

"Naftaluka", Olaines parish 20 th of August, 2024

**CrossChem SIA**  
Annual report for year 01.01.2024 - 30.06.2024

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**COMPANY INFORMATION**

Name of the Company	CrossChem SIA
Legal status of the Company	Limited liability company
Registration No., place and date	LV40003888244, 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 30.06.2024
Information on group's subsidiary	SIA CrossChem Estonia - 51% - subsidiary company
Type of company's activity	Manufacture of other chemical products
NACE classification code	2059

## **MANAGEMENT REPORT**

### **Mode of operation**

"CrossChem" SIA (hereinafter - the Company) produces and sells imported chemical goods and additional products related to their use, storage, and transportation. The Company also provides a range of services related to the quality control, delivery and operations with the chemical goods.

### **A brief review of the Company's activity during the reporting period and financial position**

The Company's revenues in the first six months of 2024 reached EUR 12.6m, which is 33% more than in the corresponding period of the previous financial year. The increase in revenue is related to the increase in sales of AdBlue equipment and chemical products.

EBITDA reached EUR 0.86m in the first half of 2024, which is 47% more than the result of the first six months of 2023. The EBITDA margin of 6.8% was in line with expectations and broadly in line with industry norms.

As of June 30, 2024, the amount of the Company's own capital remained largely unchanged at EUR 5.9m compared with EUR 6.0m on June 30, 2023, indicating a fairly secure coverage of the Company's assets with equity.

The total amount of assets has increased by 10%, reaching EUR 16.3m as of June 30, 2024. The ratio of the Company's share capital to assets was 36%.

### **Future prospects and future developments**

The Company has developed a short-term 2-3-year and long-term 7-10-year development plan, which envisages expanding the production, trade of chemical products and developing the range of services provided with them.

The main strategic goals are:

1. continue to develop the infrastructure for the chemical goods in Latvia;
2. increase the product portfolio and services;
3. modernize and automate work processes;
4. to expand the sales and increase their volumes.

At the same time, an important task is to ensure the stable growth and development of the Company, ensuring the well-being of employees and the ability to work for a common goal.

The main tasks of long-term development are:

- a. improve the Company's management system;
- b. to streamline product delivery channels;
- c. expand the range of manufactured/provided goods.

In the investment policy, the greatest attention is and will be paid to long-term Company development and ensuring competitiveness. A significant risk that can affect the Company's performance is the geopolitical situation in the world, which affects the market of raw materials, the stability of EUR/USD currencies and a shortage of quality labour. The Company follows the current situation of sanctions decisions and is ready to react in time to minimize the impact of these risks.

**Financial risk management**


The Company's financial assets mainly consist of receivables of buyers and customers, which are denominated in euro currency, as well as demand deposits in credit institutions. The majority of the financial liabilities consist of debts owed to suppliers for goods and services. Funds are mainly placed in Latvian financial institutions.

The Company's main source of external financing is a bond issue listed on the Nasdaq Riga First North Alternative Market and loans from credit institutions. It focuses attention on interest rates, especially changes in EURIBOR, as this is a significant factor influencing the solvency of the overall economy.

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

The Company plans to maintain the revenue growth rate in the second half of 2024, forecasting revenues in 2024 in the amount of EUR 25-30m. The forecasted EBITDA margin level is in the range of 6-7%.

Ričards Andersons  
(Chairman of the Board)



20 th of August, 2024

**INCOME STATEMENT**  
 (classified per function of expenditure)

	Note number	2023 01.01-30.06 EUR	2022 01.01-30.06 EUR
Net turnover:	2	12 573 322	9 439 679
b) from other main activity types.		12 573 322	9 439 679
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(11 023 130)	(8 216 789)
<b>Gross profit or loss</b>		<b>1 550 192</b>	<b>1 222 890</b>
Selling expenses	4	(723 472)	(679 686)
Administrative expenses	5	(280 984)	(372 711)
Other operating income	6	115 429	340 036
Other operating expenses	7	(78 846)	(168 140)
Other interest and similar income:		8 255	4 113
b) from other persons.		8 255	4 113
Interest payments and similar expenses:		(153 736)	(101 267)
b) to other persons.		(153 736)	(101 267)
<b>Profit or loss before the corporate income tax</b>		<b>436 838</b>	<b>245 235</b>
Corporate income tax for the reporting year		-	(75 031)
<b>Profit or loss of the reporting year</b>		<b>436 838</b>	<b>170 204</b>

Notes on pages 11 to 22 form are integral part of these financial statements.

