

**SUN FINANCE TREASURY  
LIMITED**

**INTERIM UNAUDITED FINANCIAL  
STATEMENTS FOR THE SIX  
MONTHS  
ENDED 30 JUNE 2024**

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## ***Information of the Company***

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Name of the Company	<i>Sun Finance Treasury</i>
Legal status	<i>Limited Liability Company</i>
Number, place and date of registration	<i>C 79771, Malta, 21 May 2019</i>
Legal and postal address	<i>Suite 23, Level 4, Vincenti Buildings, 25 Strait Street, Valletta VLT 1432, Malta</i>
Board members and their positions	<i>Dr. Frank Chetcuti Dimech Mr. Janis Kundzins</i>
Reporting period	<i>01.01.2024 – 30.06.2024</i>
Information on shareholders	<i>HSFS AS: 50% HSFE AS: 50%</i>

## **Management report**

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### **Board of Directors:**

Dr. Frank Chetcuti Dimech

Mr. Janis Kundzins

The directors present herewith their unaudited report for the six months period ended 30 June 2024 of Sun Finance Treasury Limited (the "Company").

### **Principal Activities**

The principal activity of the Company, which has remained unchanged from the previous accounting year, is providing short-term financing, mainly to related companies.

### **Review of Business**

The Company has recorded a loss for the period. Management of the Company continues to invest in financial position improvements. Meanwhile the joint parent companies have indicated that they are able and willing to continue financing the operations of the Company for at least a further year.

### **Principal Risks and Uncertainties**

As part of the Sun Finance Group, the Company applies Group principles for overall risk management, and Group policies covering specific areas such as credit risk, liquidity risk, market risks, operational risks and reputational risks.

The principal risks and uncertainties of the Company relate to its principal business and assets, that is, loans to related parties and funding received from external parties. Recoverability of these related party loans is dependent on the performance of the underlying companies. The Company is exposed to interest rate risk as loans are issued at fixed rates while the majority of the borrowings are subject to floating interest rates. Management believes that for the Company, the interest rate risk is not material. The floating part of the borrowings is linked to the interest rate set by the European Central Bank which has kept the rate stable recently and there are no indications about expected increases. The management actively manages this risk.

The Group operate in a highly competitive marketplace, which competitors, changes in the regulation and government decisions, situation in the world economy and politics might cause an effect on the Group operations. Therefore, the Board continues to take a proactive approach to recognising and mitigating risk with the aim to ensure the Group related companies with available to continuity of funding.

### **Future Developments**

The Company is expected to continue its principal activity for the foreseeable future, managing funding across related companies and attracting external funding. These activities are expected to further improve the financial position of the Company in the long term, delivering profitability.

### **Going Concern**

The directors, after due consideration of the Company's results, financial position and the joint parent companies support declaration, confirm that the Company is in a position to continue operating as a going concern for the foreseeable future.

### **Directors**

The members serving on the Board of Directors and movements thereon are listed on page 3. In accordance with the Company's Articles of Association, the directors at date of this report are to remain in office.

Approved by the Board of Directors on 30 August 2024 and signed on its behalf by:



Dr. Frank Chetcuti Dimech  
Director



Mr. Janis Kundzins  
Director

**Interim unaudited statement of comprehensive income**

	01.01.2024- 30.06.2024 EUR	01.01.2023- 30.06.2023 EUR
<b>Finance Income</b>	<b>8 588 281</b>	<b>5 387 149</b>
Finance costs	(11 557 444)	(6 784 158)
<b>Net Interest Margin</b>	<b>(2 969 163)</b>	<b>(1 397 009)</b>
Operational Costs	(539 480)	(495 426)
Administrative Costs	(114 417)	(77 773)
Depreciation of plant and equipment	(196)	(58)
<b>Operating Loss</b>	<b>(3 623 256)</b>	<b>(1 970 266)</b>
Finance Income	50 991	98 363
Finance Costs	-	(12)
<b>Net Finance Income</b>	<b>50 991</b>	<b>98 351</b>
<b>Loss before Taxation</b>	<b>(3 572 265)</b>	<b>(1 871 915)</b>
Tax Expense	-	(19 795)
<b>Loss for the Period</b>	<b>(3 572 265)</b>	<b>(1 891 710)</b>
<b>Total Comprehensive Loss for the Period</b>	<b>(3 572 265)</b>	<b>(1 891 710)</b>

