

Information Memorandum



Future
Quality

October 2021

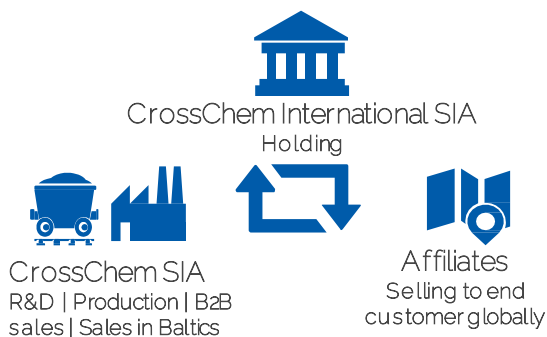
LHV

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Investment case summary



Employees

>50

Years of experience

>14

Founded in 2007 CrossChem SIA (the Company/ CrossChem) is a part of the international CrossChem Group of businesses (please refer to page 17 for Group structure). It produces and distributes chemical products and special production equipment.

The main products and services include AdBlue®, AUS40®, liquid fertilizers, auto and industrial chemicals, storage tanks and other equipment,

The Company is the only audited and certified AdBlue® manufacturer in the Baltics,

CrossChem has diversified sales channels and more than 5000 B2B customers.

The headquarters and the 20.2 thousand m² plant with integrated railway terminal are located in Latvia (Olaive area, just outside of Riga).

The founder and Chairman of the Board of the Company is Rīčards Andersons.

Over the course of the next three years the Company is planning to execute a bond/note programme of up to EUR 10 million. In 2021 the Company plans to issue debt securities in the amount of up to 3 million EUR. The securities would be listed on Nasdaq Riga First North.

The proceeds of the bonds will be used to support the Company's development programme for 2021-2025 (please refer to section starting on page 18), which has four main arms:

- A. Increase the network of AdBlue® filling stations in the Baltics
- B. Develop and increase marine supply in Baltic region;
- C. Develop new products and broaden the product portfolio;
- D. Increase raw material supply.

In line with the bond/note programme the Parent Company - CrossChem International SIA (the owner of 100% shares of the Company) will provide a guarantee for the interest and principal payments.

CrossChem International is a holding company with co-owned network of remote AdBlue® manufacturing units (affiliates) and is a holder of an AdBlue® license from the German Association of the Automotive Industry (VDA),

More information about the Parent Company can be found on page 17.

Key Financials						
EUR'000	FY2018A	FY2019A	FY2020A	6M2020A ^(a)	6M2021A ^(a)	FY2021F
Revenue	10,792	12,318	15,526	7,226	9,835	17,855
Revenue growth, %	29.3%	14.1%	26.0%	n/a	36.1%	15.0%
EBITDA	327	240	1,069	478	704	1,168
EBITDA margin, %	3.0%	1.9%	6.9%	6.6%	7.2%	6.5%
Net profit/ (loss)	145	(60)	693	294	545	738
Net profit/ (loss) margin, %	1.3%	(0.5%)	4.5%	4.1%	5.5%	4.1%

Note: (a) 6M2020A not audited

(b) 6M2021A reviewed by Grant Thornton Baltic SIA.

Source:

Audited unconsolidated financial statements (FY2018, FY2019, FY2020, 6M2021); Prudent management forecasts prepared at the end of FY 2020

Important information

Certified Adviser

The Company and AS LHV Pank (register code in the Estonian Commercial Register 10539549, registered address Tartu mnt 2, 10145 Tallinn, Estonia, 'LHV') will execute an agreement where LHV will act as the Certified Adviser of the Company in the essence of the Rules of First North. LHV is an Estonian credit institution operating as a bank as its main field of business. The persons providing Certified Adviser services to the Company are Ivars Bergmanis, on a daily basis acting as the Head of Institutional Markets in AS LHV Pank, and Daniel Haab, on a daily basis acting as the Head of Legal Department of AS LHV Pank. The agreement is planned to be concluded for an indefinite term.

Disclaimer

This Information Memorandum or any information contained herein does not constitute or form a part of any offer to sell or a solicitation of an offer or invitation to purchase or subscribe for the shares of the Company or any other securities in Latvia or any other jurisdiction, including the United States.

There is no public offering of the shares of the Company or any other securities in Latvia or any other jurisdiction, including the United States. In particular, the securities referred to herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the Securities Act), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, delivered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

This Information Memorandum has been drawn up and made public solely for the purposes of listing the securities of the Company and admitting them to trading in multilateral trading facility (an alternative market) First North as operated by Nasdaq Riga AS and may not be used for any other purposes.