Ričards Andersons  
 (Chairman of the Board)

20 th of August, 2024

**Annual report drawn up by:**

Ieva Grase  
 (Chief Accountant)

**BALANCE SHEET**

ASSETS	Note number	30.06.2024 EUR	31.12.2023 EUR
<b>Long-term investments</b>			
<b>Intangible assets</b>			
Concessions, patents, licences, trademarks and similar rights		189 618	212 282
Advance payments for intangible assets		7 153	7 153
<b>Total intangible assets</b>	9	<b>196 771</b>	<b>219 435</b>
<b>Fixed assets</b>			
Real estate:		236 092	236 092
a) land, buildings and structures,		236 092	236 092
Long-term investment in leased fixed assets		13 984	10 415
Technology devices and equipment		972 499	1 084 606
Other fixed assets and inventory		879 702	882 520
Expense of tangible assets and construction in progress		727 959	733 132
<b>Total fixed assets</b>	10	<b>2 830 236</b>	<b>2 946 765</b>
<b>Long-term financial investments</b>			
Shareholding in the capital of subsidiary companies	11	177 256	177 256
Loans to subsidiary companies	12	769 793	756 640
<b>Total long-term financial investments</b>		<b>947 049</b>	<b>933 896</b>
<b>Total long-term investments</b>		<b>3 974 056</b>	<b>4 100 096</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials, direct materials and auxiliary materials		2 424 799	3 742 420
Finished products and goods for sale		618 061	429 862
Advance payments for inventories		2 067 745	1 436 888
<b>Total inventories</b>		<b>5 110 605</b>	<b>5 609 170</b>
<b>Receivables</b>			
Trade receivables	13	4 875 879	4 383 697
Amounts owed by related companies	12	239 684	203 619
Other receivables	14	299 476	62 566
Prepaid expenses		36 809	31 955
<b>Total receivables</b>		<b>5 451 848</b>	<b>4 681 837</b>
<b>Cash and cash equivalents</b>	15	1 736 655	550 122
<b>Total current assets</b>		<b>12 299 108</b>	<b>10 841 129</b>
<b>TOTAL ASSETS</b>		<b>16 273 164</b>	<b>14 941 225</b>

**BALANCE SHEET**

<b>LIABILITIES</b>	Note number	<b>30.06.2024</b> EUR	<b>31.12.2023</b> EUR
<b>Equity capital</b>			
Share capital (equity capital)	16	1 301 400	1 301 400
Long-term investment revaluation reserve	17	257 246	277 034
Reserves:		14	14
f) other reserves		14	14
Retained earnings or uncovered losses of previous years		3 918 095	3 511 042
Profit or loss of the reporting year		436 838	407 053
<b>Total equity capital</b>		<b>5 913 593</b>	<b>5 496 543</b>
<b>Creditors</b>			
<b>Long-term liabilities</b>			
Loans to bonds	18	-	-
Borrowings from credit institutions	19	1 802 832	1 802 832
Other borrowings	20	264 422	247 743
<b>Total long-term liabilities</b>		<b>2 067 254</b>	<b>2 050 575</b>
<b>Short-term liabilities</b>			
Loans to bonds	18	1 913 000	1 913 000
Borrowings from credit institutions	19	470 304	940 608
Other borrowings	20	51 696	92 660
Advance payments from customers		564 941	129 167
Trade payables		4 350 315	3 295 547
Amounts owed to subsidiary companies		10 816	8 792
Taxes and mandatory state social insurance contributions	21	441 702	203 833
Other liabilities	22	153 369	159 613
Deferred income		85 662	72 509
Dividends payable		120 000	400 000
Accrued liabilities	23	130 512	178 378
<b>Total short-term liabilities</b>		<b>8 292 317</b>	<b>7 394 107</b>
<b>Total liabilities</b>		<b>10 359 571</b>	<b>9 444 682</b>
<b>TOTAL LIABILITIES</b>		<b>16 273 164</b>	<b>14 941 225</b>

Notes on pages 11 to 22 form are integral part of these financial statements.

