

"Naftaluka", Olaines parish 25 of February, 2025

CrossChem SIA

Annual report for year 01.01.2024 - 31.12.2024

Unaudited

CONTENT

	Page
Information on the Company	3
Management Report	4
Income Statement	6
Balance Sheet	7
Cash Flow Statement	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

COMPANY INFORMATION

Name of the Company	CrossChem SIA		
Legal status of the Company	Limited liability company		
Registration No., place and date	LV4000388244, Riga, 11.01.2007.g.		
Registered office	"Naftaluka", Olaines pagasts, Olaines novads, LV-2127		
Major shareholders	SIA CrossChem International - 100%		
Members of the Board	Ričards Andersons	–	Chairman of the Board
	Aleksandrs Muzičenko	–	Board member
	Dagnija Turlaja	–	Board member
Annual report drawn up by	Ieva Grase	–	Chief Accountant
Reporting year	from 01.01.2024	to	31.12.2024
Type of company's activity	Manufacture of other chemical products		
NACE classification code	2059		
Auditors	SINDIKS SIA	Certified Auditor	
	Brīvības iela 85-5	Silvija Gulbe	
	Riga, LV- 1011	Certificate No. 142	
	License No. 100		

MANAGEMENT REPORT

Type of activity

"CrossChem" Limited Liability Company (hereinafter - the Company) produces, develops and supplies chemical goods and additional products related to their use, storage, transportation. The Company also provides a range of services related to the use and quality control of these chemical goods.

A brief description of the Company's activity during the reporting period and financial position

The turnover of the company in 2024 amounted to 21.34 million. EUR, which mainly reflects the market dynamics of chemical goods and raw materials during this period and the overall economic activity in the country. Despite the decrease in turnover, the company actively invests in development, development and introduction of new products. As at December 31, 2024, the Company's equity reached EUR 5.19 million, which shows significant financial stability and the ability to cover its obligations and provides the necessary resources for future development. Trade restrictions taken in place in Latvia and in the EU have a negative impact on the company's trade volumes with Europe, which have decreased 2.6 times

The amount of the Company's fixed assets reached EUR 2.90 million and these resources will work to increase the efficiency of the Company and lower own costs of production which eventually will increase competitiveness.

The total amount of assets increased by 9%, reaching EUR 16.35million.

In 2024, the Company successfully implemented 4 (four) new production plant projects in Sweden, Poland, the Czech Republic and Moldova, thus increasing its stable sales markets.

Future prospects and future developments

The geopolitical situation in the world, as well as frequent changes in the tax regulations of the Latvian state are key growth challenges..

The company focuses on the introduction of new products into production, modernization of production equipment and systematization of the company's own administration, which should provide significant advantages over competitors in the long term.

The company strictly adheres to the fulfillment of the established short-term and long-term goals:

1. continue to develop the infrastructure for the circulation of chemical goods;
2. increase the product portfolio and services;
3. to expand the sales markets and increase their volumes.

The company plans to reach 25-30 million in 2025. The level of EBITDA margin, ensuring EUR turnover, is in the range of 6-7%.

Financial risk management

The financial assets of the company mainly consist of debts of buyers and customers, which are denominated in EUR currency, as well as demand deposits in credit institutions. The majority of financial liabilities consist of debts owed to suppliers for goods and services. Surplus funds are mainly placed in Latvian financial institutions.

The Company's main sources of external financing are a bond issue (admitted to trading on the Nasdaq Baltic First North bond list) and loans from credit institutions. The Company focuses attention on interest rates, especially EURIBOR changes, as this is a significant factor influencing the solvency of the overall economy.

Systemic monitoring of debtors is ensured while risks are reinsured with international insurance companies. This work brings high efficiency and minimizes the risks of losses, thus not creating significant differences between the balance sheet value of financial assets and liabilities and their true value.

The Company continues to focus on improving efficiency, modernizing and automating work processes, investing in infrastructure, equipment and team composition to ensure sustainable growth.

Ričards Andersons
(Chairman of the Board)

25 of February, 2025

INCOME STATEMENT
(classified per function of expenditure)

	Note number	2024 EUR	2023 EUR
Net turnover:	2	21 343 218	21 080 186
b) from other main activity types.		21 343 218	21 080 186
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(18 728 117)	(18 366 628)
Gross profit or loss		2 615 101	2 713 558
Selling expenses	4	(1 367 428)	(1 349 777)
Administrative expenses	5	(672 976)	(709 305)
Other operating income	6	268 278	540 552
Other operating expenses	7	(318 221)	(333 789)
Other interest and similar income:		22 513	10 728
b) from other persons.		22 513	10 728
Interest payments and similar expenses:		(343 413)	(275 994)
b) to other persons.		(343 413)	(275 994)
Profit or loss before the corporate income tax		203 854	595 973
Corporate income tax for the reporting year		(74 483)	(188 920)
Profit or loss of the reporting year		129 371	407 053