Term sheet



CrossChem SIA EUR 10 000 000 programme:
first tranche (6.75% CrossChem 21-2024)

Issue Name and Size:	EUR 3 million first tranche (6.75% CrossChem 21 2024)
Issuer and ISIN code:	CrossChem SIA (the "Issuer") [LV0000860047]
Type of issue:	Bond issue (the "Bonds" herewith and the "Investors" as the investors to this particular issue)
Duration:	3 years
Nominal value:	EUR 1 000
Number of bonds to be issued:	3 000
Coupon:	Quarterly coupon
Day count:	30 360 day convention
Redemption of the bonds:	At maturity
Listing:	Nasdaq Riga First North within 1 month after settlement
Bookbuild / Allocation / Settlement	Until 17:00 EET November 4, 2021 / November 4, 2021 / November 5, 2021
Issue Date:	November 5, 2021
Redemption date:	3 year anniversary from the Issue Date
Interest rate:	6.75% per annum
Use of funds:	The proceeds of the bonds will be used to support the Company's development programme 2021-2025, which have four main directions: A. Network of AdBlue® filling stations; B. Marine supply; C. New products; D. Working capital to source raw materials.
Security:	CrossChem International SIA (the "Parent Company") guarantee for full issue amount (and interest).
Cross default:	Applies to the Parent, the Issuer and any of its subsidiaries.
Restrictions	Parent Company debt to equity <1x Issuer dividends restricted to 75% of audited net profit No loans to related parties, only group entities for operational and investment purposes No sale of intellectual property until bond is repaid
Financial covenant:	Interest coverage > 1.5x All calculations undertaken once per year on audited data.

About



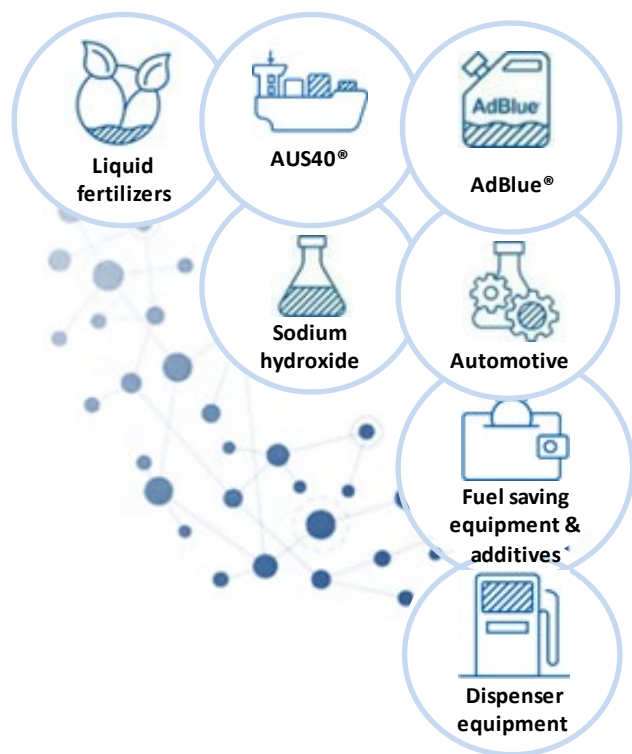
**Future
Quality**

General information

CrossChem was established on January 11th, 2007, by Rīčards Andersons with the goal to contribute to Europe's roadmap for sustainability and care for the environment by providing products relevant to this ambition.

The Company is the only audited and accredited German Association of the Automotive Industry (Verband der Automobilindustrie, VDA) AdBlue® (nitrogen oxides (NO_x) emissions reduction agent) manufacturer in the Baltics since 2009.

The headquarters and plant is located in Latvia - Olaine area, Olaines parish, «Naftaluka». The production area is 20.2 thousand m² with 5.3 thousand m² of warehouse facilities. This includes an integrated railway terminal with locomotive.



The business model of the Company is built around three unique principles:

I Sustainable products and services:

- **chemicals helping the environment and society;**
- **chemical handling and logistics including associated services;**
- **equipment for efficient production and handling chemicals.**

II Unique proprietary AdBlue® production system, allowing to be closer to the clients, cut costs, increase competitiveness.

