

"Naftaluka", Olaines parish 31st of March, 2026

**CrossChem SIA**  
Annual report for year 01.01.2025 – 31.12.2025

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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	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 2025.01.01 to 2025.12.31
Type of company's activity	Manufacture of other chemical products
NACE classification code	2059
Auditors	SINDIKS SIA Certified Auditor Brivibas street 85 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**

In 2025, the Company achieved 18.85 million EUR in turnover from the sale of manufactured and supplied goods and services in the Baltics. Several new products were created for professional users and households, the customer portfolio increased by 4%, the number of laboratory analyses was increased by 26%, and around 1.5 million EUR was invested in research, production modernization and process automation.

The Company's total assets are 16.9 million, equity as of December 31, 2025 reaches 5.42 million EUR, fixed assets are 2.65 million EUR, which ensures a stable ability to cover its obligations and develop.

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

The company strictly adheres to the achievement of previously set objectives.

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 20-25 million in 2026. 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.

Ričards Andersons  
(Chairman of the Board)



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31st of March, 2026

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

	Note number	2025 EUR	2024 EUR
Net turnover:	2	18 848 318	21 343 218
c) from other main activity types.		18 848 318	21 343 218
Production cost of goods sold, acquisition cost of goods sold or services provided	3	(14 982 692)	(18 728 117)
<b>Gross profit or loss</b>		<b>3 865 626</b>	<b>2 615 101</b>
Selling expenses	4	(1 493 355)	(1 367 428)
Administrative expenses	5	(725 810)	(672 976)
Other operating income	6	102 108	268 278
Other operating expenses	7	(998 943)	(323 220)
Other interest and similar income:		29 692	22 513
b) from other persons.		29 692	22 513
Interest payments and similar expenses:		(407 085)	(343 413)
b) to other persons.		(407 085)	(343 413)
<b>Profit or loss before the corporate income tax</b>		<b>372 233</b>	<b>198 855</b>
Corporate income tax for the reporting year		(11 430)	(74 483)
<b>Profit or loss of the reporting year</b>		<b>360 803</b>	<b>124 372</b>

Notes on pages 10 to 23 form are integral part of these financial statements.

Ričards Andersons  
 (Chairman of the Board)

  
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31st of March, 2026

**Annual report drawn up by:**

Ieva Grase  
 (Chief Accountant)

  
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**BALANCE SHEET**

ASSETS	Note number	2025.12.31 EUR	2024.12.31 EUR
<b>Long-term investments</b>			
<b>Intangible assets</b>			
Concessions, patents, licences, trademarks and similar rights		338 352	166 954
Advance payments for intangible assets		7 153	7 153
<b>Total intangible assets</b>	9	<b>345 505</b>	<b>174 107</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		467 763	75 880
Technology devices and equipment		714 726	963 096
Other fixed assets and inventory		805 078	885 652
Expense of tangible assets and construction in progress		421 407	737 849
<b>Total fixed assets</b>	10	<b>2 645 066</b>	<b>2 898 569</b>
<b>Long-term financial investments</b>			
Loans to subsidiary companies	11	809 471	783 091
Loans to associated companies	12	175 000	175 000
Other loans and long-term receivables	13	1 587 339	12 159
<b>Total long-term financial investments</b>		<b>2 571 810</b>	<b>970 250</b>
<b>Total long-term investments</b>		<b>5 562 381</b>	<b>4 042 926</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials, direct materials and auxiliary materials		3 218 970	2 939 698
Finished products and goods for sale		573 286	508 831
Advance payments for inventories		1 744 843	2 966 163
<b>Total inventories</b>		<b>5 537 099</b>	<b>6 414 692</b>
<b>Receivables</b>			
Trade receivables	14	4 356 721	4 538 386
Amounts owed by related companies	11	67 815	143 245
Other receivables	15	5 866	15 714
Prepaid expenses		25 215	29 673
<b>Total receivables</b>		<b>4 455 617</b>	<b>4 727 018</b>
<b>Cash and cash equivalents</b>		<b>1 335 696</b>	<b>1 025 866</b>
<b>Total current assets</b>		<b>11 328 412</b>	<b>12 167 576</b>
<b>TOTAL ASSETS</b>		<b>16 890 793</b>	<b>16 210 502</b>