The accompanying notes on pages 10 to 17 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2024 and signed on its behalf by:



Dr. Frank Chetcuti Dimech  
Director



Mr. Janis Kundzins  
Director

**Interim unaudited statement of Financial Position**

	Note	30.06.2024 EUR	31.12.2023 EUR
<b>ASSETS</b>			
Plant and Equipment		726	922
Investment in Subsidiaries		1	1
Non-Interest Bearing Receivables		5 836 178	5 861 554
<b>Total Non-Current Assets</b>		<b>5 836 905</b>	<b>5 862 477</b>
Interest Bearing Receivables	4	111 534 382	110 037 366
Other Receivables		723 229	263 336
Cash and Cash Equivalents		5 697 734	2 872 237
<b>Total Current Assets</b>		<b>117 955 345</b>	<b>113 172 939</b>
<b>Total Assets</b>		<b>123 792 250</b>	<b>119 035 416</b>
<b>EQUITY</b>			
Share Capital	5	231 166	51 166
Capital Contribution	5	-	180 000
Accumulated Losses		(18 323 552)	(14 751 287)
<b>Total Equity Deficiency</b>		<b>(18 092 386)</b>	<b>(14 520 121)</b>
<b>LIABILITIES</b>			
Borrowings	6	66 963 003	63 043 401
<b>Total Non-Current Liabilities</b>		<b>66 963 003</b>	<b>63 043 401</b>
Borrowings	6	-	18 765 842
Loans Payable	7	74 769 277	51 723 109
Other Payables		152 356	23 185
<b>Total Current Liabilities</b>		<b>74 921 633</b>	<b>70 512 136</b>
<b>Total Liabilities</b>		<b>141 884 636</b>	<b>133 555 537</b>
<b>Total Equity and Liabilities</b>		<b>123 792 250</b>	<b>119 035 416</b>

The accompanying notes on pages 10 to 17 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2024 and signed on its behalf by:



Dr. Frank Chetcuti Dimech  
Director



Mr. Janis Kundzins  
Director

**Interim unaudited Statement of Changes in Equity**

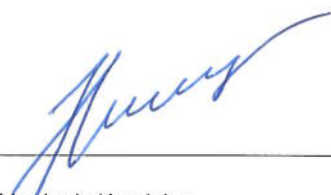
	Total EUR	Share Capital EUR	Capital Contribution EUR	Accumulated Losses EUR
<b>Balance 1 January 2024</b>	(14 520 121)	51 166	180 000	(14 751 287)
<b>Contributions by Owners of the Company</b>				
Contribution for Future Capital Increase	-	180 000	(180 000)	-
<b>Comprehensive Loss for the Year</b>				
Loss for the Year	(3 572 265)	-	-	(3 572 265)
<b>Balance at 30 June 2024</b>	<u>(18 092 386)</u>	<u>231 166</u>	<u>-</u>	<u>(18 323 552)</u>
<b>Balance 1 January 2023</b>	(6 825 293)	51 166	-	(6 876 459)
<b>Contributions by Owners of the Company</b>				
Contribution for Future Capital Increase	180 000	-	180 000	-
<b>Comprehensive Loss for the Year</b>				
Loss for the Year	(7 874 828)	-	-	(7 874 828)
<b>Balance at 31 December 2023</b>	<u>(14 520 121)</u>	<u>51 166</u>	<u>180 000</u>	<u>(14 751 287)</u>

The accompanying notes on pages 10 to 17 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2024 and signed on its behalf by:



