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Registered number: MC-161513

UK Registration number: FC026607

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

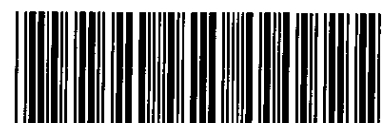
Registered office:
Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

MORGAN STANLEY HIMALIA CAYMAN LIMITED

Report and financial statements

31 December 2020

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MORGAN STANLEY HIMALIA CAYMAN LIMITED

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MORGAN STANLEY HIMALIA CAYMAN LIMITED

STRATEGIC REPORT

The Directors present their Strategic report for Morgan Stanley Himalia Cayman Limited (the "Company") for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The Company is an exempted company incorporated under the laws of the Cayman Islands and its principal activity is to act as an intermediate holding company, with no significant changes expected in 2021.

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 Company's immediate parent undertaking is Morgan Stanley Europa LLC.

The management and control of the Company is in the United Kingdom ("UK") and the entity is liable to UK Corporation Tax on its taxable profits.

BUSINESS REVIEW

Business environment

During the course of 2020, the Morgan Stanley Group has been impacted by a series of factors in the global environment in which it operates including the emergence of the coronavirus disease ("COVID-19") in early 2020 and the finalisation of the agreement governing the United Kingdom's ("UK") withdrawal from the European Union (the "EU") ("Brexit").

COVID-19

The COVID-19 pandemic and related voluntary and government-imposed social and business restrictions has adversely impacted global economic conditions, resulting in volatility in the global financial markets, increased unemployment, and operational challenges such as the temporary closure of businesses, sheltering-in-place directives and increased remote work protocols.

Governments around the world have been working to develop, manufacture, and distribute COVID-19 vaccines. Moreover, governments and central banks have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates. If the pandemic is further prolonged or the actions of governments and central banks are unsuccessful, including actions to facilitate the comprehensive distribution of effective vaccines, the adverse impact on the global economy will deepen, and the future results of operations and financial condition of Morgan Stanley and the Company may be adversely affected.

Morgan Stanley and the Company continue to use their Risk Management framework, to manage the significant uncertainty in the present economic and market conditions.

UK withdrawal from the EU ("Brexit")

On 31 January 2020, the UK withdrew from the EU under the terms of a withdrawal agreement between the UK and the EU. The withdrawal agreement provided for a transition period to the end of December 2020, during which time the UK would continue to apply EU law as if it were a member state, and UK firms' passporting rights to provide financial services in EU jurisdictions continued.

On 24 December 2020, the UK and the EU announced they had reached agreement on the terms of a trade and cooperation agreement to govern the future relationship between the parties. The agreement is provisionally applicable with effect from 1 January 2021 pending formal ratification by the EU. The Company's results of operations are not expected to be negatively affected by this.

MORGAN STANLEY HIMALIA CAYMAN LIMITED

BUSINESS REVIEW (CONTINUED)

Overview of 2020 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 after tax for the year of €1,822,000, compared to €1,712,000 in the prior year. The loss for the current year mainly comprises of interest expense of €1,915,000 (2019: €1,812,000) from other Morgan Stanley Group undertakings and net impairment loss €4,000 (2019: €nil), partly offset by interest income of €97,000 (2019: €100,000).

The Company's total assets at 31 December 2020 were €142,927,000 compared to €144,884,000 at 31 December 2019. The decrease of €1,957,000 is attributable to decrease in other receivables from Morgan Stanley group undertakings on account of intercompany settlements. The Company's total liabilities at 31 December 2020 were €189,325,000 compared to €189,460,000 at 31 December 2019. The decrease of €135,000 is primarily due to settlement of intercompany balances with other Morgan Stanley Group undertakings, offset partially by accrued interest expense.

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 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. The Company also manages the risk of potential impacts on its business (including but not limited to the impact of the UK's decision to leave "the EU" by maintaining a constant planning dialogue with the wider Morgan Stanley Group.

GOING CONCERN

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

Although the Company has net liabilities payables, the Company is performing in line with expectations and the net liabilities are due to amounts owing to fellow Morgan Stanley Group undertakings, the demand for repayment of which is wholly within the control of the Morgan Stanley Group. In addition, the Company's ultimate parent undertaking and controlling entity, Morgan Stanley, has confirmed its intent to provide financial support to the Company to meet its obligations. Having assessed these factors, the Director's continue to adopt the going concern basis in preparing the annual report and financial statements.

The existing and potential effects of COVID-19 on the business of the Company have been considered as part of the going concern analysis, including impact on operational capacity, access to liquidity and capital, contractual obligations, asset valuations and other critical accounting judgements and key sources of estimation uncertainty. Additionally, the specific impact of Brexit on the business of the Company has been considered.