**BALANCE SHEET**

<b>LIABILITIES</b>	Note number	<b>2025.12.31</b> EUR	<b>2024.12.31</b> EUR
<b>Equity capital</b>			
Share capital (equity capital)	16	1 301 400	1 301 400
Long-term investment revaluation reserve	17	194 270	237 458
Reserves:		14	14
f) other reserves		14	14
Retained earnings or uncovered losses of previous years		3 582 469	3 518 097
Profit or loss of the reporting year		360 803	124 372
<b>Total equity capital</b>		<b>5 438 956</b>	<b>5 181 341</b>
<b>Creditors</b>			
<b>Long-term liabilities</b>			
Loans to bonds	18	5 000 000	3 500 000
Borrowings from credit institutions	19	150 675	862 224
Other borrowings	20	80 690	165 521
<b>Total long-term liabilities</b>		<b>5 231 365</b>	<b>4 527 745</b>
<b>Short-term liabilities</b>			
Borrowings from credit institutions	19	925 113	940 608
Other borrowings	20	251 165	96 617
Advance payments from customers		369 886	943 415
Trade payables		3 458 351	3 461 314
Amounts owed to subsidiary companies		22 160	9 972
Taxes and mandatory state social insurance contributions	21	188 029	221 843
Other liabilities	22	208 659	165 431
Deferred income		125 942	99 262
Dividends payable		460 000	400 000
Accrued liabilities	23	211 167	162 954
<b>Total short-term liabilities</b>		<b>6 220 472</b>	<b>6 501 416</b>
<b>Total liabilities</b>		<b>11 451 837</b>	<b>11 029 161</b>
<b>TOTAL LIABILITIES</b>		<b>16 890 793</b>	<b>16 210 502</b>

Notes on pages 10 to 23 form are integral part of these financial statements.

Ričards Andersons  
 (Chairman of the Board)

  
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31st of March, 2026

**Annual report drawn up by:**

Ieva Grase  
 (Chief Accountant)

  
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**CASH FLOW STATEMENT**

(indirect method)

	Note number	2025 EUR	2024 EUR
<b>Cash Flow from operating activities</b>			
Profit or loss before taxation		372 233	198 855
<b>Adjustments:</b>			
Adjustments of decrease in value of equity capital		534 451	474 924
Amortization of intangible assets		45 291	45 328
Unrealized profit from fluctuations of currency exchange rate		(1 135)	(4 798)
Interest and similar income		(29 692)	(22 513)
Revenue from subsidies		(45 241)	(33 211)
Interest and similar expenses		407 085	343 413
<b>Cash Flow before adjustments on changes in current assets and liabilities</b>		<b>1 282 992</b>	<b>1 001 998</b>
<b>Adjustments for:</b>			
Increase (-)/ decrease (+) in trade and other receivables		(1 303 779)	(45 181)
Increase (-)/ decrease (+) in inventories		1 196 053	(805 522)
Increase (+)/ decrease (-) in trade and other payables		(417 380)	1 129 474
<b>Gross operating cash flow</b>		<b>757 886</b>	<b>1 280 769</b>
<b>Interest paid</b>		(407 085)	(343 413)
<b>Corporate tax paid</b>		(74 047)	(64 203)
<b>Net cash flow from operating activities</b>		<b>276 754</b>	<b>873 153</b>
<b>Cash flow from investing activities</b>			
Long-term investments in leased fixed assets		(417 273)	(68 581)
Purchase of non-current assets		(460 267)	(358 306)
Proceeds from sale of fixed and intangible assets		19 390	6 530
Loans granted		(26 380)	(559 754)
Proceeds from refunded loans		-	444 754
Interest received		29 692	22 513
<b>Net cash flow from investing activities</b>		<b>(854 838)</b>	<b>(512 844)</b>
<b>Cash flow from financing activities</b>			
Loans from credit institutions received		1 654 548	3 421 735
Received grants, subsidies and donations		45 241	33 211
Loans from credit institutions repaid		(811 875)	(2 939 511)
Dividends paid		-	(400 000)
<b>Net cash flow from financing activities</b>		<b>887 914</b>	<b>115 435</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>309 830</b>	<b>475 744</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1 025 866</b>	<b>550 122</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1 335 696</b>	<b>1 025 866</b>

Notes on pages 10 to 23 form an integral part of these financial statements.