III Unique client servicing solutions:

- **mobile automated, public AdBlue® filling stations;**
- **fuel and chemical management and telemetry tracking and operation system CrossPoint.**

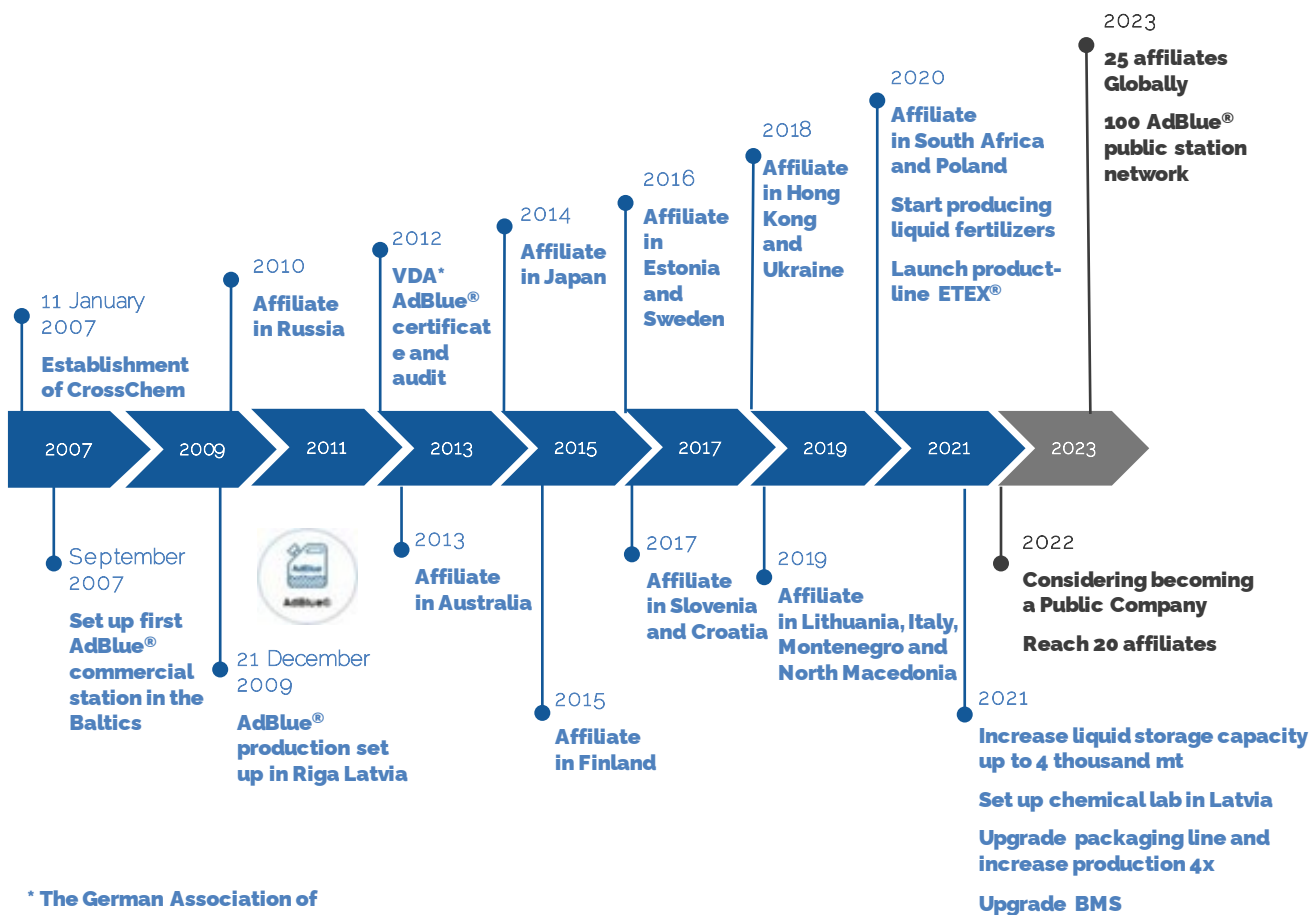
The Company has received numerous awards in Latvia for its growth and business strategy.



EKSPORTA UN INOVĀCIJAS
BALVA 2019



History



* The German Association of the Automotive Industry



The Products

UREA (AdBlue® raw material)

Also known as carbamide, urea is an organic compound with chemical formula $\text{CO}(\text{NH}_2)_2$. Urea solutions 32% and 40% are used in Selective Non-Catalytic Reduction (SNCR) and Selective Catalytic Reduction (SCR) reactions to reduce the NOx pollutants in exhaust gases from the combustion of diesel, dual fuel, and lean-burn natural gas engines.