Dr. Frank Chetcuti Dimech  
Director



Mr. Janis Kundzins  
Director

**Interim unaudited statement of Cash Flows**

	Note	01.01.2024- 30.06.2024 EUR	01.01.2023- 30.06.2023 EUR
<b>Cash Flows from Operating Activities</b>			
Loss for the Year		(3 572 265)	(1 891 710)
<i>Adjustments for:</i>			
Amortisation of Bond Expenses		539 480	495 426
Depreciation of equipment		196	58
Unrealized Differences on Exchange		(22 710)	(98 364)
Income Tax Expense		-	19 795
		<b>(3 055 299)</b>	<b>(1 474 795)</b>
<b>Changes in</b>			
Other Receivables		(459 892)	15 710
Other Payables		129 171	7 346
		<b>(3 386 020)</b>	<b>(1 451 739)</b>
<b>Cash Lost from Operations</b>			
Final Withholding Taxes Paid		-	(19 795)
		<b>(3 386 020)</b>	<b>(1 471 534)</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of Financial Assets at FVTPL		(23 681 000)	(17 490 000)
Sale Proceeds on Disposal of Financial Assets at FVTPL		2 874 000	31 696 000
Purchase of equipment		-	(1 176)
Movement on Loans Receivable		(1 471 642)	4 469 025
		<b>(22 278 642)</b>	<b>18 673 849</b>
<b>Cash Flows from Financing Activities</b>			
Net Advances from Notes Issued		5 980 000	(5 088 000)
Notes Issue Costs		(558 720)	(863 742)
Movement on Third Parties Loans		116 012	(10 400 244)
Movement on Related Companies Loans		19 709 211	(8 163 083)
Movement on Joint Parent Companies Loans		3 220 946	13 260 894
		<b>28 467 449</b>	<b>(11 254 175)</b>



## ***Interim unaudited statement of Cash Flows***

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	Note	01.01.2024- 30.06.2024 EUR	01.01.2023- 30.06.2023 EUR
<b>Net Movement in Cash and Cash Equivalents</b>		<b>2 802 787</b>	<b>(5 948 140)</b>
Adjustment for Unrealised Exchange Fluctuations		22 710	98 364
Cash and Cash equivalents at beginning of the period		2 872 237	1 302 752
<b>Cash and Cash equivalents at end of the period</b>		<b>5 697 734</b>	<b>7 349 256</b>

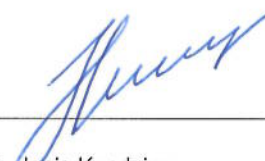
The accompanying notes on pages 10 to 17 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2024 and signed on its behalf by:



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Dr. Frank Chetcuti Dimech  
Director



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Mr. Janis Kundzins  
Director

## **Notes to the Interim unaudited Financial Statements**

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### **(1) Reporting Entity**

Sun Finance Treasury Limited (the "Company") is a limited liability company domiciled and incorporated in Malta. The Company's registered office is at Suite 23, Level 4, Vincenti Buildings, 25 Strait Street, Valletta VLT 1432, Malta.

### **(2) Basis of Preparation**

#### **Statement of Compliance**

The separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("the applicable framework"), which standards were issued by the International Accounting Standards Board (IASB). All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU. They have been drawn up in accordance with the provisions of the Companies Act, 1995 enacted in Malta, (The Act) save insofar as such provisions remove the requirement under IAS 27 Consolidated and Separate Financial Statements, of preparing and presenting consolidated Financial Statements of the group, of which the Company is parent.

The Company qualifies to prepare consolidated Financial Statements in terms of Article 173 of the Act. However, consolidated Financial Statements will be prepared at the level of the Ultimate Parent Company, namely AS Sun Finance Group, a company incorporated in Latvia.

These Financial Statements therefore represent the separate Financial Statements of the Company.

The Act specifies that in the event that any of one of its provisions is in conflict or not comparable with IFRSs or its application is incompatible with the obligation for Financial Statements to give a true and fair view, that provision shall be departed from in order to give a true and fair view.