Ričards Andersons  
 (Chairman of the Board)

  
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31st of March, 2026

**Annual report drawn up by:**  
 Ieva Grase  
 (Chief Accountant)

  
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**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Revaluation reserve of financial instruments	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR
<b>As at 2023.12.31</b>	<b>1 301 400</b>	<b>277 034</b>	<b>14</b>	<b>3 918 097</b>	<b>5 496 545</b>
Gains or loss from revaluation of fixed assets	-	(39 576)	-	-	(39 576)
Increase / decrease in the fair value of financial instruments	-	-	-	(400 000)	(400 000)
Profit for the financial year	-	-	-	124 372	124 372
<b>As at 2024.12.31</b>	<b>1 301 400</b>	<b>237 458</b>	<b>14</b>	<b>3 642 469</b>	<b>5 181 341</b>
Increase / decrease in share capital	-	-	-	(60 000)	(60 000)
Gains or loss from revaluation of fixed assets	-	(43 188)	-	-	(43 188)
Profit for the financial year	-	-	-	360 803	360 803
<b>As at 2025.12.31</b>	<b>1 301 400</b>	<b>194 270</b>	<b>14</b>	<b>3 943 272</b>	<b>5 438 956</b>

Notes on pages 10 to 23 form an integral part of these financial statements.

Ričards Andersons  
 (Chairman of the Board)

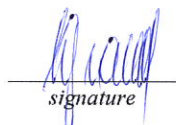


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31st of March, 2026

**Annual report drawn up by:**

Ieva Grase  
 (Chief Accountant)



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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, 2025, 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	2025.01.01	to	2025.12.31
The previous period is 12 months from	2024.01.01	to	2024.12.31

#### **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.

### **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	2025	2024
	EUR	EUR
Manufacture of other chemical products nec (NACE 2059)	18 848 318	21 343 218
<b>Total</b>	<b>18 848 318</b>	<b>21 343 218</b>

**Net sales by geographical markets:**

Country	2025	2024
	EUR	EUR
Latvia	8 379 588	9 255 474
European Union	6 068 776	9 637 386
Outside the European Union	4 399 954	2 450 358
<b>Total</b>	<b>18 848 318</b>	<b>21 343 218</b>

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

	2025	2024
	EUR	EUR
Costs of purchased raw materials	11 830 944	15 747 341
Personnel expenses	1 348 723	1 155 891
Cost of goods purchased	875 952	1 021 305
Depreciation of fixed assets	454 939	393 501
Rental costs	250 985	241 350
Other costs	221 149	168 729
<b>Total</b>	<b>14 982 692</b>	<b>18 728 117</b>

**(4) Selling expenses**

	2025	2024
	EUR	EUR
Personnel expenses	807 306	664 849
Transport costs	302 189	296 421
Business travel costs	56 875	66 325
Advertising expenses	55 023	94 386
Depreciation of fixed assets	49 333	53 393
ABUS maintenance costs	33 643	35 241
Office expenses	27 930	22 303
Other selling expenses	161 056	134 510
<b>Total</b>	<b>1 493 355</b>	<b>1 367 428</b>

(5) Administrative expenses

	2025	2024
	EUR	EUR
Personnel expenses	450 815	410 038
Depreciation of fixed assets	67 724	61 445
Ancillary expenses related to securities turnover	6 166	81 741
Other administration expenses	201 105	119 752
<b>Total</b>	<b>725 810</b>	<b>672 976</b>

(6) Other operating income

	2025	2024
	EUR	EUR
Revenue from received financing LIAA	45 241	33 211
Proceeds from sale of fixed assets	5 968	4 798
Income net of exchange rate fluctuations	-	83 110
Other income	50 899	147 159
<b>Total</b>	<b>102 108</b>	<b>268 278</b>

(7) Other operating expenses

	2025	2024
	EUR	EUR
Costs of creating allowances for doubtful accounts	365 217	-
Net exchange rate losses	153 966	-
Losses from adjustment to prior periods	71 104	568
Other personnel expenses	29 622	21 423
Other economic costs - for the improvement of the territory and premises	28 117	8 974
Fines and penalties paid	27 261	1 136
Expenditure on staff sustainability measures	17 476	13 133
Other office expenses	13 960	7 578
Road usage expenses	8 589	6 680
Donations	8 010	32 452
Utility expenses	5 740	5 383
Materials for ensuring economic activity	5 331	4 278
Work clothes	4 150	6 334
Equipment rental and maintenance	2 277	2 037
Expenses for writing down the residual value of written-off fixed assets	500	29 442
Debt write-off of liquidated company	-	106 076
Other expenses	257 623	77 726
<b>Total</b>	<b>998 943</b>	<b>323 220</b>