Urea is the main raw material of AdBlue®.

The terminal allows the Company to source and distribute the raw materials to affiliates – production units co-owned by the Parent Company CrossChem International.

AdBlue®

Is a commercialized product that is used to reduce nitrogen oxides (NOx) emissions from diesel engines. It is a urea-based solution in water, made of 32.5% high purity urea and 67.5% demineralized water.

AdBlue® therefore improves the efficiency of catalytic converters in exhaust systems (injection takes place after fuel combustion in the engine). It has limited toxicity.

The German Association of the Automotive Industry (VDA) has registered the trademark AdBlue® in all relevant car markets.

CrossChem is the only audited and accredited AdBlue® producer in the Baltics. The certificate confirms the quality of AdBlue® and compliance with the requirements set by car manufacturers.



AdBlue®

AUS40®

From 2013 marine vessels with 400 gross tonnage or above with a diesel engine shall comply with the Tier III NOx standard, which requires ships to use 40% urea solution or AUS40®.

AUS40® is produced by the Company according to ISO standard.

AUS40® trade name is registered on the Company's name.



AUS40®

Other

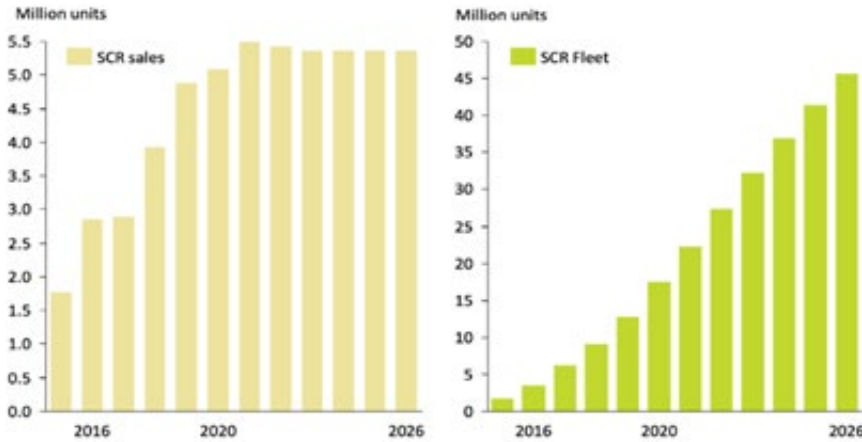
The Company also produces wide range of automotive chemicals: windscreen wash, coolants, heat exchangers, demineralised water and other.



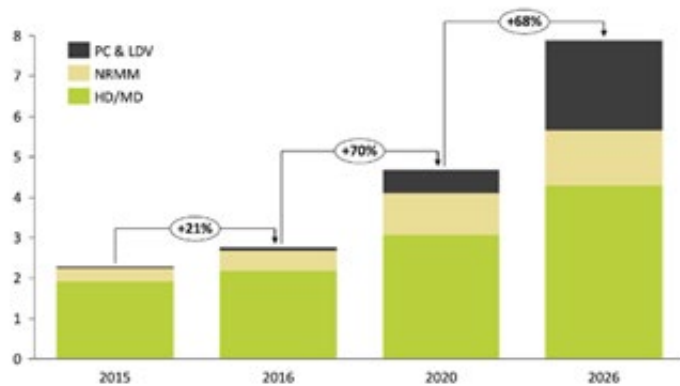
The Product – Market outlook

According to market expert forecasts, AdBlue® / SCR equipped vehicles will grow each year by

