

**SUN FINANCE TREASURY
LIMITED**

**INTERIM UNAUDITED FINANCIAL
STATEMENTS FOR THE SIX
MONTHS
ENDED 30 JUNE 2023**

Contents

	Page
Information of the Company	3
Management report	4
Interim unaudited Financial Statements	
Interim unaudited statement of Comprehensive Income	5
Interim unaudited statement of Financial Position	6
Interim unaudited statement of Changes in Equity	7
Interim unaudited statement of Cash Flows	8
Notes to the Interim unaudited Financial Statements	10

Information of the Company

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>01.01.2023 – 30.06.2023</i>
Information on shareholders	<i>Sun Finance Scandinavia AS: 50% Sun Finance Europe AS: 50%</i>

Management report

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 2023 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 parent company has indicated that it is 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 not exposed to interest rate risk as the loans and the notes issued are at fixed rates. In addition, key uncertainty issues of the business are related to developments in the global economic environment, which can have a cascading effect on the wider debt capital markets.

The directors are cognisant of the potential risks and uncertainties brought about by the war between Ukraine and Russia. However, since the group does not have any business operations in these countries, the directors does not envisage any threats to the Group's operations in the foreseeable future.

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 parent company's 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 2023 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



Mr. Janis Kundzins
Director

Interim unaudited statement of comprehensive income

	Note	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Finance Income	4	5 387 149	4 258 348
Finance costs	5	(6 784 158)	(4 276 153)
Net Interest Margin		(1 397 009)	(17 805)
Operational Costs	6	(495 426)	(354 175)
Administrative Costs		(77 773)	(84 092)
Depreciation of property, plant and equipment		(58)	-
Other Operating Income		-	401
Operating Loss		(1 970 266)	(455 671)
Finance Income		98 363	164 669
Finance Costs		(12)	(1 274)
Net Finance Income		98 351	163 395
Loss before Taxation		(1 871 915)	(292 276)
Tax Expense	7	(19 795)	(13 249)
Loss for the Period		(1 891 710)	(305 525)
Total Comprehensive Loss for the Period		(1 891 710)	(305 525)

The accompanying notes on pages 10 to 19 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2023 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



Mr. Janis Kundzins
Director

Interim unaudited statement of Financial Position

	Note	30.06.2023 EUR	31.12.2022 EUR
ASSETS			
Property, plant and equipment		1 117	-
Investment in Subsidiaries		47 093	47 093
Total Non-Current Assets		48 210	47 093
Loans Receivable	8	86 481 308	90 950 332
Other Receivables	9	3 798 416	3 814 127
Cash and Cash Equivalents		7 349 256	1 302 751
Total Current Assets		97 628 980	96 067 210
Total Assets		97 677 190	96 114 303
EQUITY			
Share Capital	10	51 166	51 166
Accumulated Losses		(8 768 169)	(6 876 459)
Total Equity Deficiency		(8 717 003)	(6 825 293)
LIABILITIES			
Borrowings	11	55 730 529	50 008 687
Loans Payable	12	3 554 849	14 353 929
Total Non-Current Liabilities		59 285 378	64 362 616
Borrowings	11	19 149 526	16 121 684
Loans Payable	12	27 927 149	22 430 501
Other Payables		32 140	24 795
Total Current Liabilities		47 108 815	38 576 980
Total Liabilities		106 394 193	102 939 596
Total Equity and Liabilities		97 677 190	96 114 303

The accompanying notes on pages 10 to 19 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2023 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



Mr. Janis Kundzins
Director

Interim unaudited Statement of Changes in Equity

	Total	Share Capital	Accumulated Losses
	EUR	EUR	EUR
Balance 1 January 2023	(6 825 293)	51 166	(6 876 459)
Comprehensive Loss for the Year Loss for the Year	(1 891 710)	-	(1 891 710)
Balance at 30 June 2023	<u>(8 717 003)</u>	<u>51 166</u>	<u>(8 768 169)</u>
Balance 1 January 2022	(4 488 691)	51 166	(4 539 857)
Comprehensive Loss for the Year Loss for the Year	(2 336 602)	-	(2 336 602)
Balance at 31 December 2022	<u>(6 825 293)</u>	<u>51 166</u>	<u>(6 876 459)</u>

The accompanying notes on pages 10 to 19 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2023 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