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

Long-term investment object	Balance value at the moment of exclusion	Alienation income	Alienation expenses	Gross income or profit	Profit or loss from the object's alienation
	EUR	EUR	EUR	EUR	EUR
A/m Scania 124 KP6295	13 422	19 390	-	19 390	5 968
<b>Total</b>	13 422	19 390	-	19 390	5 968

**(9) Intangible assets**

		<b>Concessions, patents, licenses, trade marks and similar rights</b>	<b>Advances for intangible assets</b>	<b>Total intangible assets</b>
		EUR	EUR	EUR
<b>Acquisition value</b>	<b>2025.01.01</b>	<b>373 836</b>	<b>7 153</b>	<b>380 989</b>
Additions		216 689	-	216 689
<b>Acquisition value</b>	<b>2025.12.31</b>	<b>590 525</b>	<b>7 153</b>	<b>597 678</b>
<b>Accumulated amortization</b>	<b>2025.01.01</b>	<b>206 882</b>	-	<b>206 882</b>
Amortization charge		45 291	-	45 291
<b>Accumulated amortization</b>	<b>2025.12.31</b>	<b>252 173</b>	-	<b>252 173</b>
<b>Net book value</b>	<b>2025.01.01</b>	<b>166 954</b>	<b>7 153</b>	<b>174 107</b>
<b>Net book value</b>	<b>2025.12.31</b>	<b>338 352</b>	<b>7 153</b>	<b>345 505</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	Total fixed assets
Acquisition value	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01
Acquisition value	236 092	420 795	527 368	699 590	486 127	2 667	1 602 354	737 849	4 712 842
Additions	-	363 379	-	10 215	-	-	214 809	72 448	660 851
Disposal	-	-	(32 321)	-	-	-	(13 367)	(500)	(46 188)
Reclassified	-	53 894	-	2 566	-	-	3 800	(60 260)	-
Moved from inventory	-	-	-	4 925	-	-	4 745	460	10 130
Moved to inventory item	-	-	-	-	-	-	-	(328 590)	(328 590)
Acquisition value	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31
Acquisition value	236 092	838 068	495 047	717 296	486 127	2 667	1 812 341	421 407	5 009 045
Accumulated depreciator	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01
Depreciation charge	-	344 915	229 229	360 036	162 036	1 355	716 702	-	1 814 273
Amortization of intangible assets that have been liquidated or reclassified	-	25 390	48 139	102 256	97 466	848	303 540	-	577 639
Accumulated depreciator	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31
Accumulated depreciator	-	370 305	(14 954)	-	-	-	(12 979)	-	(27 933)
Net book value	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01	2025.01.01
Net book value	236 092	467 763	467 763	339 554	324 091	-	885 652	737 849	2 898 569
Net book value	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31	2025.12.31
Net book value	236 092	467 763	232 633	255 004	226 625	464	805 078	421 407	2 645 066

(11) Loans to subsidiary companies

Long-term loans	Changes within the reporting period	2025.12.31	2024.12.31
		EUR	EUR
SIA CrossChem International	26 380	809 471	783 091
<b>Total long term loans</b>	<b>26 380</b>	<b>809 471</b>	<b>783 091</b>

Short term liabilities	Changes within the reporting period	2025.12.31	2024.12.31
		EUR	EUR
CrossChem Japan Co.,Ltd	-	67 815	67 815
SIA CrossChem International	(75 430)	-	75 430
<b>Total short term liabilities</b>	<b>(75 430)</b>	<b>67 815</b>	<b>143 245</b>

(12) Loans to associated companies

Long-term loans	Sum	Changes within the reporting period	2025.12.31	2024.12.31
			EUR	EUR
CrossChem Island ehf.	175 000	-	175 000	175 000
<b>Total long term loans</b>	<b>175 000</b>	<b>-</b>	<b>175 000</b>	<b>175 000</b>

(13) Other loans and long-term receivables

Other loans and long-term receivables	Changes within the reporting period	2025.12.31	2024.12.31
		EUR	EUR
Agrola PHU Robert Rogala	1 573 879	1 573 879	-
CrossChem Estonia OU	301	12 460	12 159
Other loans	1 000	1 000	-
<b>Total</b>	<b>1 575 180</b>	<b>1 587 339</b>	<b>12 159</b>