+9% Research of Argus Media group including the charts below

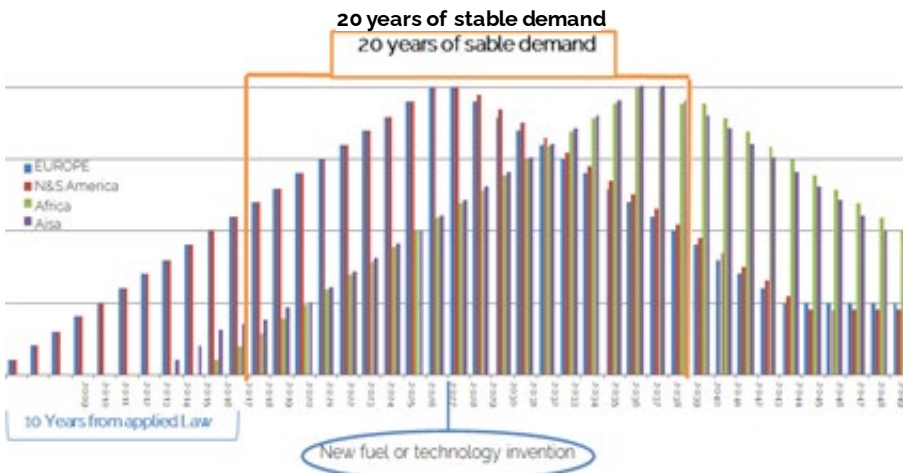


SCR / AdBlue® has become a leading technology which reduces harmful emissions and keeps diesel power engines functioning according to the strict standard regulations of today.



The growth of SCR fleets is expected to increase AdBlue® consumption in Europe, reaching 8 billion litres in 2026. Here is a breakdown for the following vehicle segments:

- PC - passenger cars;
- LDV - light duty vehicles;
- NRMM – non-road machinery;
- HD - heavy duty;
- MD - medium duty.



New engine technology is developing in Europe, nevertheless the number of vehicles produced in the next 5-10 years will lead to rising demand for AdBlue®. In the meantime, new markets such as Africa and Asia are only starting their route towards EURO4 and subsequent standard vehicles.

Significant additional demand will come from the marine sector as MARPOL Annex VI regulations will require "energy efficiency shipping" and this will apply to all diesel engine marine vessels with 400 gross tonnage or above. The emission control areas (ECAs) include: the Baltic Sea, the North Sea, the North American Area (coastal areas of the United States and Canada) and the United States Caribbean Sea.

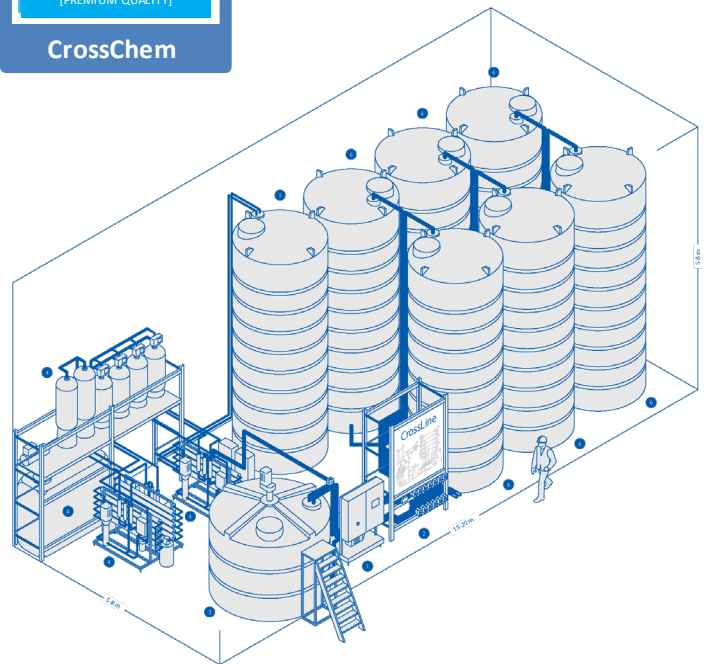
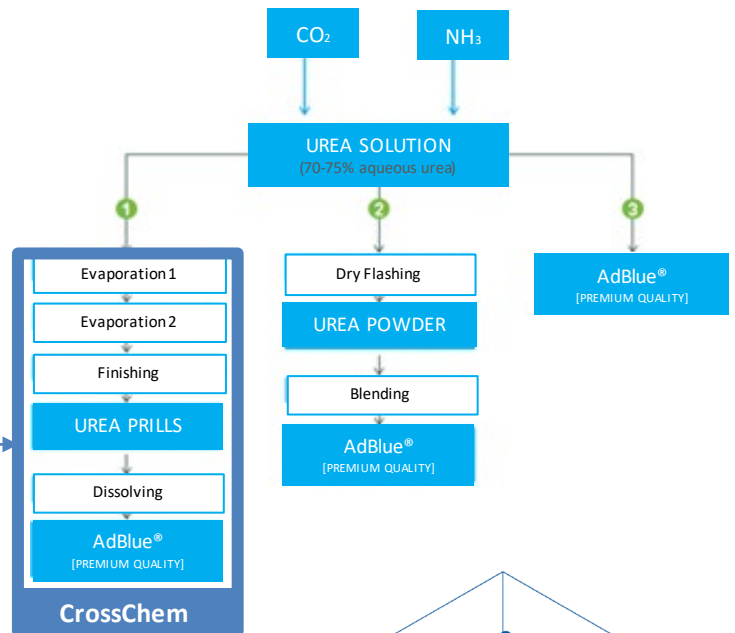
The Production

The Company has produced AdBlue® since 2009. VDA is controlling the compliance of AdBlue® production in the plants of CrossChem. The audit is done every 3 years.