Ričards Andersons  
 (Chairman of the Board)

20 th of August, 2024

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Ieva Grase  
 (Chief Accountant)



**CASH FLOW STATEMENT**  
 (indirect method)

	Note number	2024 01.01-30.06 EUR	2023 01.01-30.06 EUR
<b>Cash Flow from operating activities</b>			
Profit or loss before taxation		436 838	245 235
<b>Adjustments:</b>			
Adjustments of decrease in value of equity capital		235 765	205 887
Amortization of intangible assets		22 664	16 982
Unrealized profit from fluctuations of currency exchange rate		-	(4 546)
Interest and similar income		(8 255)	-
Interest and similar expenses		(22 215)	(73 878)
<b>Cash Flow before adjustments on changes in current assets and liabilities</b>		<b>818 533</b>	<b>490 947</b>
<b>Adjustments for:</b>			
Increase (-)/ decrease (+) in trade and other receivables		(770 011)	861 678
Increase (-)/ decrease (+) in inventories		498 565	(182 420)
Increase (+)/ decrease (-) in trade and other payables		(138 652)	(362 718)
<b>Gross operating cash flow</b>		<b>408 435</b>	<b>807 487</b>
<b>Interest paid</b>		<b>(153 736)</b>	<b>(101 267)</b>
<b>Corporate tax paid</b>		<b>-</b>	<b>(110 159)</b>
<b>Net cash flow from operating activities</b>		<b>254 699</b>	<b>596 061</b>
<b>Cash flow from investing activities</b>			
Long-term investments in leased fixed assets		(5 082)	(9 966)
Purchase of non-current assets		(143 082)	(566 491)
Proceeds from sale of fixed and intangible assets		-	19 546
Loans granted		(137 011)	-
Proceeds from refunded loans		134 011	-
Interest received		8 255	4 113
<b>Net cash flow from investing activities</b>		<b>(142 909)</b>	<b>(552 798)</b>
<b>Cash flow from financing activities</b>			
Loans from credit institutions received		1 802 832	1 491 000
Received grants, subsidies and donations		22 215	73 878
Loans from credit institutions repaid		(470 304)	(328 275)
Dividends paid		(280 000)	(300 000)
<b>Net cash flow from financing activities</b>		<b>1 074 743</b>	<b>936 603</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>1 186 533</b>	<b>979 866</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>550 122</b>	<b>423 806</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1 736 655</b>	<b>1 403 672</b>

Ričards Andersons  
 (Chairman of the Board)



Annual report drawn up by:  
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 (Chief Accountant)



20 th of August, 2024

**STATEMENT OF CHANGES IN EQUITY**

	Share capital EUR	Revaluation reserve of financial instruments EUR	Reserves EUR	Retained earnings EUR	Total equity EUR
<b>As at 31.12.2022</b>	<b>1 301 400</b>	<b>316 610</b>	<b>14</b>	<b>4 511 042</b>	<b>6 129 066</b>
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
<b>As at 31.12.2023</b>	<b>1 301 400</b>	<b>277 034</b>	<b>14</b>	<b>3 918 095</b>	<b>5 496 543</b>
Increase / decrease in share capital	-	-	-	-	-
Gains or loss from revaluation of fixed assets	-	(19 788)	-	-	(19 788)
Profit for the financial year	-	-	-	436 838	436 838
<b>As at 30.06.2024</b>	<b>1 301 400</b>	<b>257 246</b>	<b>14</b>	<b>4 354 933</b>	<b>5 913 593</b>

Notes on pages 11 to 22 form an integral part of these financial statements.

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 (Chairman of the Board)

20 th of August, 2024

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## 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, 2023, 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 payment or invoice;
- 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	30.06.2024
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%
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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

#### *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	2023
	01.01-30.06	01.01-30.06
	EUR	EUR
Manufacture of other chemical products nec (NACE 2059)	12 573 322	9 439 679
<b>Total</b>	<b>12 573 322</b>	<b>9 439 679</b>

**Net sales by geographical markets:**

Country	Country code	2024	2023
		01.01-30.06	01.01-30.06
		EUR	EUR
Lavtia		4 761 585	3 634 159
EU		6 131 189	4 496 626
3rd Country		1 680 548	1 308 894
<b>Total</b>	<b>X</b>	<b>12 573 322</b>	<b>9 439 679</b>