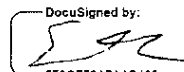
MORGAN STANLEY HIMALIA CAYMAN LIMITED

STRATEGIC REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

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. Accordingly, they 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:

578CE23A7AAB435.
ST Meny

Director

7 October 2021

MORGAN STANLEY HIMALIA CAYMAN LIMITED

DIRECTORS' REPORT

The Directors present their report and financial statements for the Company for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The loss for the year, after tax, was €1,822,000 (2019: €1,712,000).

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
E-L M Martin
S I Merry
J O Wood

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 and its subsidiary undertakings.

DIRECTORS' INDEMNITY

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006 of the UK (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 after 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 .

MORGAN STANLEY HIMALIA CAYMAN LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual report and the 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.

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 those 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:

573CF73A7AAB435
ST Meny

Director

7 October 2021

MORGAN STANLEY HIMALIA CAYMAN LIMITED**STATEMENT OF COMPREHENSIVE INCOME****Year ended 31 December 2020**

	Note	2020 €'000	2019 €'000
Interest income	4	97	100
Interest expense	4	(1,915)	(1,812)
Net interest expense		<u>(1,818)</u>	<u>(1,712)</u>
Net impairment loss on financial assets	5	<u>(4)</u>	<u>-</u>
LOSS BEFORE TAXATION		(1,822)	(1,712)
Income tax result	6	<u>-</u>	<u>-</u>
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,822)</u>	<u>(1,712)</u>

All results were derived from continuing operations.

The notes on pages 9 to 14 form an integral part of the financial statements.

MORGAN STANLEY HIMALIA CAYMAN LIMITED**STATEMENT OF CHANGES IN EQUITY****Year ended 31 December 2020**

	Share capital	Retained earnings	Total equity
	€'000	€'000	€'000
Balance at 1 January 2019	4,782	(47,646)	(42,864)
Loss and total comprehensive income for the year	-	(1,712)	(1,712)
Balance at 31 December 2019	4,782	(49,358)	(44,576)
Loss and total comprehensive income for the year	-	(1,822)	(1,822)
Balance at 31 December 2020	4,782	(51,180)	(46,398)

The notes on pages 9 to 14 form an integral part of the financial statements.

MORGAN STANLEY HIMALIA CAYMAN LIMITED

Registered number: MC-161513

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	2020	2019
	€'000	€'000
ASSETS		
Other receivables	7,927	9,884
Investments in subsidiaries	135,000	135,000
TOTAL ASSETS	142,927	144,884
LIABILITIES AND EQUITY		
LIABILITIES		
Other payables	1	-
Debt and other borrowings	189,324	189,460
TOTAL LIABILITIES	189,325	189,460
EQUITY		
Share capital	4,782	4,782
Retained earnings	(51,180)	(49,358)
Equity attributable to owners of the Company	(46,398)	(44,576)
TOTAL EQUITY	(46,398)	(44,576)
TOTAL LIABILITIES AND EQUITY	142,927	144,884

These financial statements were approved by the Board and authorised for issue on 07 October 2021.

Signed on behalf of the Board

DocuSigned by

 ST Merry
 Director

The notes on pages 9 to 14 form an integral part of the financial statements.

MORGAN STANLEY HIMALIA CAYMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. CORPORATE INFORMATION

The Company is incorporated and domiciled in the Cayman Islands, at the following registered address of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company is an exempted company with limited liability. The registered number of the Company is MC-161513.

The Company's immediate parent undertaking is Morgan Stanley Europa LLC which has its registered office at c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America. Copies of its financial statements can be obtained from the Registrar of Companies for c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States of America.

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 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 in accordance with UK GAAP (UK Accounting Standards and applicable law), including 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, accounting standards not yet effective and related party transactions.

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

The following amendments to standards and interpretations relevant to the Company's operations were adopted during the year. These amendments to standards and interpretations did not have a material impact on the Company's financial statements.

Amendments to IAS 1 '*Presentation of Financial Statements*' and IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*': Definition of Material were issued by the IASB in October 2018, for application in accounting periods beginning on or after 1 January 2020. The amendments were endorsed by the EU in December 2019.

There were no other standards or interpretations relevant to the Company's operations which were adopted during the period.

MORGAN STANLEY HIMALIA CAYMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

2. BASIS OF PREPARATION (CONTINUED)

Critical accounting judgements and sources of estimation uncertainty

No critical judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the financial statements. The Company has not made any key assumptions and there are no other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

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.