Ričards Andersons
(Chairman of the Board)

25 of February, 2025

Annual report drawn up by:

Ieva Grase
(Chief Accountant)

BALANCE SHEET

ASSETS	Note number	31.12.2024 EUR	31.12.2023 EUR
Long-term investments			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		166 954	212 282
Advance payments for intangible assets		7 153	7 153
Total intangible assets	9	174 107	219 435
Fixed assets			
Real estate:		236 092	236 092
a) land, buildings and structures,		236 092	236 092
Long-term investment in leased fixed assets		75 880	10 415
Technology devices and equipment		963 096	1 084 606
Other fixed assets and inventory		885 652	882 520
Expense of tangible assets and construction in progress		737 849	733 132
Advance payments for fixed assets		-	-
Total fixed assets	10	2 898 569	2 946 765
Long-term financial investments			
Shareholding in the capital of subsidiary companies	11	177 256	177 256
Loans to subsidiary companies	12	783 091	756 640
Loans to associated companies		175 000	-
Other loans and long-term receivables	14	12 159	-
Total long-term financial investments		1 147 506	933 896
Total long-term investments		4 220 182	4 100 096
Current assets			
Inventories			
Raw materials, direct materials and auxiliary materials		2 939 698	3 742 420
Finished products and goods for sale		508 831	429 862
Advance payments for inventories		2 981 590	1 436 888
Total inventories		6 430 119	5 609 170
Receivables			
Trade receivables	13	4 366 130	4 383 697
Amounts owed by related companies	12	143 245	203 619
Other receivables	14	138 199	62 566
Prepaid expenses		29 673	31 955
Total receivables		4 677 247	4 681 837
Cash and cash equivalents	15	1 025 866	550 122
Total current assets		12 133 232	10 841 129
TOTAL ASSETS		16 353 414	14 941 225

BALANCE SHEET

LIABILITIES	Note number	31.12.2024 EUR	31.12.2023 EUR
Equity capital			
Share capital (equity capital)	16	1 301 400	1 301 400
Long-term investment revaluation reserve	17	237 458	277 034
Reserves:		14	14
f) other reserves		14	14
Retained earnings or uncovered losses of previous years		3 518 097	3 511 042
Profit or loss of the reporting year		129 371	407 053
Total equity capital		5 186 340	5 496 543
Creditors			
Long-term liabilities			
Loans to bonds	18	3 500 000	-
Borrowings from credit institutions	19	862 224	1 802 832
Other borrowings	20	165 521	247 743
Total long-term liabilities		4 527 745	2 050 575
Short-term liabilities			
Loans to bonds	18	-	1 913 000
Borrowings from credit institutions	19	940 608	940 608
Other borrowings	20	96 617	92 660
Advance payments from customers		943 415	129 167
Trade payables		3 476 741	3 295 547
Amounts owed to subsidiary companies		9 972	8 792
Taxes and mandatory state social insurance contributions	21	344 329	203 833
Other liabilities	22	165 431	159 613
Deferred income		99 262	72 509
Dividends payable		400 000	400 000
Accrued liabilities	23	162 954	178 378
Total short-term liabilities		6 639 329	7 394 107
Total liabilities		11 167 074	9 444 682
TOTAL LIABILITIES		16 353 414	14 941 225

Ričards Andersons
(Chairman of the Board)

25 of February, 2025

Annual report drawn up by:

Ieva Grase
(Chief Accountant)

CASH FLOW STATEMENT

(indirect method)