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

	2024	2023
	01.01-30.06	01.01-30.06
	EUR	EUR
Costs of purchased raw materials	9 525 619	7 177 052
Staff costs	539 884	403 851
Cost of goods purchased	558 127	301 133
Depreciation of fixed and intangible assets	194 323	159 205
Rental costs	122 813	110 097
Other costs	82 364	65 451
<b>Total</b>	<b>11 023 130</b>	<b>8 216 789</b>

**(4) Selling expenses**

	2024	2023
	01.01-30.06	01.01-30.06
	EUR	EUR
Personnel expenses	355 484	387 646
Transport costs	153 245	137 120
Advertising expenses	43 892	22 228
Depreciation of fixed assets	27 252	20 164
Business travel costs	21 727	19 795
ABUS maintenance costs	17 326	15 578
Office expenses	10 420	18 463
Other selling expenses	94 126	58 692
<b>Total</b>	<b>723 472</b>	<b>679 686</b>

**(5) Administrative expenses**

	<b>2024</b>	<b>2023</b>
	<b>01.01-30.06</b>	<b>01.01-30.06</b>
	EUR	EUR
Personnel expenses	209 173	187 408
Depreciation of fixed assets	30 814	41 358
Ancillary expenses related to securities turnover	2 325	2 839
Other administration expenses	38 672	141 106
<b>Total</b>	<b>280 984</b>	<b>372 711</b>

**(6) Other operating income**

	<b>2024</b>	<b>2023</b>
	<b>01.01-30.06</b>	<b>01.01-30.06</b>
	EUR	EUR
Income net of exchange rate fluctuations	6 054	147 958
Revenue from received financing LIAA	22 215	73 878
Other income	87 160	118 200
<b>Total</b>	<b>115 429</b>	<b>340 036</b>

**(7) Other operating expenses**

	<b>2024</b>	<b>2023</b>
	<b>01.01-30.06</b>	<b>01.01-30.06</b>
	EUR	EUR
Expenses for writing down the residual value of written-off fixed assets	29 013	65 067
Donations	362	418
Expenses related to the LIAA program	-	15 294
Other economic costs - for the improvement of the territory and premises	1 725	17 387
Other personnel expenses	10 463	7 751
Expenditure on staff sustainability measures	4 858	10 267
Work clothes	4 191	2 404
Materials for ensuring economic activity	2 201	4 780
Road usage expenses	2 903	2 894
Losses from adjustment to prior periods	500	2 001
Other office expenses	2 602	2 906
Utility expenses	1 772	3 729
Equipment rental and maintenance	3 074	7 964
Fines and penalties paid	150	18
Net depreciation expense on sale of property, plant and equipment	-	15 000
Other expenses	15 032	10 260
<b>Total</b>	<b>78 846</b>	<b>168 140</b>



**(9) Intangible assets**

		Concessions, patents, licenses, trade marks and similar rights	Advances for intangible assets	Total intangible assets
		EUR	EUR	EUR
<b>Acquisition value</b>	<b>01.01.2024</b>	<b>373 836</b>	<b>7 153</b>	<b>380 989</b>
Additions		-	-	-
Reclassified				
<b>Acquisition value</b>	<b>30.06.2024</b>	<b>373 836</b>	<b>7 153</b>	<b>380 989</b>
<b>Accumulated amortization</b>	<b>01.01.2024</b>	<b>161 554</b>	-	<b>161 554</b>
Amortization charge		22 664	-	22 664
<b>Accumulated amortization</b>	<b>30.06.2024</b>	<b>184 218</b>	-	<b>184 218</b>
<b>Net book value</b>	<b>01.01.2024</b>	<b>212 282</b>	<b>7 153</b>	<b>219 435</b>
<b>Net book value</b>	<b>30.06.2024</b>	<b>189 618</b>	<b>7 153</b>	<b>196 771</b>