Mr. Janis Kundzins
Director

Interim unaudited statement of Cash Flows

	Note	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Cash Flows from Operating Activities			
Loss for the Year		(1 891 710)	(305 525)
<i>Adjustments for:</i>			
Amortisation of Bond Expenses		495 426	354 175
Depreciation of equipment		58	-
Unrealized Differences on Exchange		(98 364)	(164 669)
Income Tax Expense		19 795	13 249
		(1 474 795)	(102 770)
Changes in			
Other Receivables		15 710	(3 804 625)
Other Payables		7 346	3 370
		(1 451 739)	(3 904 025)
Cash Lost from Operations		(19 795)	(13 249)
Final Withholding Taxes Paid			
Net Cash used in Operating Activities		(1 471 534)	(3 917 274)
Cash Flows from Investing Activities			
Acquisition of Financial Assets at FVTPL		(17 490 000)	(1 026 000)
Sale Proceeds on Disposal of Financial Assets at FVTPL		31 696 000	3 364 000
Purchase of equipment		(1 176)	-
Movement on Loans Receivable		4 469 025	1 232 988
		18 673 849	3 570 988
Cash Flows from Financing Activities			
Net Advances from Notes Issued		(5 088 000)	-
Notes Issue Costs		(863 742)	(49 432)
Movement on Third Parties Loans		(10 523 917)	(2 088 603)
Movement on Related Companies Loans		5 221 484	2 332 667
Movement on Related Parties' Accounts		-	(72 500)
		(11 254 175)	122 132

Interim unaudited statement of Cash Flows

	Note	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Net Movement in Cash and Cash Equivalents		(5 948 140)	(224 154)
Adjustment for Unrealised Exchange Fluctuations		98 364	164 669
Cash and Cash equivalents at beginning of the period		1 302 752	465 652
Cash and Cash equivalents at end of the period		7 349 256	406 167

The accompanying notes on pages 10 to 19 form an integral part of these interim unaudited Financial Statements.

Approved by the Board of Directors on 30 August 2023 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



Mr. Janis Kundzins
Director

Notes to the Interim unaudited Financial Statements

(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 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

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.

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

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

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

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.

Borrowing costs are recognized as an expense in the year to which they relate.

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.

Employee Benefits

The Company contributes towards the state pension in accordance with local legislation. The only obligation of the Company is to make the required contributions. Costs are expensed in the period in which they are incurred.

Finance Income and Finance Costs

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) Finance Income

	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Loan Interest Income	5 387 149	4 258 348
	<u>5 387 149</u>	<u>4 258 348</u>

(5) Finance Costs

	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Loan Interest Expense	2 272 548	1 916 513
Notes Coupon Costs	4 511 610	2 359 640
	<u>6 784 158</u>	<u>4 276 153</u>

(6) Operational Costs

	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Amortisation of Notes Costs	495 426	354 175
	<u>495 426</u>	<u>354 175</u>

(7) Tax Expense

	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Current Taxation – Foreign Withholding Taxes	19 795	13 249
	<u>19 795</u>	<u>13 249</u>

Reconciliation of Effective Tax Rate

The tax expense and the result of the accounting profit/(loss) multiplied by the applicable tax rate in Malta, the Company's country of incorporation, are reconciled as follows:

	01.01.2023- 30.06.2023 EUR	01.01.2022- 30.06.2022 EUR
Loss before Taxation	<u>(1 891 710)</u>	<u>(305 523)</u>
Tax Using the Company's Domestic Tax Rate of 35%	(662 099)	(106 933)
Tax Effect of Non-Allowable Expenses	-	-
Tax Effect of Non-Chargeable Income	(34 427)	(57 774)
Tax Effect of Tax Losses Carried Forward	696 526	164 707
Foreign Tax Paid	19 795	13 249
Tax Expense for the Year	<u>19 795</u>	<u>13 249</u>

Notes to the Interim unaudited Financial Statements

Deferred Tax

The Company has unrelieved tax losses available giving rise to a deferred tax asset, but which asset has not been recognized in these financial review, because the probability that future taxable profits will be available for set-off against the deferred tax asset is not assured.

(8) Loans Receivable

	30.06.2023 EUR	31.12.2022 EUR
Current:		
Loans and Interest Receivable from Related Companies	81 133 602	79 023 101
Loans and Interest Receivable from Subsidiary Company	6 643 386	7 182 063
Loans and Interest Receivable from Joint Parent Companies	-	428 043
Loans and Interest Receivable from Ultimate Parent Company	606 370	6 218 092
Loans and Interest Receivable from Third Parties	-	1 084
	88 383 358	92 852 383
Expected Credit Loss Provisions on Related Companies Loans	(1 902 051)	(1 902 051)
Net Loans Receivable	86 481 307	90 950 332

Loans receivable have a maturity date that varies from 2023 to 2027.

The loans receivable bear interest at rates ranging from 5.0% p.a. to 14.5% p.a. with the majority of the loans bearing an interest rate of 14.3% 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 parties are 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.

Loans receivable are stated net of expected credit loss allowances amounting to EUR 1 902 051 (31.12.2022: EUR 1 902 051). The expected loss rates are based on the historical payment profiles of the Company's customers. History shows that the Company rarely suffered credit losses. 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.

(9) Other Receivables

	30.06.2023 EUR	31.12.2022 EUR
Amounts Due from Related Company	3 786 463	3 805 111
Prepaid Expenses	11 552	8 523
Other Receivables	401	493
	3 798 416	3 814 127

The balance due from the related company is unsecured, interest free and repayable on demand.