	Note number	2024 EUR	2023 EUR
Cash Flow from operating activities			
Profit or loss before taxation		203 854	595 973
Adjustments:			
Adjustments of decrease in value of equity capital		474 924	469 361
Amortization of intangible assets		45 328	36 533
Unrealized profit from fluctuations of currency exchange rate		(4 798)	(4 546)
Interest and similar income		(22 513)	(10 728)
		(33 211)	(154 589)
Interest and similar expenses		343 413	275 994
Cash Flow before adjustments on changes in current assets and liabilities		1 006 997	1 207 998
Adjustments for:			
Increase (-)/ decrease (+) in trade and other receivables		4 590	(1 377 501)
Increase (-)/ decrease (+) in inventories		(820 949)	1 046 832
Increase (+)/ decrease (-) in trade and other payables		903 378	(805 132)
Gross operating cash flow		1 094 016	72 197
Interest paid		(343 413)	(275 994)
Corporate tax paid		(64 203)	(154 720)
Net cash flow from operating activities		686 400	(358 517)
Cash flow from investing activities			
Long-term investments in leased fixed assets		(68 581)	(32 986)
Purchase of non-current assets		(358 306)	(1 018 597)
Proceeds from sale of fixed and intangible assets		6 529	19 546
Loans granted		(373 000)	(429 515)
Proceeds from refunded loans		444 754	335 636
Interest received		22 513	10 728
Net cash flow from investing activities		(326 091)	(1 115 188)
Cash flow from financing activities			
Loans from credit institutions received		3 421 735	3 082 000
Received grants, subsidies and donations		33 211	154 589
Loans from credit institutions repaid		(2 939 511)	(1 036 568)
Dividends paid		(400 000)	(600 000)
Net cash flow from financing activities		115 435	1 600 021
Net increase/decrease in cash and cash equivalents		475 744	126 316
Cash and cash equivalents at the beginning of the period		550 122	423 806
Cash and cash equivalents at the end of the period		1 025 866	550 122

Ričards Andersons
(Chairman of the Board)

25 of February, 2025

Annual report drawn up by:

Ieva Grase
(Chief Accountant)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve of financial instruments	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR
As at 31.12.2022	1 301 400	316 610	14	4 511 044	6 129 068
Gains or loss from revaluation of fixed assets	-	(39 576)	-	-	(39 576)
Increase / decrease in the fair value of financial instruments	-	-	-	(1 000 000)	(1 000 000)
Profit for the financial year	-	-	-	407 053	407 053
As at 31.12.2023	1 301 400	277 034	14	3 918 097	5 496 545
Increase / decrease in share capital	-	-	-	(400 000)	(400 000)
Gains or loss from revaluation of fixed assets	-	(39 576)	-	-	(39 576)
Profit for the financial year	-	-	-	129 371	129 371
As at 31.12.2024	1 301 400	237 458	14	3 647 468	5 186 340

Ričards Andersons
 (Chairman of the Board)

25 of February, 2025

Annual report drawn up by:

Ieva Grase
 (Chief Accountant)

NOTES TO THE FINANCIAL STATEMENTS

(1) Significant accounting principles

Principles of preparation of financial statements

The annual report has been prepared in accordance with the laws "On Accounting" and "Law on Annual Accounts and Consolidated Annual Accounts".

The profit or loss statement has been classified according to expenditure function method. The cash flow statement is prepared using indirect cash flow method.

On December 31, 2024, the company corresponds to the category of a medium-sized company. The annual report is prepared by applying the following basic principles:

- 1) it is assumed that the Company will continue its operation;
- 2) The same accountancy policy and evaluation methods was used as in the previous year, except for the balance sheet items, which can be abandoned in accordance with the new law „Law on Annual Accounts and Consolidated Annual Accounts”, since the Company is not using SFPS in preparation of the annual report;
- 3) Items in the financial statements are recognized and measured on a prudent basis subject to the following conditions:
 - a) the financial statement includes only the profit earned up to the balance sheet date;
 - b) all liabilities and expected risk amounts and losses incurred during the reporting year or previous years are taken into account, even if they became known between the balance sheet date and the date when the annual report is signed by the Company's management body;
 - c) all amounts of impairment and depreciation of assets have been calculated and taken into account, regardless of whether the reporting year is closed with profit or loss;
- 4) the items in the balance sheet and profit and loss statement are shown on an accrual basis, i.e. income and expenditure are represented on the basis of the time of their occurrence and not the time of receipt or disbursement of money. Income and expenditure related to the reporting year are represented regardless of the date of receipt of the
- 5) costs are reconciled with revenues in the respective reporting periods;
- 6) the amounts indicated in the relevant balance sheet items (opening balances) correspond to the amounts indicated in the same balance sheet items at the end of the previous reporting year (closing balances);
- 7) asset and liability items are valued separately;
- 8) the amounts in the balance sheet and profit and loss statement items are indicated taking into account the content and nature of economic transactions, and not only the legal form.
- 9) The consolidated report is prepared by the parent company SIA CrossChem International, Ziedleju iela 6, Mārupe, Mārupe district. SIA CrossChem as a subsidiary company will be consolidated in this report.

Reporting period

The reporting period is 12 months	01.01.2024	to	31.12.2024
The previous period is 12 months from	01.01.2023	to	31.12.2023

Transactions in foreign currencies

Financial reports are prepared in the single currency of the European Union, euro (EUR).

All transactions in foreign currencies are converted into euro according to the official currency exchange rate set by the European Central Bank on the respective day of transaction. All monetary assets and liabilities are converted into euro according to the exchange rate set by the European Central Bank on the last day of the financial year.