(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	Advances for fixed assets	Total fixed assets
		EUR	EUR	EUR	EUR		EUR	EUR	EUR	EUR	EUR
<b>Acquisition value</b>	<b>01.01.2024</b>	<b>236 092</b>	<b>352 214</b>	<b>520 268</b>	<b>596 043</b>	<b>475 310</b>	<b>2 667</b>	<b>1 365 797</b>	<b>733 132</b>	<b>-</b>	<b>4 281 523</b>
Additions		-	-	-	-	-	-	-	190 676	-	190 676
Disposal		-	-	-	-	-	-	(28 376)	(36 869)	-	(65 245)
Reclassified		-	5 082	-	-	10 817	-	143 082	(158 981)	-	-
<b>Acquisition value</b>	<b>30.06.2024</b>	<b>236 092</b>	<b>357 296</b>	<b>520 268</b>	<b>596 043</b>	<b>486 127</b>	<b>2 667</b>	<b>1 480 503</b>	<b>727 958</b>	<b>-</b>	<b>4 406 954</b>
<b>Accumulated depreciation</b>	<b>01.01.2024</b>	<b>-</b>	<b>341 799</b>	<b>179 922</b>	<b>264 482</b>	<b>64 770</b>	<b>508</b>	<b>483 277</b>	<b>-</b>	<b>-</b>	<b>1 334 758</b>
Depreciation charge		-	1 512	24 598	49 370	48 532	424	131 117	-	-	255 553
Amortization of intangible assets that have been liquidated or reclassified		-	-	-	-	-	-	(13 593)	-	-	(13 593)
<b>Accumulated depreciation</b>	<b>30.06.2024</b>	<b>-</b>	<b>343 311</b>	<b>204 520</b>	<b>313 852</b>	<b>113 302</b>	<b>932</b>	<b>600 801</b>	<b>-</b>	<b>-</b>	<b>1 576 718</b>
<b>Net book value</b>	<b>01.01.2024</b>	<b>236 092</b>	<b>10 415</b>	<b>340 346</b>	<b>331 561</b>	<b>410 540</b>	<b>2 159</b>	<b>882 520</b>	<b>733 132</b>	<b>-</b>	<b>2 946 765</b>
<b>Net book value</b>	<b>30.06.2024</b>	<b>236 092</b>	<b>13 985</b>	<b>315 748</b>	<b>282 191</b>	<b>372 825</b>	<b>1 735</b>	<b>879 702</b>	<b>727 958</b>	<b>-</b>	<b>2 830 236</b>

As at 30 June 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 449 762

As of 30 June 2024, the cadastral value of the real estate owned by the company is EUR 181 997.

(11) Shareholding in the capital of subsidiary companies

	30.06.2024	31.12.2023
	EUR	EUR
Acquisition value at the beginning of the reporting year	177 256	177 256
<b>Investments in the beginning of period</b>	<b>177 256</b>	<b>177 256</b>
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	-	-
<b>Investments in the beginning of period</b>	<b>177 256</b>	<b>177 256</b>

Company name

	Owned shares, %	Acquisition value	Investment book value	Subsidiary Profit or Loss 2022	Subsidiary company's equity value on 30.06.2024
OU CrossChem Estonia	51	177 256	177 256	(35 240)	(111 714)
	<b>X</b>	<b>177 256</b>	<b>177 256</b>	<b>(35 240)</b>	<b>(111 714)</b>

In 2023 CrossChem Estonia OU began to develop the sale of fertilizers, in 2023 more than 1,000 tons of production were realized. In 2024, the company is negotiating long-term contracts with large consumers, which will increase turnover to 1-2 million euros and ensure profitability of 5%.

(12) Loans to subsidiary companies

	Changes within the reporting period	30.06.2024	31.12.2023
		EUR	EUR
<b>Long-term loans</b>			
SIA CrossChem Intaernational	13 153	769 793	756 640
<b>Total long term loans</b>	<b>13 153</b>	<b>769 793</b>	<b>756 640</b>

	Changes within the reporting period	30.06.2024	31.12.2023
		EUR	EUR
<b>Short term liabilities</b>			
CrossChem Estonia OU	4 605	46 914	42 309
CrossChem Japan Co.,Ltd	-	67 815	67 815
SIA CrossChem Intaernational	31 460	124 955	93 495
<b>Total short term liabilities</b>	<b>36 065</b>	<b>239 684</b>	<b>203 619</b>

(13) Trade receivables

	30.06.2024	31.12.2023
	EUR	EUR
Trade receivables carrying amount	4 875 879	4 383 697
<b>Total</b>	<b>4 875 879</b>	<b>4 383 697</b>