No expected credit loss allowance is considered necessary by the directors on the other receivables and related company balances.

Notes to the Interim unaudited Financial Statements

(10) Share Capital

	30.06.2023 EUR	31.12.2022 EUR
Authorised		
51 166 Ordinary Shares of EUR 1 each	51 166	51 166
Issued and Fully Paid Up		
51 166 Ordinary Shares of EUR 1 each	51 166	51 166

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.

(11) Borrowings

	30.06.2023 EUR	31.12.2022 EUR
Non-Current:		
11% Notes 2024	-	19 381 000
11% + 3M EURIBOR Notes 2025	50 000 000	32 193 000
11% + 3M EURIBOR Notes 2026	7 451 000	-
	57 451 000	51 574 000
Deferred Notes Costs Net of Amortization to Profit and Loss	(1 720 471)	(1 565 313)
Total Non-Current Borrowings	55 730 529	50 008 687
Current:		
12% Notes 2023	-	16 140 000
11% Notes 2024	19 381 000	-
	19 381 000	16 140 000
Deferred Notes Costs Net of Amortization to Profit and Loss	(231 474)	(18 316)
Total Current Borrowings	19 149 526	16 121 684
Total Borrowings	74 880 055	66 130 371

During 2021, the Company issued private placement in Latvia of Subordinated Notes with a nominal value of EUR 30 million which were redeemed at maturity in February 2023.

During 2021, the Company issued another private placement in Latvia of Senior Unsecured Notes with a nominal value of EUR 20 million which will 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 the year under review, the Company issued another private placement in Latvia of Senior Unsecured Notes with a nominal value of EUR 50 million which will mature in November 2026. As at 30 June 2023 a total of EUR 7 451 000 was subscribed out of the total private placement of the EUR 50 million Notes.

All Notes in issue, except for the Subordinated Notes, 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.

Notes to the Interim unaudited Financial Statements

(12) Loans Payable

	30.06.2023 EUR	31.12.2022 EUR
Non-Current:		
Loan and Interest Payable to Third Party	3 554 849	14 353 929
Total Non-Current Payable	3 554 849	14 353 929
Current:		
Loans and Interest Payable to Third Parties	4 406 327	4 131 174
Loans and Interest Payable to Related Companies	23 520 822	18 299 327
Total Current Payable	27 927 149	22 430 501
Total Loans Payable	31 481 998	36 784 430

The non-current loan and interest thereon amounting to EUR 3 554 849 (31.12.2022: EUR 14 353 929) payable to a third party represents a subordinated loan. This subordinated loan is unsecured and is subject to be repaid after all senior liabilities have been paid. Furthermore, the lender cannot take any encumbrance to secure the repayment of the subordinated liabilities and cannot commence any proceedings against the Company or take any action for or in respect of the recovery of any of the subordinated liabilities or part thereof.

The maturity dates on the various loans fall due between 2023 and 2026 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.

(13) Fair Value Hierarchy

The following table shows financial instruments, including those recognised at fair value, for the period ended 30 June 2023, analysed between those whose fair value is based on:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based upon observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Notes to the Interim unaudited Financial Statements

	TOTAL EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
30 June 2023				
Financial Assets				
Investment in Subsidiaries	47 093	-	-	47 093
Investment in equipment	1 117	-	-	1 117
Loans Receivable	86 481 308	-	-	86 481 308
Other Receivables	3 798 416	-	-	3 798 416
Cash and Cash Equivalents	7 349 256	-	-	7 349 256
	97 677 190			97 677 190
30 June 2023				
Financial Liabilities				
Borrowings	74 880 055	-	-	74 880 055
Loans Payable	31 481 998	-	-	31 481 998
Other Payables	32 140	-	-	32 140
	106 394 193			106 394 193
31 December 2022				
Financial Assets				
Investment in Subsidiaries	47 093	-	-	47 093
Loans Receivable	90 950 332	-	-	90 950 332
Other Receivables	3 814 127	-	-	3 814 127
Cash and Cash Equivalents	1 302 751	-	-	1 302 751
	96 114 303			96 114 303
31 December 2022				
Financial Liabilities				
Borrowings	66 130 371	-	-	66 130 371
Loans Payable	36 784 430	-	-	36 784 430
Other Payables	24 795	-	-	24 795
	102 939 596			102 939 596

During the reporting period ended 30 June 2023, there was no transfer between Level 1 and Level 2 fair value measurement.

(14) Operating Commitments

The Company had operating lease commitments of approximately EUR 5 000 per annum.

(15) Capital Commitments

The Company did not have any commitments to purchase additional property, plant and equipment at period end.

(16) Contingent Liabilities

At period end, the Company did not have any contingent liabilities.

(17) 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.