Profit or loss gained as a result of currency exchange rate fluctuations have been recognized in the income statement for the respective period.

Related parties

A related party is a person or an entity that is related to the reporting Company.

A person or a close member of that person's family is related to the reporting Company if that person has control, joint control or significant influence over the reporting Company or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

An entity is related to the reporting Company if they are members of the same group. Also an entity is related to the reporting Company if the entity is controlled, jointly controlled or significantly influenced by a related person of the reporting Company or this related person of the reporting Company is a member of the key management personnel of that entity or of a parent of that entity.

Intangible assets and fixed assets

Fixed assets are displayed in their acquisition value less depreciation. The acquisition value of fixed assets consists of purchase price, import duties and non-refundable purchase taxes, other costs directly attributable to delivery of the assets to their location and getting in the working condition pursuant to the suggested use. Depreciation and amortisation is calculated over the useful life of the asset according to the linear method applying the following depreciation rates as the basis of calculation:

Buildings and structures	5%
Manufacturing devices	20%
Technological equipment	10%
Office equipment	20%
Computer hardware	35%
Motor vehicles	20-35%
Other fixed assets	20%

Intangible assets are displayed in their acquisition value less depreciation. Depreciation has been calculated within the period of useful life of an asset according to the linear method, applying the following depreciation rates:

Licenses	10-20%
----------	--------

Gains or losses from sales of fixed assets are displayed in the income statement of the respective period. Repair or renovation expenses that increase the useful life of fixed assets or their value are capitalised and written off within the period of useful life of assets. Other repair or renovation expenses are recognised as the loss of the accounting period.

Expenses related to leasehold improvements are capitalised and displayed in the fixed assets. Depreciation is calculated over the lease period using the linear method. Loan issue expenses that are directly related to formation of fixed assets and construction in progress are capitalised, if such expenses are reasonably attributable and directly related. Loan issue expenses are capitalised before putting the fixed assets into operation. In 2020, the company has revalued one group of fixed assets - Technological equipment, creating a long-term investment revaluation reserve, assuming that the depreciation of the mentioned fixed assets is 10 years, and the revaluation of this group takes place after 5 years.

Long-term financial investments

- Related companies

A related company is a company, which is directly or indirectly controlled by another company (the parent company – more than 50% of the shareholders' voting rights in this company). The parent company controls the subsidiary company's financial and business policy. The company recognizes income from investments only in case if it receives distribution of profit from the related company after the purchase date. The received distribution, which exceeds this profit, shall be considered as investment recovery costs and is recognized as a decrease of purchase costs in the related company's investment.

Evaluation of inventories

Cost price of inventories is determined using FIFO method. Inventories are evaluated according to the cost price or the lowest market values on the balance date. If inventory units are damaged, have become partly or totally obsolete, or the expenses of production completion or selling increase substantially - corresponding inventory units has to be valued at the net sales price. (Net sales price is the forecasted sales price in ordinary business, less the calculated products completion and selling expenses).

Receivables

Receivables are recognized according to the amount of initial invoices, less accruals for doubtful debts. Accruals are made if receipt of full amount of the debt is doubtful. Debts are written off if their recovery is considered as impossible.

Provisions for bad and doubtful debtors

Provisions for bad and doubtful debtors are estimated over the whole year based on expected budget created as for proportional income and expense flows. Accounts receivables can be written off from the provisions if their recovery is considered to be impossible. At the end of the year the Company evaluates all account receivables - bad debts are written off, but doubtful debts are assigned to Provisions for doubtful debts.

Cash

Cash is cash in hand and non-cash in payment accounts and deposit accounts.

Financial instruments

- Long-term loans and claims

A financial asset created by the company by lending money or providing service directly to the debtor; not created with the purpose to sell it immediately or in the near future. Initially loans are recognised in their initial value set by adding the expenses related to issue of the loan to the fair value of the loan amount. After initial recognition the loans are recognised in their amortised value, applying the effective interest rate method. The amortised value is calculated with the account of the loan issue expenses, as well as any loan-related discounts and bonuses. The profit or loss due to amortisation is displayed in the profit or loss statement as interest income and expenses. If active decrease in the value has occurred respective reserves are made.

Financial leasing liabilities

Lease is classified as a financial lease if in fact all risks and remunerations that are a characteristic of ownership are transferred to a tenant and if it corresponds to at least one of the following conditions:

- a) ownership to the leased asset will be transferred to the tenant upon expiration of the leasing term;
- b) the lease term includes the majority of the asset's time of useful use;
- c) the leased assets are so specific that only the tenant is entitled to use them without a significant modification.