(14) Trade receivables

Trade receivables	2025.12.31	2024.12.31
	EUR	EUR
Trade receivables carrying amount	4 721 937	4 538 386
Provisions for bad and doubtful debtors	(365 216)	-
<b>Total</b>	<b>4 356 721</b>	<b>4 538 386</b>

(15) Other receivables

	2025.12.31	2024.12.31
	EUR	EUR
Tax overpayment	1 101	989
Corporate income tax advance payment	2 000	-
Other debtors	2 765	14 725
<b>Total</b>	<b>5 866</b>	<b>15 714</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

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
	2025.01.01	31.12.2025			31.12.2025	31.12.2025
	EUR	EUR	EUR	EUR	EUR	EUR
A/m Scania 124	4 335	-	19 646	4 335	-	-
AdBlue production facility	181 251	151 043	241 310	30 208	21 321	172 364
AdBlue plant 2 (expansion in Latvia)	48 463	40 386	68 862	8 077	14 345	54 731
AdBlue filling station 90001_6	1 139	949	4 725	190	1 413	2 362
AdBlue filling station 90001_4	1 370	1 142	4 853	228	1 284	2 426
High pressure washer HD1140	600	500	700	100	-	500
Washing machine NEPTUNE 5-49	300	250	350	50	-	250
<b>Total</b>	<b>237 458</b>	<b>194 270</b>	<b>340 446</b>	<b>43 188</b>	<b>38 363</b>	<b>232 633</b>

(18) Loans to bonds

	2025.12.31	2024.12.31
	EUR	EUR
Loans with a repayment term of up to 1 year	5 000 000	3 500 000
<b>Total</b>	<b>5 000 000</b>	<b>3 500 000</b>

In November 2024, SIA CrossChem issue 5000 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)**

	<b>% rate</b>	<b>Date of payment</b>	<b>2025.12.31</b>	<b>2024.12.31</b>
			EUR	EUR
ALTUM	2.9%	2032.02.24	150 675	862 224
<b>Total long-term borrowings</b>	<b>X</b>	<b>X</b>	<b>150 675</b>	<b>862 224</b>

	<b>% rate</b>	<b>Date of payment</b>	<b>2025.12.31</b>	<b>2024.12.31</b>
			EUR	EUR
<b>Short-term borrowings</b>				
ALTUM	2.9%	2026.11.24	925 113	940 608
<b>Total short - term borrowings</b>	<b>X</b>	<b>X</b>	<b>925 113</b>	<b>940 608</b>

**(20) Other borrowings**

	<b>% rate</b>	<b>Date of payment</b>	<b>2025.12.31</b>	<b>2024.12.31</b>
			EUR	EUR
<b>Long-term borrowings (more than 5 years)</b>				
AS SEB lizings	2.65/2.5	2029.02.28	80 690	165 521
<b>Total long-term borrowings</b>	<b>X</b>	<b>X</b>	<b>80 690</b>	<b>165 521</b>

	<b>% rate</b>	<b>Date of payment</b>	<b>2025.12.31</b>	<b>2024.12.31</b>
			EUR	EUR
<b>Short-term borrowings</b>				
Other companies	6,5	2026.08.31	160 010	-
AS SEB lizings	2.9/4.5	2026.12.31	91 155	96 617
<b>Total</b>	<b>X</b>	<b>X</b>	<b>251 165</b>	<b>96 617</b>

**Financial indicators**

**Calculation formula**

**Result**

Interest coverage Ratio (IRC)

EBITDA/Net finance Charges

3

Equity Ratio

Ratio of Adjusted Equity/Assets

30%

EBITDA

Net profit for the Relevant Period

1 311 580

calculated according to the most recent Financial Reports: a) before deducting any Net Finance Charges; b) before taking into account any exceptional items which are not in line with the ordinary course of business; c) not including any accrued interest on Subordinated Debt; d) before taking into account any gains or losses on any foreign exchange gains or losses; and e) after adding back any amount attributable to the amortisation, depreciation or depletion of assets

**(21) Taxes and mandatory state social insurance contributions**

	<u>2025.12.31</u>	<u>2024.12.31</u>
	EUR	EUR
Tax contributions and state social insurance contributions at the beginning of the year	221 843	203 833
Changes within the reporting year	(33 814)	18 010
<b>Tax contributions and state social insurance contributions at the end of the year</b>	<b><u>188 029</u></b>	<b><u>221 843</u></b>

