

**SUN FINANCE TREASURY
LIMITED**

**INTERIM UNAUDITED FINANCIAL
STATEMENTS FOR THE SIX
MONTHS
ENDED 30 JUNE 2025**

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	9

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>01.01.2025 – 30.06.2025</i>
Information on shareholders	<i>HSFS AS: 50% HSFE 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 2025 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 that of 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.

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 run, 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 29 August 2025 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



Mr. Janis Kundzins
Director

Interim unaudited statement of comprehensive income

	01.01.2025- 30.06.2025 EUR	01.01.2024- 30.06.2024 EUR
Finance Income	7 185 586	8 588 281
Finance costs	(10 375 654)	(11 557 444)
Net Interest Margin	(3 190 068)	(2 969 163)
Operational Costs	(2 622 425)	(539 480)
Administrative Costs	(107 002)	(114 613)
Operating Loss	(5 919 495)	(3 623 256)
Other operating income	22 953	28 282
Net foreign exchange result	(534 368)	22 709
Other Operating Costs	(511 415)	50 991
Loss before Taxation	(6 430 910)	(3 572 265)
Tax Expense	(73 285)	-
Loss for the Period	(6 504 195)	(3 572 265)
Total Comprehensive Loss for the Period	(6 504 195)	(3 572 265)

The notes on pages 9 to 16 form an integral part of these financial statements.

Approved by the Board of Directors on 29 August 2025 and signed on its behalf by:



Dr. Frank Chetcuti Dimech
Director



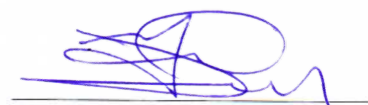
Mr. Janis Kundzins
Director

Interim unaudited statement of Financial Position

	Note	30.06.2025 EUR	31.12.2024 EUR
ASSETS			
Properties, Plant and Equipment		334	530
Investment in Subsidiaries		1	1
Interest Bearing Receivables	4	123 631 539	113 421 627
Other Receivables		6 474 143	6 967 623
Cash and Cash Equivalents		461 715	913 369
Total Assets		130 567 732	121 303 150
EQUITY			
Share Capital	5	231 166	231 166
Accumulated Losses		(31 107 453)	(24 603 258)
Total Equity Deficiency		(30 876 287)	(24 372 092)
LIABILITIES			
Borrowings	6	81 398 039	75 670 441
Loans Payable	7	80 032 604	69 978 050
Other Payables		13 376	26 751
Total Liabilities		161 444 019	145 675 242
Total Equity and Liabilities		130 567 732	121 303 150

The notes on pages 9 to 16 form an integral part of these financial statements.

Approved by the Board of Directors on 29 August 2025 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	Capital	Accumulated
	EUR	EUR	Contribution	Losses
			EUR	EUR
Balance 1 January 2024	(14 520 121)	51 166	180 000	(14 751 287)
Contributions by Owners of the Company				
Contribution for Future Capital Increase	-	180 000	(180 000)	-
Comprehensive Loss for the Year				
Loss for the Year	(9 851 971)	-	-	(9 851 971)
Balance at 31 December 2024	(24 372 092)	231 166	-	(24 603 258)
Balance 1 January 2025	(24 372 092)	231 166	-	(24 603 258)
Contributions by Owners of the Company				
Contribution for Future Capital Increase	-	-	-	-
Comprehensive Loss for the Year				
Loss for the Year	(6 504 195)	-	-	(6 504 195)
Balance at 30 June 2025	(30 876 287)	231 166	-	(31 107 453)

The notes on pages 9 to 16 form an integral part of these financial statements.