The assets for financial lease are initially recognised as the Company's assets after their true value or after the current value of the minimum leasing payments if it is lower than the true value. Each of these values are determined on the date of acquiring the lease asset. Lease liabilities are included in the balance sheet as long-term and short-term liabilities of financial lease. Financial expenditure are reflected in the income statement on the relevant period so that a regular and periodic cost rate from the liability surplus would be provided for each reporting period.

Provisions

Provisions are recognised when there is obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation. Extent of the liabilities can be credibly assessed while a certain date of liabilities' occurrence or discharge is not precisely known.

As the warranty for complete filling stations is provided by the equipment manufacturer, the company does not make provisions for warranty repairs.

Accrued liabilities

Provisions for unused vacation compensation

The provision sum is established by multiplying the average wage for the last six months of the reporting period with the number of days of unused annual leaves on the end date of the reporting period, including also the mandatory state social insurance contributions made by the employer.

Provision for not received expense invoices

Accrued liabilities for unreceived invoices are clearly known trade liability sums for the goods or services received within the reporting year when a relevant payment document (an invoice) has failed to be received on the date of drawing up the balance sheet. The liability sums are calculated, based on the price, which is defined in the relevant agreement, and on the documents that approve actual receipt of the goods or services.

Accrued interest payments

In accordance with the terms and conditions of the bond issue on the Nasdaq Baltic Exchange, interest is paid quarterly from the moment of issue. Accrued but not yet paid interest is included in accrued liabilities.

Recognition of income

Revenue recognition from the sale of goods is recognised as soon as a significant portion of ownership and risks of goods are transferred to the customer, and the reward can be measured reliably. Revenue from rendering of services is recognised in proportion to the stage of completion of the order. Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is recognised in the corresponding period of time.

Corporate income tax

The corporate income tax for the reporting period consists of the calculated tax for such period. The corporate income tax is recognised in the profit or loss statement. The tax for the reporting period is calculated according to the provisions of the law "Enterprise Income Tax Law".

As of taxation year of 2018, corporate income tax is calculated for distributed profit (dividends) and conditionally distributed profit by applying the rate of 20%. Corporate income tax is recognised at the moment when the participants of the Company will make a decision on distribution of profit, or when the costs not promoting further development of the Company (conditionally distributed profit) will be recorded.

Application of assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The management has assessed its income statement and concluded that the financial statements give a true and fair view of the financial position of the Company, based on all the information currently available.

(2) Net turnover:

Net turnover - proceeds from company's major activity - rendering of services without value added tax.

Type of activity	2024 EUR	2023 EUR
Manufacture of other chemical products nec (NACE 2059)	21 343 218	21 080 186
Total	21 343 218	21 080 186

Net sales by geographical markets:

Country	2024 EUR	2023 EUR
Lavtia	9 255 474	7 845 780
EU	9 637 386	10 819 865
3rd Country	2 450 358	2 414 541
Total	21 343 218	21 080 186

(3) Production cost of goods sold, acquisition cost of goods sold or services provided

	2024 EUR	2023 EUR
Costs of purchased raw materials	15 747 341	16 139 396
Staff costs	1 155 891	879 963
Cost of goods purchased	1 021 305	598 981
Depreciation of fixed and intangible assets	393 501	362 738
Rental costs	241 350	223 250
Other costs	168 729	162 300
Total	18 728 117	18 366 628

(4) Selling expenses

	2024 EUR	2023 EUR
Personnel expenses	664 849	735 942
Transport costs	296 421	278 023
Advertising expenses	94 386	71 295
Depreciation of fixed assets	53 393	41 394
Business travel costs	66 325	36 490
ABUS maintenance costs	35 241	33 881
Office expenses	22 303	27 057
Other selling expenses	134 510	125 695
Total	1 367 428	1 349 777

(5) Administrative expenses

	2024 EUR	2023 EUR
Personnel expenses	410 038	394 994
Depreciation of fixed assets	61 445	96 693
Ancillary expenses related to securities turnover	81 741	5 096

Annual Report 01.01.2024 - 31.12.2024 of CrossChem SIA
Reg. No 4000388244, "Naftaluka", Olaine district, Olaine region, LV-2127

Other administration expenses	119 752	212 522
Total	672 976	709 305

(6) Other operating income

	2024	2023
	EUR	EUR
Income net of exchange rate fluctuations	83 110	199 179
Revenue from received financing LIAA	33 211	154 589
Proceeds from sale of fixed assets	4 798	4 546
Other income	147 159	182 238
Total	268 278	540 552