Production of AdBlue® corresponds to ISO standards 22241-1 to 4.

The Company utilises the first model of AdBlue® production which allows to reduce transportation costs - instead of producing finished product in Latvia, which consists of 67.5% of water and then transporting it to other markets, the final product is produced in affiliated production plants globally. The Parent Company introduces affiliated plants by forming joint ventures abroad. The Company delivers equipment, instructions, train local staff and supplies with the main raw materials – urea.

There are 3 ways to produce AdBlue®



Using the latest technology and LEAN production principles the Company has developed an efficient AdBlue® production plant – a unique AdBlue® production system. This allows the Company to develop cost efficient production that can be closer to its clients.

Moreover, this allows the Company to coordinate certified AdBlue® production worldwide at the production units co-owned by CrossChem International (affiliates), thus promoting distribution of raw materials.

After tens of thousands of AdBlue® tonnes produced and delivered to car manufacturers, official dealer centres, gas stations and end consumers, it can be said that the Company produces a world-class product that meets the highest quality requirements and standards. To conform to the specifications of ISO standard, strict quality management is needed to control the urea and AdBlue® production process, storage and transportation. Each batch produced is tested in a certified third-party laboratory.

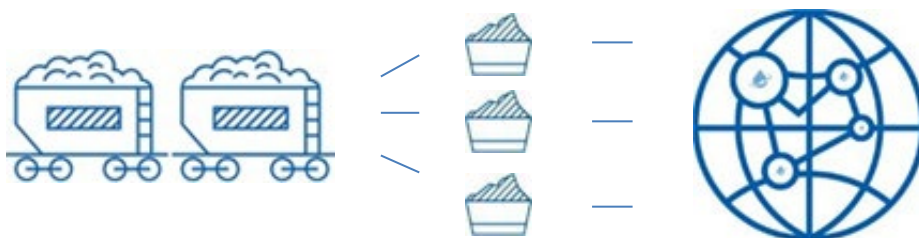


Terminal and logistics

The Company is using geographical advantages of Latvia to develop its business by operating a rail cargo chemical terminal. This railway terminal is located in the centre of the Eastern part of the Baltic Sea region with three seaports nearby. Latvia plays a role as a main transit point between East and West. It has railway connections to Russia, Belarus, Ukraine and Central Asia. Latvian seaports are well connected to Scandinavian and EU markets via the Baltic Sea.



- Land area: 20.2 thousand m²;
- Area of warehouse space: 5.3 thousand m²;
- One of the most modern terminals in the Baltics;
- Managing general and bulk chemical cargoes;
- Bulk chemical unloading speed 50 MT/h;
- Solid bulk chemical packing speed 30 MT/h;
- Own bulk liquid and dry carrying transport.



The terminal allows the Company to source and distribute the raw materials to affiliates – production units co-owned by the Parent Company CrossChem International.

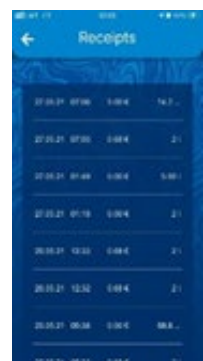
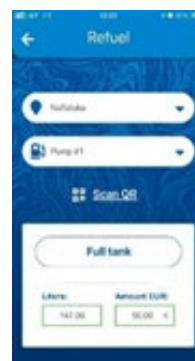
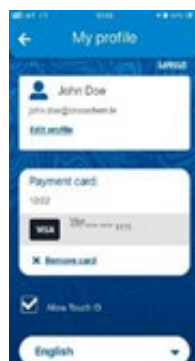
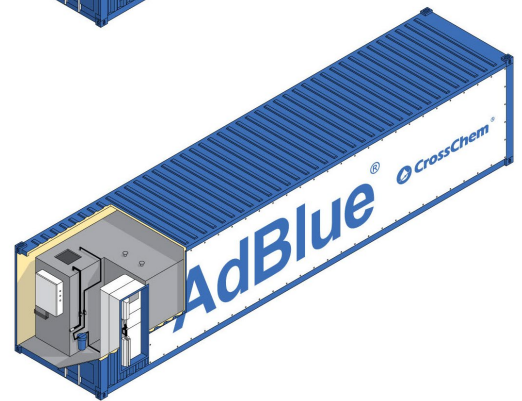
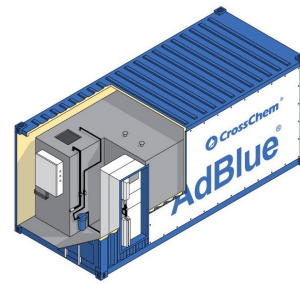
Filling stations