#### **Basis of Measurement**

The Financial Statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss.

#### **Functional and Presentation Currency**

These Financial Statements are presented in Euro (EUR), which is the Company's functional currency.

#### **Use of Estimates and Judgements**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1 (revised).

#### **Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

## **Notes to the Interim unaudited Financial Statements**

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If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments at fair value through profit or loss.

### ***New Standards and Interpretations Not Yet Adopted***

A number of amended standards became applicable for the current period and have been applied as necessary. The impact of the adoption of these revisions on the Company's accounting policies and on the financial results are insignificant.

Certain new standards, amendments and interpretations to existing standards have been published by the date of the authorisation for issue of these audited financial statements but are not mandatory for the Company's accounting period starting 1 January 2023. The Company may early adopt these revisions to the requirements of IFRSs as adopted by the EU. The Company's directors are of the opinion that there are no requirements that will have a significant impact on the financial statements in the period of initial application.

### **(3) Significant Accounting Policies**

The accounting policies set out below have been applied throughout the period presented in these Financial Statements.

#### ***Foreign Currency Transactions***

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

#### ***Dividend income***

Dividend income represents dividends receivable from investments in subsidiaries in the ordinary course of business. Dividend income is recognised in the income statement when the right to receive payment is established.

#### ***Finance Income***

##### ***Coupon Income***

Coupon income represents income received from financial assets that are measured at fair value through profit or loss. Coupon income is recognised in the income statement on an accruals basis.

##### ***Loan Interest Income***

Loan interest income comprises interest receivable from short-term lines of credit in the ordinary course of business. Interest receivable is recognised in the income statement on an accruals basis.

##### ***Guarantee Fee Income***

Guarantee fee income comprises fees receivable for the provision of guarantees in the ordinary course of business. Such fees receivable are recognised in the income statement on an accruals basis.

#### ***Finance Costs***

Finance costs represent loan interest payable and interest payable on the notes in issue as set out in the notes to these Financial Statements. Finance costs are recognised as an expense in the income statement in the period in which they are incurred.

#### ***Notes Costs***

Notes costs represent fees and other costs incurred in connection with the issuance of the notes by the Company to investors. The cost of issuing notes is recorded in a contra liability account and off-set from the nominal value of the bond in order to systematically move the bond issue costs from the balance sheet to the income statement over the term of the bond. As a result, the Company matches the cost of the bond to accounting periods that are benefitting from the bond being issued. The cost of the bond is amortised over the duration of the bond, being 24 months.

## **Notes to the Interim unaudited Financial Statements**

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### **Financial Assets at Fair Value through Profit or Loss**

The Company classifies financial assets through the profit or loss consists of equity investments that are held for trading, debt securities that do not qualify for measurement at either amortised costs or securities which qualify to be measured at fair value through other comprehensive income and equity investments for which the Company has not elected to recognize fair value gains and losses through other comprehensive income.

On disposal of any of the above investments, any gains or losses have to be recognized in the profit and loss.

### **Investments in Subsidiaries**

A subsidiary is an entity which is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An investment in a subsidiary is initially measured at cost. After initial recognition, an investment in subsidiaries may be carried either under the cost method, that is at cost less any impairment losses or under the equity method. The Company is measuring investments in subsidiaries after initial recognition at cost.

Loans advanced by the Company to its subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are treated as an extension to the Company's net investment in those subsidiaries and included as part of the carrying amount of investments in subsidiaries.

### **Loans Receivable**

Debt instruments representing financial assets where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and where these give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding are measured at amortised cost using the effective interest method, less any expected credit loss allowance. In view the nature of receivable balances arising from credit lines, the carrying amount of receivables is considered to be the same as their fair values due to their short-term nature.

On derecognition, impairment or disposal of debt instruments, any gains or losses are recognised within profit or loss.