(7) Other operating expenses

	2024	2023
	EUR	EUR
Expenses for writing down the residual value of written-off fixed assets	29 442	98 131
Donations	32 452	75 418
Expenses related to the LIAA program	-	17 329
Other economic costs - for the improvement of the territory and premises	8 974	16 678
Other personnel expenses	21 423	15 929
Expenditure on staff sustainability measures	13 133	15 282
Work clothes	6 334	12 081
Materials for ensuring economic activity	4 278	9 687
Road usage expenses	6 680	6 735
Losses from adjustment to prior periods	568	6 582
Other office expenses	7 578	3 176
Utility expenses	5 383	2 989
Equipment rental and maintenance	2 037	2 582
Fines and penalties paid	1 136	1 571
Debt write-off of liquidated company	106 076	-
Other expenses	72 727	49 619
Total	318 221	333 789

(8) Information on profit or loss from disposal of long-term investment objects

Long-term investment object	Balance value at the moment of exclusion	Aliena tion income	Alienation expenses	Gross income or profit	Profit or loss from the object's alienation
	EUR	EUR	EUR	EUR	EUR
A/m VW Golf, JN7748	1 005	2 479	-	2 479	1 474
Gāzes dzinēja iekrāvējs HYPSYTER H2.5XT 1	287	4 050	-	4 050	3 763
Apple iPhone 14 Pro	440	1	-	-	(439)
Total	1 732	6 530	-	6 529	4 798

(9) Intangible assets

		Concessions, patents, licenses, trade marks and similar rights	Advances for intangible assets	Total intangible assets
		EUR	EUR	EUR
Acquisition value	01.01.2024	373 836	7 153	380 989
Additions		-	-	-
Reclassified				
Acquisition value	31.12.2024	373 836	7 153	380 989
Accumulated amortization	01.01.2024	161 554	-	161 554
Amortization charge		45 328	-	45 328
Accumulated amortization	31.12.2024	206 882	-	206 882
Net book value	01.01.2024	212 282	7 153	219 435
Net book value	31.12.2024	166 954	7 153	174 107

Annual Report 01.01.2024 - 31.12.2024 of CrossChem SIA
Reg. No 4000388244, "Naftaluka", Olaine district, Olaine region, LV-2127

(10) Fixed assets

		Real estate	Investments in leasehold improvements	Technological equipment and devices	Machinery and equipment	Equipment for LIAA project NP- 2021/8	R&D research facilities	Other fixed assets and inventory	Fixed assets under construction	Advanc es for fixed assets	Total fixed assets
		EUR	EUR	EUR	EUR		EUR	EUR	EUR	EUR	EUR
Acquisition value	01.01.2024	236 092	352 214	520 268	596 043	475 310	2 667	1 365 797	733 132	-	4 281 523
Additions		-	68 581	-	4 216	10 817	-	243 631	31 061	-	358 306
Disposal		-	-	-	(4 789)	-	-	(44 308)	(24 000)	-	(73 097)
Reclassified		-	-	-	13 444	-	-	32 284	(45 728)	-	-
Moved from		-	-	7 100	102 789	-	-	7 950	43 384	-	161 223
Moved to inventory item		-	-	-	(12 113)	-	-	(3 000)	-	-	(15 113)
Acquisition value	31.12.2024	236 092	420 795	527 368	699 590	486 127	2 667	1 602 354	737 849	-	4 712 842
Accumulated dep	01.01.2024	-	341 799	179 922	264 482	64 770	508	483 277	-	-	1 334 758
Depreciation charge		-	3 116	49 307	100 343	97 266	847	263 621	-	-	514 500
Amortization of intangible assets that have been liquidated		-	-	-	(4 789)	-	-	(30 196)	-	-	(34 985)
Accumulated dep	31.12.2024	-	344 915	229 229	360 036	162 036	1 355	716 702	-	-	1 814 273
Net book value	01.01.2024	236 092	10 415	340 346	331 561	410 540	2 159	882 520	733 132	-	2 946 765
Net book value	31.12.2024	236 092	75 880	298 139	339 554	324 091	1 312	885 652	737 849	-	2 898 569

As at 31 December 2024, the carrying amount in the property, plant and equipment category "Other property, plant and equipment" includes cars purchased in finance leases in the amount of EUR 423 060

As of 31 December 2024, the cadastral value of the real estate owned by the company is EUR 258 447.

