registrar of Companies for England and Wales, Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's ultimate parent undertaking and controlling entity and the largest and smallest group of which the Company is a member and for which group financial statements are prepared is Morgan Stanley which, together with the Company and Morgan Stanley's other subsidiary undertakings, form the Morgan Stanley Group. Morgan Stanley has its registered office c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America and is incorporated in the state of Delaware, in the United States of America. Copies of its financial statements can be obtained from www.morganstanley.com/investorrelations.

2. BASIS OF PREPARATION

The Company is not required to prepare consolidated financial statements by virtue of the exemption under section 401 of the Companies Act 2006.

The Company is incorporated under the laws of the Cayman Islands, which permits the use of the UK Company Law and the use of UK accounting standards in the preparation of financial statements.

Statement of compliance

These financial statements are prepared on a going concern basis as explained in the Strategic report and under the historical cost convention and in accordance with UK GAAP (UK Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101").

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to financial instruments, fair value measurement, capital management, presentation of a cash-flow statement, presentation of comparative information in respect of shares outstanding, accounting standards not yet effective, related party transactions and certain income tax disclosures related to the International Tax Reform - Pillar Two Model Rules.

Where relevant, equivalent disclosures have been provided in the group accounts of Morgan Stanley in which the Company is consolidated. Copies of Morgan Stanley's accounts can be obtained as detailed at note 1.

New standards and interpretations adopted during the year

There are no standards, amendments to standards or interpretations relevant to the Company's operations which were adopted during the year.

Critical accounting judgements and sources of estimation uncertainty

In preparing the financial statements, the Company makes judgements and estimates that affect the application of accounting policies and reported amounts. Critical accounting judgements are key decisions made by management in the application of the Company's accounting policies, other than those involving estimations, which have the most significant effects on the amounts recognised in the financial statements. Key sources of estimation uncertainty represent assumptions and estimations made by management that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

No critical judgements or key assumptions have been made in preparing the financial statements and there are no other key sources of estimation uncertainty in the reporting period.

MORGAN STANLEY SINOPE CAYMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. BASIS OF PREPARATION (CONTINUED)

The going concern assumption

The Company's business activities, together with the factors likely to affect its future development, performance and position, are reflected in the Business review section of the Strategic report on page 1.

Taking the above factors into consideration, the Directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Functional currency

Items included in the financial statements are measured and presented in Euros, the currency of the primary economic environment in which the Company operates.

b. Foreign currencies

Monetary assets and liabilities denominated in currencies other than Euros are translated into Euros at the rates ruling at the reporting date. Transactions and non-monetary assets and liabilities denominated in currencies other than Euros are recorded at the rates prevailing at the dates of the transactions. All translation differences are recognised through the statement of comprehensive income.

c. Financial instruments

Financial assets and liabilities primarily comprise investments in subsidiaries, loans and advances, debt and other borrowings and other receivables and payables.

Investments in subsidiaries are stated at cost, less any impairment. Dividends, impairment losses and reversals of impairment losses are recognised in the statement of comprehensive income in 'Net gains/(losses) on investments in subsidiaries'.

Loans and advances, other receivables and payables and debt and other borrowings are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value and subsequently measured at amortised cost (less allowance for impairment on financial assets). Interest is recognised in the statement of comprehensive income using the effective interest rate ("EIR") method.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

d. Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") for its financial assets classified at amortised cost. ECLs are the present value of cash shortfalls over the expected life of the financial instrument, discounted at the asset's EIR. ECL is recognised in the statement of comprehensive income within 'Net impairment loss on financial instruments' and is reflected against the carrying amount of the impaired asset on the statement of financial position as an ECL allowance. Where there has been a reduction in ECL, this will be recognised within 'Net reversal of impairment loss on financial instruments'.

Impairment losses on investment in subsidiaries are measured as the difference between cost and the current estimated recoverable amount. When the recoverable amount is less than the cost, an impairment is recognised within the statement of comprehensive income in 'Net losses on investments in subsidiaries,' and is reflected against the carrying amount of the impaired asset on the statement of financial position.

MORGAN STANLEY SINOPE CAYMAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2023****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****e. Income tax**

The tax expense represents the sum of the tax currently payable and is calculated based on taxable profit for the year. Taxable profit may differ from profit before taxation as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

4. NET LOSSES ON INVESTMENTS IN SUBSIDIARIES

	2023	2022
	€'000	€'000
Impairment losses	—	6,008

5. INTEREST INCOME AND INTEREST EXPENSE

'Interest income' and 'Interest expense' relates to financial assets and financial liabilities at amortised cost and is calculated using the EIR method.