### **Receivables**

Receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortised cost using the effective interest method, less expected credit losses.

Trade receivables are written off or provided for where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure by the debtor to abide by the credit terms or failure to engage in a repayment program with the Company for the settlement of amounts due.

Impairment losses on trade receivables are presented as net expected credit losses within operating profit. Subsequent recoveries of amounts previously written off or provided for are credited against the same line item.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, deposits at call with financial institutions, other short-term liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### **Impairment of Financial Assets**

The Company recognized loss allowances for Expected Credit Losses (ECLs) on financial assets at amortised cost, namely loans and other receivables, short-term investments and cash at bank.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit plant,(i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company measures loss allowances for loans receivables without a significant financing component and contract assets at an amount equal to lifetime ECLs.

## **Notes to the Interim unaudited Financial Statements**

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. In the case of interest-free short-term financial assets, such as trade receivables, ECLs are not discounted.

### **Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of comprehensive income.

### **Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off on its financial assets based on whether there is a reasonable expectation of recovery and with reference to its historical experience of recoveries.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **Notes to the Interim unaudited Financial Statements**

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### **Borrowings**

Borrowings comprise funds acquired in order to assist with the financing of the Company's operations. Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least one year after the reporting date. If not, they are presented as non-current liabilities. Any interest payable is recognised as an expense as this accrues in profit or loss, using the effective interest method.

### **Other Payables**

Other payables comprise obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities, if payment is due within one year or less.

### **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefit will be required to settle the obligation.

### **Share Capital**

Ordinary shares are classified as equity.

### **Finance Income and Finance Costs**

Finance income comprises interest income. Interest income is recognised as this accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

### **Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- b) temporary differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be recognized simultaneously.

**Notes to the Interim unaudited Financial Statements****(4) Interest Bearing Receivables**

	30.06.2024 EUR	31.12.2023 EUR
<b>Current:</b>		
Loans and Interest Receivable from Related Companies	101 469 729	100 820 292
Loans and Interest Receivable from Subsidiary Company	9 124 506	9 324 791
Loans and Interest Receivable from Ultimate Parent Company	5 184 106	4 136 242
	<u>115 778 341</u>	<u>114 281 325</u>
Expected Credit Loss Provisions on Related Companies Loans	(4 243 959)	(4 243 959)
<b>Net Loans Receivable</b>	<u>111 534 382</u>	<u>110 037 366</u>

Loans receivable have a maturity date that varies from 2024 to 2027.

The loans receivable bear interest at rates ranging from 5.0% p.a. to 14.8% p.a., with the majority of the loans bearing an interest rate ranging between 14.3% p.a. to 14.8% p.a..

The balances due on the said loans are unsecured and repayable on the earlier of the above-indicated maturity dates or any accelerated date. The borrowing parties are to pay interest at the stated rates per annum on the principal amount due, both before and after maturity, default and judgement.

The Company's exposure to credit risk related to loans receivable. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all loans receivable. To measure the expected credit losses, loans receivable are grouped based on shared credit risk characteristics.

Loans receivable are stated net of expected credit loss allowances amounting to EUR 4 243 959 (31.12.2023: EUR 4 243 959). The expected loss rates are based on the historical payment profiles of the related companies. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

**(5) Share Capital and Reserves****(5.1) Share Capital**

	30.06.2024 EUR	31.12.2023 EUR
<b>Authorised</b>		
231 166 Ordinary Shares of EUR 1 each	231 166	-
51 166 Ordinary Shares of EUR 1 each	-	51 166
	<u>231 166</u>	<u>51 166</u>
<b>Issued and Fully Paid Up</b>		
231 166 Ordinary Shares of EUR 1 each	231 166	-
51 166 Ordinary Shares of EUR 1 each	-	51 166
	<u>231 166</u>	<u>51 166</u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Malta Business Registry approved and registered increase in share capital of the Company on May 2024.