(11) Shareholding in the capital of subsidiary companies

	31.12.2024	31.12.2023
	EUR	EUR
Acquisition value at the beginning of the reporting year	177 256	177 256
Investments in the beginning of period	177 256	177 256
Changes to value adjustments in relation to write-off or carrying over	-	-
Acquisition value at the end of the reporting period	177 256	177 256
Changes in the accrued participation value at the end of the reporting period	-	-
Investments in the beginning of period	177 256	177 256

(12) Loans to subsidiary companies

	Changes within the reporting period	31.12.2024	31.12.2023
		EUR	EUR
Long-term loans			
CrossChem Island ehf.	175 000	175 000	-
SIA CrossChem Intaernational	26 451	783 091	756 640
Total long term loans	201 451	958 091	756 640
Short term liabilities			
CrossChem Estonia OU	(42 309)	-	42 309
CrossChem Japan Co.,Ltd	-	67 815	67 815
SIA CrossChem Intaernational	(18 065)	75 430	93 495
Total short term liabilities	(60 374)	143 245	203 619

(13) Trade receivables

	31.12.2024	31.12.2023
	EUR	EUR
Trade receivables carrying amount	4 366 130	4 383 697
Total	4 366 130	4 383 697

(14) Other receivables

	31.12.2024	31.12.2023
	EUR	EUR
Tax overpayment	989	974
Corporate income tax advance payment	-	60 000
Other debtors	137 210	1 592
Total	138 199	62 566

(16) Share capital (equity capital)

Share capital is fully paid. It consists of 1301400 shares with a nominal value of EUR 1.

(17) Long-term investment revaluation reserve

Item of fixed assets (object name)	Revaluation reserve surplus at the period's		Value of the fixed asset in the beginning of the period	Decrease of revaluating reserve	Value of fixed assets at the end of the period	
	beginning	end			without revaluating	with revaluating
	01.01.2024	31.12.2024	01.01.2024	2024.g.	31.12.2024	31.12.2024
	EUR	EUR	EUR	EUR	EUR	EUR
<u>Technology devices and equipment:</u>						
A/m Scania 124 KP6295	5 057	4 335	19 646	722	13 207	17 542
AdBlue production facility	211 459	181 251	241 310	30 208	25 586	206 837
AdBlue plant 2 (expansion in Latvia)	56 540	48 463	68 862	8 077	17 214	65 677
AdBlue filling station 9000l_6	1 329	1 139	4 725	190	2 405	3 544
AdBlue filling station 9000l_4	1 599	1 370	4 852	229	2 269	3 639
High pressure washer HD1140	700	600	700	100	-	600
Washing machine NEPTUNE 5-49	350	300	350	50	-	300
Total	277 034	237 458	340 445	39 576	60 681	298 139
Total	277 034	237 458	340 445	39 576	60 681	298 139

(18) Loans to bonds

	31.12.2024	31.12.2023
	EUR	EUR
Loans with a repayment term of up to 1 year	3 500 000	-
Loans to be paid in 1 year	-	1 913 000
Total	3 500 000	1 913 000

In November 2024, SIA CrossChem issue 3500 bonds with a nominal value of 1000 EUR on the Alternative Market First North. The annual bond coupon rate is 8.00% with a quarterly coupon payment. Maturity of the bonds 31.10.2027.

(19) Borrowings from credit institutions

Long-term borrowings (from 1 to 5 years)

	% rate	Date of payment	31.12.2024	31.12.2023
			EUR	EUR
ALTUM	2.9%	24.11.2026	862 224	1 802 832
Total long-term borrowings	X	X	862 224	1 802 832

Short-term borrowings

	% rate	payment	31.12.2024	31.12.2023
			EUR	EUR
ALTUM	2.9%	24.11.2026	940 608	940 608
Total short - term borrowings	X	X	940 608	940 608

(20) Other borrowings

Long-term borrowings (from 1 to 5 years)

	% rate	payment	31.12.2024	31.12.2023
			EUR	EUR
AS SEB lizings	2.65/2.5	31.12.2026	165 521	247 743
Total long-term borrowings	X	X	165 521	247 743

Short-term borrowings

	% rate	Date of payment	31.12.2024	31.12.2023
			EUR	EUR
AS SEB lizings	2.9/4.5	31.12.2025	96 617	92 660
Total	X	X	96 617	92 660

(21) Taxes and mandatory state social insurance contributions

	31.12.2024	31.12.2023
	EUR	EUR
Social contributions	49 351	53 538
Value added tax	185 285	53 054
Corporate income tax	74 042	63 723
Personal income tax	27 803	28 950
Company Car Tax	7 822	4 543
Property tax	4	-
Risk duties	22	25
Total	344 329	203 833

(22) Other liabilities

	31.12.2024	31.12.2023
	EUR	EUR
Short-term other creditors		
Salary	103 673	109 001
Settlements for deposits received	60 105	50 368
Settlements with customers for erroneously credited amounts	-	-
Other creditors	1 653	244
Total short-term other creditors	165 431	159 613