The Company is constantly developing and expanding its network of mobile AdBlue® filling stations (MAFS) to provide clients with a unique opportunity - high quality product for lower price on all trunk roads. CrossChem is the only AdBlue® manufacturer in the world which has its own international network of AdBlue® stations.

The business model is built around the convenient filling of AdBlue® at the daily truck stops and resting points, keeping prices at low levels. MAFS can operate independently with a variety of payment terminals, therefore landowners can participate in AdBlue® reselling and at the same time service CrossChem customers for their contracted price level.

CrossPoint – the Company’s developed online software system provides full control of MAFS (security, alarms, temperature, electronics, liquid levels, etc.). It lets the Company manage logistics, supply of AdBlue® in real time, control the AdBlue® flow, plan production needs and receive all necessary information about customers (consumption, regularity of purchase, quantity, locations and other).

Current MAFS provide online client contracting, authentication and a payment solution, which is managed by the Company’s developed MAFS App available on iOS and Android platforms. A wide and constantly expanding CrossChem mobile AdBlue® station network together with technology allows to serve customers internationally at “local” price level.



The Clients (1 of 2)

Diversified client portfolio, starting from small fleets (5-10 vehicles) to large international fuel and logistic chains together with worldwide geographical spread around 5 continents, brings stability and place for future development



Recently upgraded online shop and company's website brings more requests, orders and business for CrossChem. Digital marketing, social media and PR activities have made CrossChem well recognised in the chemical and AdBlue® niche markets.

Worldwide clients



Baltic clients



Leading
Fuel retailers
Farmers
GC*, LC*

5000+
B2B clients
>1M end users

50+
Export
countries

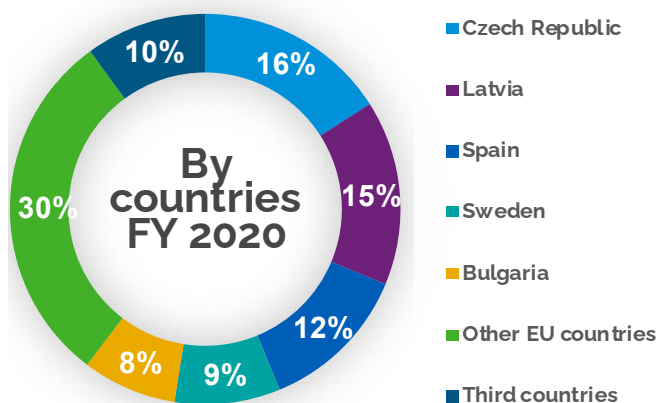
WWW
crosschem.lv
buyaus40.com
cc-market.com

15
affiliates
worldwide

The Clients (2 of 2)