Approved by the Board of Directors on 29 August 2025 and signed on its behalf by:


Dr. Frank Chetcuti Dimech
Director

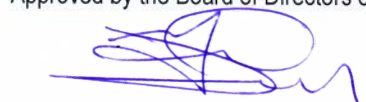

Mr. Janis Kundzins
Director

Interim unaudited statement of Cash Flows

	01.01.2025- 30.06.2025 EUR	01.01.2024- 30.06.2024 EUR
Cash Flows from Operating Activities		
Loss for the Year	(6 504 195)	(3 572 265)
<i>Adjustments for:</i>		
Expected Credit Losses	(1 323 405)	-
Bad Debts Write Off	3 015 279	-
Amortisation of Bond Expenses	930 551	539 480
Depreciation of equipment	196	196
Unrealized Differences on Exchange	534 368	(22 710)
Income Tax Expense	73 285	-
	(3 273 921)	(3 055 299)
Changes in		
Other Receivables	493 480	(459 892)
Other Payables	(13 376)	129 171
Cash Lost from Operations	(2 793 817)	(3 386 020)
Final Withholding Taxes Paid	(73 285)	-
Net Cash used in Operating Activities	(2 867 102)	(3 386 020)
Cash Flows from Investing Activities		
Acquisition of Financial Assets at FVTPL	(10 145 000)	(23 681 000)
Sale Proceeds on Disposal of Financial Assets at FVTPL	20 543 000	2 874 000
Movement on Loans Receivable	(11 901 786)	(1 471 642)
Net Cash used in Investing Activities	(1 503 786)	(22 278 642)
Cash Flows from Financing Activities		
Proceeds from issuance of bond	(4 149 000)	5 980 000
Bond Issue Costs	(1 451 953)	(558 720)
Movement on Third Parties Loans	446 723	116 012
Movement on Related Companies Loans	13 552 116	19 709 211
Movement on Joint Parent Companies Loans	(3 944 284)	3 220 946
Net Cash from Financing Activities	4 453 602	28 467 449
Net Movement in Cash and Cash Equivalents	82 714	2 802 787
Adjustment for Unrealised Exchange Fluctuations	(534 368)	22 710
Cash and Cash equivalents at beginning of the period	913 369	2 872 237
Cash and Cash equivalents at end of the period	461 715	5 697 734

The notes on pages 9 to 16 form an integral part of these financial statements.

Approved by the Board of Directors on 29 August 2025 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 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

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.

(3) Significant Accounting Policies

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

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 January 2024

The following new standards, amendments and interpretations are effective for the first time in these financial statements, but none have had a material effect on the company:

	Issued on	Effective from
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	25/05/2023	01/01/2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22/09/2022	01/01/2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	23/01/2020	01/01/2024
Amendments to IAS 1: Non-current Liabilities with Covenants	31/10/2022	01/01/2024

The applications of these new standards and amendments have had no impact on the disclosures or amounts recognized in the company's financial statements.

b) New standards, interpretations and amendments as adopted by EU but not yet effective

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the company's future financial statements:

	Issued on	Effective from
Amendments to IAS 21: Lack of Exchangeability	15/08/2023	01/01/2025

c) New standards, interpretations and amendments issued by IASB but not yet adopted by EU

	Issued on	Effective from
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	30/05/2024	01/01/2026
Annual Improvements to IFRS Standards (Volume 11)	18/07/2024	01/01/2026
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	18/12/2024	01/01/2026
IFRS 18: Presentation and Disclosure in Financial Statements	09/04/2024	01/01/2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	09/05/2024	01/01/2027

The company has not early adopted all these revisions to the requirements of IFRSs and the company's management is of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

d) New standards, interpretations and amendments issued by IASB but not adopted by EU

- IFRS 14 Regulatory Deferral Accounts (issued on 30/01/2014, effective from the year beginning 01/01/2016) – European Commission has decided not to endorse the standard;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between Investor and its Associate or Joint Venture (issued on 11/09/2014, effective from the year beginning 01/01/2016) – postponed indefinitely by European Commission.

Notes to the Interim unaudited 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.

Income from deposits

Interest received from the term deposits for a fixed period of time and at a predetermined fixed rate.

Finance Costs

Finance costs represent loan interest payable and interest payable on the bonds 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.