**Notes to the Interim unaudited Financial Statements****(5.2) Capital Contribution**

	30.06.2024 EUR	31.12.2023 EUR
Capital Contribution	-	180 000
<b>Total Capital Contribution</b>	<b>-</b>	<b>180 000</b>

The balance of EUR 180 000 on 31.12.2023 represents funds advanced and contributed by the joint parent companies on account of a future increase in share capital of the Company. The increase was resolved, approved and registered with the Malta Business Registry on May 2024.

**(6) Borrowings**

	30.06.2024 EUR	31.12.2023 EUR
<b>Non-Current:</b>		
11% + 3M EURIBOR Notes 2025	50 000 000	50 000 000
11% + 3M EURIBOR Notes 2026	27 000 000	15 042 000
11% Notes 2027	14 022 000	-
	<b>91 022 000</b>	<b>65 042 000</b>
<b>Less:</b>		
11% Notes 2025 Subscribed by Company	(14 211 000)	-
11% Notes 2026 Subscribed by Company	(8 215 000)	(500 000)
	<b>(68 596 000)</b>	<b>64 542 000</b>
Deferred Notes Costs Net of Amortization to Profit and Loss	(1 632 997)	(1 498 599)
<b>Total Non-Current Borrowings</b>	<b>66 963 003</b>	<b>63 043 401</b>
<b>Current:</b>		
11% Notes 2024	-	20 000 000
	<b>-</b>	<b>20 000 000</b>
<b>Less:</b>		
11% Notes 2024 Subscribed by Company	-	(1 119 000)
	<b>-</b>	<b>18 881 000</b>
Deferred Notes Costs Net of Amortization to Profit and Loss	-	(115 158)
<b>Total Current Borrowings</b>	<b>-</b>	<b>18 765 842</b>
<b>Total Borrowings</b>	<b>66 963 003</b>	<b>81 809 243</b>

During 2021, the Company issued private placement in Latvia of Senior Unsecured Notes with a nominal value of EUR 20 million which were mature in June 2024.

During 2022, the Company issued private placement in Latvia of Senior Unsecured Notes with a nominal value of EUR 50 million which will mature in September 2025.

During 2023, the Company issued private placement in Latvia of Senior Unsecured Notes with a nominal value of EUR 50 million which will mature in November 2026. On 11 March 2024, the Company listed the 3.5-year corporate bond with an issue value of EUR 27 million, registered in May 2023, for trading on the Nasdaq First North market.



## **Notes to the Interim unaudited Financial Statements**

During the year under review, the Company issued private placement in Latvia of Senior Unsecured Notes with a nominal value of EUR 40 million which will mature in November 2027. As at 30 June 2024 a total of EUR 14 022 000 was subscribed out of the total private placement of the EUR 40 million Notes.

All Notes in issue are guaranteed directly and indirectly by subsidiaries of AS Sun Finance Group, the ultimate parent company. The related issue costs are being amortized over the lifetime of the Notes.

### **(7) Loans Payable**

	<b>30.06.2024</b>	<b>31.12.2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>Current:</b>		
Loans and Interest Payable to Related Companies	42 967 603	23 258 392
Loans and Interest Payable to Joint Parent Companies	30 811 757	27 590 811
Loans and Interest Payable to Third Parties	989 917	873 906
<b>Total Current Payable</b>	<b>74 769 277</b>	<b>51 723 109</b>
<b>Total Loans Payable</b>	<b>74 769 277</b>	<b>51 723 109</b>

The maturity dates on the various loans fall due between 2024 and 2027 and bear interest at rates ranging from 12% p.a. to 17.72% p.a.

The balances due on the said loans are unsecured and repayable on the earlier of the above-mentioned maturity dates or any accelerated date. The Company is to pay interest at the stated rates per annum on the principal amount due, both before and after maturity, default and judgement. Interest is payable monthly in arrears.

### **(8) Subsequent Events**

The directors have evaluated, that there were no subsequent events to the date of approval of these interim unaudited financial statements, which require disclosure in the financial statement.