(23) Accrued liabilities

	31.12.2024	31.12.2023
	EUR	EUR
Provisions for unused vacations	132 774	130 512
Settlements with creditors for accrued liabilities	30 180	28 000
Provisions for interest payments	-	19 866
Total	162 954	178 378

(24) Transactions with related parties

	Services rendered and goods sold	Services rendered and goods purchased	Amounts owed by related parties	Payables to related parties
Related party	2024 EUR	2024 EUR	31.12.2024 EUR	31.12.2024 EUR
SIA CrossChem International	221 430	162 825	858 521	9 972
CrossChem Japan Co.,Ltd	38 941	-	67 815	-
CrossChem Czech Republic	129 880	-	41 030	-
CrossChem D.O.O.	509 685	-	182 860	-
CrossChem Poland Sp.z.o.o	16 074	-	107 547	-
CrossChem Finland	75 396	400 222	34 476	799
CrossChem Kiev Ltd	57 315	-	43 962	-
CrossChem Sweden AB	272 088	-	-	-
CrossChem OU	513 517	-	152 348	-
CrossChem Limited	67 624	3 292 582	(64 386)	(62 865)
Cross Chem S.R.L.	470	-	-	-
	1 902 420	3 855 629	1 424 173	(52 094)

(25) Average number of employees

	2024	2023
Members of the Board	3	3
Other employees	63	61
Average number of employees	66	64

(26) Personnel expenses

	2024	2023
	EUR	EUR
Wages	1 805 201	1 627 089
Mandatory state social insurance contributions	425 292	383 525
Other personnel expenses	2 230 493	2 010 614

(27) Information on the payments for members of the council and the board

The remuneration of members of the Board for fulfilment of their duties at the Board, as well as for performance of their work
Board members receive a salary for the performance of their duties in accordance with their mandate agreements.

Type of costs	2024	2023
	EUR	EUR
Wages	83 560	78 537
Mandatory state social insurance contributions	19 712	18 527
Total	103 272	97 064

(28) Information on issued guarantees, warranties, and other possible liabilities and pledged assets

Commercial pledge agreement 216119/02-K1 from 23.12.2022. - with the right of the first claim to the entire property as a joint property at the time of the pledge, as well as to the subsequent components of the joint property, including fixed assets to be purchased with the Loan funds. The loan is secured by a mortgage on the company's real estate. The contract is valid until 24.11.2025. Commercial pledge agreement 216119/03-K1 from 20.12.2024. - with the right of first claim for the claim amount of EUR 350,000 for all property as a common property at the time of pledging, as well as the following components of the common property, including the Tare production equipmen.

(29) Information on lease and rent agreements, that have important influence on company's activity

SIA Pirmas, reg.No.40103716379 n 01.08.2018 Real Estate Lease Agreement No.IzL2 / 2018 / 08-15; valid until 30.12.2028; SIA KOROLA, reg.No.40003493307 -Land lease agreement 12/09/19 from 12.09.2019 to 31.12.2024; Vladislav Anchupans - Land lease agreement 03.09.2018/1 from 03.09.2018 to 31.12.2038; SIA Jet Dinamiks reg.No.40003047380- Land lease agreement from 29.08.2018 until terminated in writing by either party; SIA KOWACO J.Hanns Kowalewski, reg.No.40003309108 Real Estate Lease agreement from No.30.07.2021/1/GUR from 30.07.2021 to 31.12.2025; SIA ID LUKSS GROUP, reg.No.40103945026 Land lease No.25.07.2020/1 from 25.07.2020 for an indefinite period.

(30) Important events after the end of the report year

No significant subsequent events have occurred that would materially impact the financial statement.

(31) Financial risk management

The financial assets of the company mainly consist of debts of buyers and customers, which are denominated in EUR currency, as well as demand deposits in credit institutions. The majority of financial liabilities consist of debts owed to suppliers for goods and services. Surplus funds are mainly placed in Latvian financial institutions.

The Company's main sources of external financing are a bond issue (admitted to trading on the Nasdaq Baltic First North bond list) and loans from credit institutions. The Company focuses attention on interest rates, especially EURIBOR changes, as this is a significant factor influencing the solvency of the overall economy.

Systemic monitoring of debtors is ensured while risks are reinsured with international insurance companies. This work brings high efficiency and minimizes the risks of losses, thus not creating significant differences between the balance sheet value of financial assets and liabilities and their true value.

The Company continues to focus on improving efficiency, modernizing and automating work processes, investing in infrastructure, equipment and team composition to ensure sustainable growth.

Ričards Andersons
(Chairman of the Board)

25 of February, 2025

Annual report drawn up by:

Ieva Grase
(Chief Accountant)