	<u>2025.12.31</u>	<u>2024.12.31</u>
	EUR	EUR
Corporate income tax	11 430	74 042
Value added tax	64 216	62 800
Social contributions	65 414	49 351
Personal income tax	39 921	27 802
Company Car Tax	7 023	7 822
Risk duties	25	22
Property tax	-	4
<b>Total</b>	<b><u>188 029</u></b>	<b><u>221 843</u></b>

**(22) Other liabilities**

	<u>2025.12.31</u>	<u>2024.12.31</u>
	EUR	EUR
<b>Short-term other creditors</b>		
Salary	135 373	103 673
Settlements for deposits received	64 803	60 105
Other creditors	8 483	1 653
<b>Total short-term other creditors</b>	<b><u>208 659</u></b>	<b><u>165 431</u></b>

**(23) Accrued liabilities**

	<u>2025.12.31</u>	<u>2024.12.31</u>
	EUR	EUR
Provisions for unused vacations	182 642	132 774
Settlements with creditors for accrued liabilities	28 525	30 180
<b>Total</b>	<b><u>211 167</u></b>	<b><u>162 954</u></b>

**(24) Average number of employees**

	<u>2025</u>	<u>2024</u>
Members of the Board	3	3
Other employees	66	63
Average number of employees	<u>69</u>	<u>66</u>

**(25) Personnel expenses**

	<u>2025</u>	<u>2024</u>
	EUR	EUR
Wages	2 109 551	1 805 201
Mandatory state social insurance contributions	496 997	425 292
<b>Other personnel expenses</b>	<u>2 606 548</u>	<u>2 230 493</u>

**(26) 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.

Commercial pledge agreement 216119/04-K1 from 30.04.2025 - with the first claim for the claim amount of EUR 150,675 for all property as a set of items in the equipment component, including inventories, packaging production, as well as intangibles - the ERP system.

**(27) 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 31.12.2026; Vladislav Anchupans - Land lease agreement 03.09.2018/1 from 03.09.2018 to 31.12.2038; SIA Jet Dinamils 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 31.12.2027; SIA ID LUKSS GROUP, reg.No.40103945026 Land lease No.25.07.2020/1 from 25.07.2020 for an indefinite period.

**(28) Important events after the end of the report year**

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

**(29) 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)



signature

31st of March, 2026

**Annual report drawn up by:**

Ieva Grase  
(Chief Accountant)



signature



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***Translation from Latvian***  
**INDEPENDENT AUDITORS' REPORT**  
**To the Shareholder of CrossChem SIA**

**Our Qualified Opinion on the Financial Statements**

We have audited the accompanying financial statements for 2025 on pages 5 to 23 of CrossChem SIA, which comprise:

- the balance sheet as at 31 December 2025,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

**In our opinion, the accompanying financial statements give a true and fair view of the financial position of CrossChem SIA (Company) as at 31 December 2025, and of its financial performance for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.**

**Basis for Qualified Opinion**

As disclosed in Note 14 to the accompanying financial statements, as at 31 December 2025 the Company's balance sheet includes trade receivables in the amount of EUR 4,356,721 under the line item "Trade receivables". A significant portion of these receivables is past due, including receivables overdue for more than one year.

Based on the audit procedures performed and the audit evidence obtained regarding the debtors' solvency and the recoverability of receivables, we consider that an amount of EUR 495,970 of the overdue receivables is unrecoverable. The Company has recognised an allowance for doubtful debts in the amount of EUR 123,993 in respect of these receivables, which, in our opinion, is insufficient.

Had the Company recognised an allowance in full for the aforementioned unrecoverable receivables, the balance of trade receivables as at 31 December 2025 would have been reduced by EUR 371,977, with a corresponding decrease in the profit for the reporting year and equity by the same amount.

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Reporting on Other Information**

The Company's management is responsible for the other information. The other information comprises Information about the Company and the Management Report, as set out on page 3 and 4 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the Other reporting responsibilities in accordance with the legislation of the Republic of Latvia section of our report.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Other reporting responsibilities in accordance with the legislation of the Republic of Latvia*

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Furthermore, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on



the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sindiks SIA  
Licence No. 100

Riga, 31 March 2026



Silvija Gulbe  
Member of the Board  
Certified auditor of Latvia  
Certificate No. 142