Although the Company is in a net liability position, the Company is performing in line with expectations and the net liability position is due to amounts owing to fellow Morgan Stanley Group undertakings, the demand for repayment of which is wholly within the control of the Morgan Stanley Group. In addition, the Company's ultimate parent undertaking and controlling entity, Morgan Stanley, has confirmed its intent to provide financial support to the Company to meet its obligations.

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 SIGNIFICANT 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, debt and other borrowings and other receivables and payables.

Investments in subsidiaries are stated at cost, less provision for 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'.

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.

MORGAN STANLEY HIMALIA CAYMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECL") for its financial assets classified at amortised cost. ECL 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.

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. INTEREST INCOME AND INTEREST EXPENSE

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

The Company employed no staff during the year (2019: 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 (2019: €nil).

5. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	2020	2019
	€'000	€'000
ECL relating to:		
Other receivables	4	-

MORGAN STANLEY HIMALIA CAYMAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2020****6. INCOME TAX RESULT**

	2020	2019
	€'000	€'000
Current tax result		
UK corporation tax at 19% (2019: 19%)		
- Current year	-	-
Income tax result	<u>-</u>	<u>-</u>

Finance (No. 2) Act 2015 reduced the UK main rate of corporation tax to 17% with effect from 1 April 2020. However, Finance Act 2020 removed the reduction to 17% with effect from 1 April 2020 and the UK main rate remains 19% for the financial year 2020, which impacts the current tax charge in the current year. The UK main rate of corporation tax is 19% for the year.

Finance Act 2021 raised the UK main rate of corporation tax from 19% to 25% with effect from 1 April 2023. While this change does not affect the income tax charge for the year, it will affect future years.

Reconciliation of effective tax rate

The current year income tax expense is higher (2019: higher) than that resulting from applying the average standard rate of corporation tax in the UK for the year of 19% (2019: 19%). The main differences are explained below:

	2020	2019
	€'000	€'000
Loss before taxation	(1,822)	(1,712)
Income tax using the average standard rate of corporation tax in the UK of 19% (2019: 19%)	(346)	(325)
Impact on tax of:		
Expenses not deductible for tax purposes	1	-
Group relief surrendered for no cash consideration	345	325
Total income tax result in the statement of comprehensive income	<u>-</u>	<u>-</u>

7. INVESTMENT IN SUBSIDIARIES

	Subsidiary undertakings €'000
Cost	
At 1 January 2020 and 31 December 2020	<u>135,000</u>
Impairment provisions	
At 1 January 2020 and December 2020	<u>-</u>
Carrying amounts	
At 1 January 2020 and 31 December 2020	<u>135,000</u>

Details of all investments in subsidiaries (including indirect subsidiaries) of the Company at 31 December 2020 and 31 December 2019 can be found in the Appendix to the financial statements.

MORGAN STANLEY HIMALIA CAYMAN LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2020****8. EQUITY****Ordinary share capital**

	Ordinary shares of €1 each		Ordinary shares of \$1 each		Total ordinary shares
	Number		Number		Number
Authorised					
At 1 January 2020 and 31 December 2020	10,000,000		50,000		10,050,000
	Ordinary shares of €1 each	Ordinary shares of €1 each	Ordinary shares of \$1 each	Ordinary shares of \$1 each	Total ordinary shares
	Number	€'000	Number	\$'000	€'000
Authorised & fully paid:					
At 1 January 2020 and 31 December 2020	4,781,582	4,782	1	-	4,782

The ordinary share is recorded at the rates of exchange ruling at the date the shares were paid up.

9. EXPECTED MATURITY OF ASSETS AND LIABILITIES

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

Other receivables of €7,927,000 (2019: €9,884,000) and other payables of €1,000 (2019: €Nil) 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

10. 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.

11. EVENTS AFTER THE REPORTING DATE

There are no significant events after the reporting date.

MORGAN STANLEY HIMALIA CAYMAN LIMITED**APPENDIX TO THE FINANCIAL STATEMENTS****Year ended 31 December 2020**

Details of all investments in subsidiaries (including indirect subsidiaries) of the Company at 31 December 2020 and 31 December 2019 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
			2020	2019	2020	2019	
Morgan Stanley Sinope Cayman Limited	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Ordinary	100%	100%	100%	100%	Holding company
Morgan Stanley Adrastea Netherlands B.V. #	20 Bank Street, Canary Wharf, London E14 4AD, United Kingdom	Ordinary *	100%	100%	23.53%	23.53%	Financial services
		Class A Redeemable Preference Shares *	100%	100%	76.47%	76.47%	
		Class B Redeemable Preference Shares *	100%	100%	0.001%	0.001%	
		Class C Redeemable Preference Shares *	100%	100%	0.001%	0.001%	

An * denotes shareholdings attributed to the Company which are not all held directly by the Company.

Indirect subsidiary