(14) Other receivables

	30.06.2024	31.12.2023
	EUR	EUR
Tax overpayment	994	974
Corporate income tax advance payment	63 000	60 000
Other debtors	235 482	1 592
<b>Total</b>	<b>299 476</b>	<b>62 566</b>

**(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**

**(18) Loans to bonds**

	<b>30.06.2024</b>	<b>31.12.2023</b>
	EUR	EUR
Loans with a repayment term of up to 1 year	-	-
Loans to be paid in 1 year	1 913 000	1 913 000
<b>Total</b>	<b>1 913 000</b>	<b>1 913 000</b>

In November 2021, SIA CrossChem issue 3000 bonds with a nominal value of 1000 EUR on the Nasdaq Riga Alternative Market First North. The annual bond coupon rate is 6.75% with a quarterly coupon payment. Maturity of the bonds 04.11.2024. The nominal value of bonds issued but not sold as of 31.12.2023 is EUR 1 087 000.

**(19) Borrowings from credit institutions**

**Long-term borrowings (from 1 to 5 years)**

	<b>% rate</b>	<b>Date of payment</b>	<b>30.06.2024</b>	<b>31.12.2023</b>
			EUR	EUR
ALTUM	2.9%	24.11.2025	1 802 832	1 802 832
<b>Total long-term borrowings</b>	<b>X</b>	<b>X</b>	<b>1 802 832</b>	<b>1 802 832</b>

**Short-term borrowings**

	<b>% rate</b>	<b>payment</b>	<b>30.06.2024</b>	<b>31.12.2023</b>
			EUR	EUR
ALTUM	2.9%	25.03.2023	470 304	940 608
<b>Total short - term borrowings</b>	<b>X</b>	<b>X</b>	<b>470 304</b>	<b>940 608</b>

(20) Other borrowings

	% rate	payment	30.06.2024 EUR	31.12.2023 EUR
<b>Long-term borrowings (from 1 to 5 years)</b>				
CrossChem Agro SIA	10,5	31.12.2025	-	-
AS SEB lizings	2.65/2.5	31.12.2026	264 422	247 743
<b>Total long-term borrowings</b>	<b>X</b>	<b>X</b>	<b>264 422</b>	<b>247 743</b>
<b>Short-term borrowings</b>				
	% rate	Date of payment	30.06.2024 EUR	31.12.2023 EUR
Other companies	6,5	31.12.2023	-	-
AS SEB lizings	2.9/4.5	31.12.2023	51 696	92 660
<b>Total</b>	<b>X</b>	<b>X</b>	<b>51 696</b>	<b>92 660</b>

(21) Taxes and mandatory state social insurance contributions

	30.06.2024 EUR	31.12.2023 EUR
<b>Total</b>	<b>441 702</b>	<b>203 833</b>

(22) Other liabilities

	30.06.2024 EUR	31.12.2023 EUR
<b>Short-term other creditors</b>		
Salary	97 652	109 001
Settlements for deposits received	54 355	50 368
Settlements with customers for erroneously credited amounts	659	-
Other creditors	703	244
<b>Total short-term other creditors</b>	<b>153 369</b>	<b>159 613</b>

(23) Accrued liabilities

	30.06.2024 EUR	31.12.2023 EUR
Provisions for unused vacations	130 512	130 512
Settlements with creditors for accrued liabilities	-	28 000
Provisions for interest payments	-	19 866
<b>Total</b>	<b>130 512</b>	<b>178 378</b>

**(31) Financial risk management**

The Company's financial assets mainly consist of receivables of buyers and customers, which are denominated in euro currency, as well as demand deposits in credit institutions. The majority of the financial liabilities consist of debts owed to suppliers for goods and services. Funds are mainly placed in Latvian financial institutions.

The Company's main source of external financing is a bond issue listed on the Nasdaq Riga First North Alternative Market and loans from credit institutions. It focuses attention on interest rates, especially changes in EURIBOR, as this is a significant factor influencing the solvency of the overall economy.

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

The Company plans to maintain the revenue growth rate in the second half of 2024, forecasting revenues in 2024 in the amount of EUR 25-30m. The forecasted EBITDA margin level is in the range of 6-7%.

Ričards Andersons



20 th of August, 2024

(Chairman of the Board)

**Annual report drawn up by:**

Ieva Grase  
(Chief Accountant)