6. OTHER EXPENSE

	2023	2022
	€'000	€'000
Net foreign exchange losses	(2)	—

The Company employed no staff during the year (2022: nil)

The Company's Directors are employed by other Morgan Stanley Group companies. The Directors' services to the Company are considered to be incidental to their other responsibilities within the Morgan Stanley Group and as such, Directors' remuneration is €nil for the current year (2022: €nil).

7. IMPAIRMENT LOSS ON FINANCIAL ASSETS

	2023	2022
	€'000	€'000
ECL relating to:		
Loans and advances	(6)	(9)

MORGAN STANLEY SINOPE CAYMAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2023****8. INCOME TAX EXPENSE**

	2023 €'000	2022 €'000
Current tax expense		
UK corporation tax at 23.52% (2022: 19%)		
- Current year	—	—
Income tax expense	—	—

The UK main rate of corporation tax is 23.52% for the period (2022: 19%). Finance Act 2021 raised the UK main rate of corporation tax from 19% to 25% with effect from 1 April 2023. This impacts the tax charge in the current and future years.

Reconciliation of effective tax rate

The current year income tax expense is higher (2022: lower) than that resulting from applying the average standard rate of corporation tax in the UK for the year of 23.52% (2022: 19%). The main differences are explained below:

	2023 €'000	2022 €'000
Profit before taxation	(554)	1,995
Income tax using the average standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(130)	379
Impact on tax of		
Expenses not deductible for tax purposes	1	1,143
Non-taxable dividends on preference shares shown as interest income	(2,561)	(2,069)
Group relief surrendered for no cash consideration	2,690	547
Total income tax expense in the statement of comprehensive income	—	—

9. INVESTMENT IN SUBSIDIARIES

	Subsidiary undertakings €'000
Cost	
At 1 January 2023 and December 2023	403,320
Impairment provisions	
At 1 January 2022	(25,953)
Provisions made in the year	—
At 31 December 2023	(25,953)
Carrying amounts	
At 31 December 2022	377,367
At 31 December 2023	377,367

MORGAN STANLEY SINOPE CAYMAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2023****9. INVESTMENT IN SUBSIDIARIES (Continued)**

During the year, no impairment provision was made against the investment in Morgan Stanley Adrastea Netherlands B.V as the current estimated recoverable amount of investment is greater than the cost. The impairment provision was calculated by comparing cost and the current estimated recoverable amount of each investment.

Details of all investments in subsidiary of the Company at 31 December 2023 and 31 December 2022 can be found in the Appendix to the financial statements.

10. EQUITY**Ordinary share capital**

	Ordinary shares of \$1 each Number	
Authorised:		
At 1 January 2023 and at 31 December 2023		<u>50,000</u>
	2023	2022
	Amounts in €	Amounts in €
Allotted and fully paid:		
101 ordinary shares of \$1 each	<u>101</u>	<u>101</u>

All ordinary shares are recorded at the rates of exchange ruling at the date the shares were paid up.

Reserves*Share premium*

The 'Share premium account' of €135,000,000 (2022: €135,000,000) comprises the capital raised in an issue of shares that exceeds the nominal value of the shares.

11. EXPECTED MATURITY OF ASSETS AND LIABILITIES

Loans and advances, other receivables and payables and debt and other borrowings relate wholly to amounts due from and to group undertakings respectively.

Other receivables of €71,737,000 (2022: €60,848,000) and other payables of €4,000 (2022: €1,000) are expected to be settled no more than twelve months after the reporting period, with all other amounts expected to be settled more than twelve months after the reporting period end.

12. SEGMENT REPORTING

The Company has only one class of business, operating in a single geographic market, Europe, Middle East and Africa ("EMEA") and accordingly no segmental analysis has been provided.

13. EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

MORGAN STANLEY SINOPE CAYMAN LIMITED

APPENDIX TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

Details of all investments in subsidiaries of the Company at 31 December 2023 and 31 December 2022 are shown in the table below.

Name of Company	Address of undertaking's registered office	Type of shares held	Proportion of shares held		Proportion of voting rights held		Nature of business
			2023	2022	2023	2022	
Morgan Stanley Adrastea Netherlands B.V.	20 Bank Street, Canary Wharf, London E14 4AD, United Kingdom	Ordinary	100%	100%	23.529%	23.529%	Financial services
		Class A Redeemable Preference Shares	100%	100%	76.469%	76.469%	
		Class B Redeemable Preference Shares	100%	100%	0.001%	0.001%	
		Class C Redeemable Preference Shares	100%	100%	0.001%	0.001%	