Bond Costs

Bond costs represent fees and other costs incurred in connection with the issuance of the bonds by the Company to investors. The cost of issuing bonds 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.

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.

Notes to the Interim unaudited Financial Statements

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 recognizes 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.

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.

Notes to the Interim unaudited Financial Statements

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.

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.

Notes to the Interim unaudited Financial Statements

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.

(4) Interest Bearing Receivables

	30.06.2025 EUR	31.12.2024 EUR
Loans and Interest Receivable from Related Companies	95 478 382	97 931 354
Loans and Interest Receivable from Subsidiary Company	9 852 692	9 564 231
Loans and Interest Receivable from Ultimate Parent Company	23 107 839	12 056 821
	128 438 913	119 552 406
Expected Credit Loss Provisions on Related Companies Loans	(4 807 374)	(6 130 779)
Net Loans Receivable	123 631 539	113 421 627

Loans receivable have a maturity date that varies from 2025 to 2028.

The loans receivable bear interest at rates ranging from 6.5% p.a. to 14.5% p.a., with the majority of the loans bearing an interest rate ranging between 14.3% p.a. to 14.5% 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.

Notes to the Interim unaudited Financial Statements

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 4 807 374 (31.12.2024: EUR 6 130 779). 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

	30.06.2025 EUR	31.12.2024 EUR
Authorised		
231 166 Ordinary Shares of EUR 1 each	231 166	231 166
Issued and Fully Paid Up		
231 166 Ordinary Shares of EUR 1 each	231 166	231 166

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.

(6) Borrowing

	30.06.2025 EUR	31.12.2024 EUR
Non-Current:		
10% Notes 2028	45 116 000	-
11% + 3M EURIBOR Notes 2026	27 000 000	27 000 000
11% Notes 2027	25 599 000	24 864 000
	97 715 000	51 864 000
Less:		
11% Notes 2026 Subscribed by Company	(9 431 000)	(8 218 000)
10% Notes 2028	(5 000 000)	-
	83 284 000	43 646 000
Deferred Notes Costs Net of Amortization to Profit and Loss	(1 885 961)	(811 829)
Total Non-Current Borrowings	81 398 039	42 834 171
Current:		
11% + 3M EURIBOR Notes 2025	-	50 000 000
	-	50 000 000
Less:		
11% + 3M EURIBOR Notes 2025	-	(16 611 000)
	-	33 389 000
Deferred Notes Costs Net of Amortization to Profit and Loss	-	(552 730)
Total Current Borrowings	-	32 836 270
Total Borrowings	81 398 039	75 670 441

Notes to the Interim unaudited Financial Statements

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. On 26 March 2025, the Group announced about exercising the right of early redemption of the 3-year EUR 50 million corporate bond. The bond was redeemed in full ahead of schedule on 30 April 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.

During 2024, 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. On 28 February 2025, the Group listed the 3.5-year corporate bond with an issue size of EUR 25.6 million and a fixed annual interest rate of 11.0% for trading on the Nasdaq First North market.

To refinance the Group's 3-year EUR 50 million corporate bond with the maturity date on 30 September 2025, the Group registered a new 3.5-year corporate bond on 7 April 2025, with an issue size of up to EUR 50 million. The new bond, maturing in September 2028, is organized as a private placement with a fixed annual coupon rate of 10%, paid monthly. As at 30 June 2025 a total of EUR 45 116 000 was subscribed out of the total private placement of the EUR 50 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

	30.06.2025 EUR	31.12.2024 EUR
Loans and Interest Payable to Related Companies	24 083 490	40 731 969
Loans and Interest Payable to Joint Parent Companies	54 284 085	28 027 775
Loans and Interest Payable to Third Parties	1 665 029	1 218 306
	80 032 604	69 978 050

The maturity dates on the various loans fall due between 2025 and 2030 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 other subsequent events since 30 June 2025 up to the date of approval of these interim unaudited financial statements and concluded that there were no subsequent events which require disclosure in the financial statement.