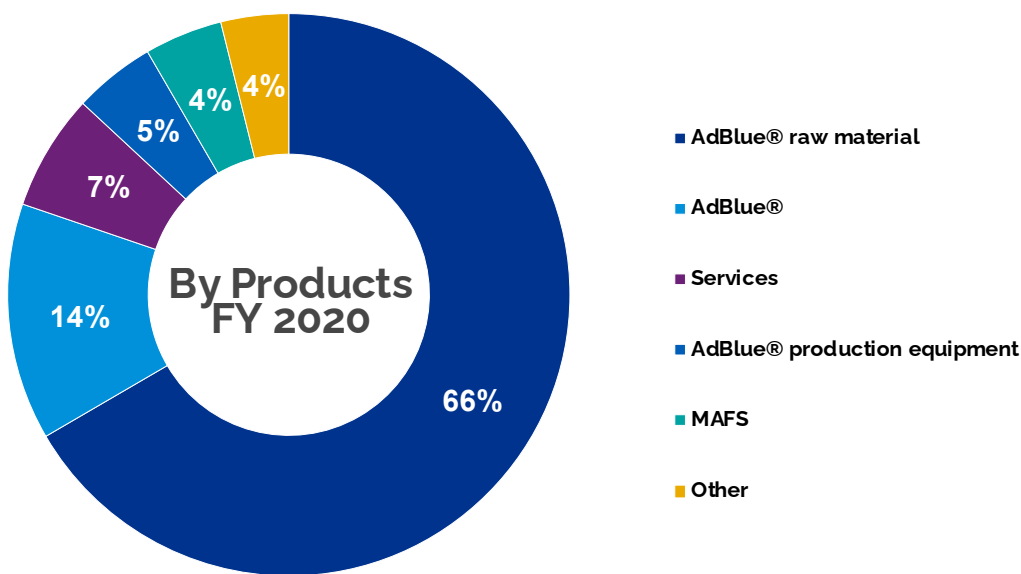
A wide range of countries on several continents provide the Company with stable and diversified sales, which was also reflected during the global pandemic in 2020 and 2021. The Company steadily continued to grow and develop during this period.

The client portfolio is well diversified with more than 1000 clients, which include smaller fleets (5-10 vehicles) as well as large international fuel and logistics chains.



EURm	FY20	%	FY18	FY19
Top 1	2.5	16%	-	0.0
Top 10	9.2	59%	3.1	0.0
Top 50	13.0	84%	6.7	1.3
Top 100	13.5	87%	7.0	1.3
Top 500	14.6	94%	7.7	2.9
Top 1000	14.9	96%	8.0	5.1
Total	15.5	100%	10.8	12.3

The unique business model and advantages of the Company allow it to utilise economies of scale with distribution of the urea mostly to the affiliates, thus generating higher profitability on the value-added products such as AdBlue® and a wide range of automotive chemicals. In addition, more than 10% of the revenues are generated from expansion activities, which should promote growth of the future business even more e.g., installation of production equipment and services.



Competition

The Company has a unique business model, which challenges the world's largest chemical manufacturers. Unique and lean production setup close to the final buyers and flexibility provides the Company with a strong competitive advantage. This is a very different strategy to that employed by the key industry players - large multinational wide scale chemical manufacturers.

KEY PLAYERS



YARA International ASA
Revenue: ~ 9 bEUR
Origin: Norway
Employees: 17 thousand



The Chemical Company

BASF SE
Revenue: ~20 bEUR
Origin: Germany
Employees: 117 thousand



Grupa Azoty
Revenue: ~1.7 bEUR
Origin: Poland
Employees: 16 thousand



Achemos Grupe
Revenue: ~ 1 bEUR
Origin: Lithuania
Employees: 4 thousand



Agrofert Holding
Revenue: ~0.65 bEUR
Origin: Czech Republic
Employees: 3 thousand



Team and Governance



Ričards Andersons
Chairman of the
Management Board, CEO

- Strategy and Procurements
- R&D
- **Investor relationships**

- **Ričards is the founder of CrossChem and the main visionary with strong belief in team management.**
- **Ričards holds a Master's degree in Economics and Marketing.**
- **He has more than 20 years of managerial and business experience.**



Aleksandrs Muzičenko
Member of the
Management Board, CFO

- Finance
- **Business Development**

- **Aleksandrs drives forwards global expansion of CrossChem.**
- **Holds a PhD in Economics.**
- **Has more than 15 years of experience in managing global business and financial operations beside CrossChem.**
- **Aleksandrs is a family member of the CrossChem International SIA shareholder Ms. Jana Muzičenko.**



Dagnija Turlaja
Member of the
Management Board, COO

- Human resources
- **Operational management**

- **Dagnija joined the Company in 2018 and holds an Executive Director position.**
- **Dagnija holds a Master's degree in Economics (speciality – Entrepreneurship and Management).**
- **She has more than 8 years of project management experience and more than 5 years of managerial experience.**
- **Dagnija has held various positions in Swedbank and Ektornet Management/Ektornet Real Estate.**

54
FTE



Head of
R&D
Ieva K.-K.



Head of
Sales Baltic's
Dmitrijs B.



Head of
Export Dep.
Vjačeslavs K.



Head of
Terminal
Aldis P.



Head of
Production
Viktors F.



Logistics
Kristaps M.



Legal
Linda A.



MAFS
Guntars R.



AGRO
Jānis M.



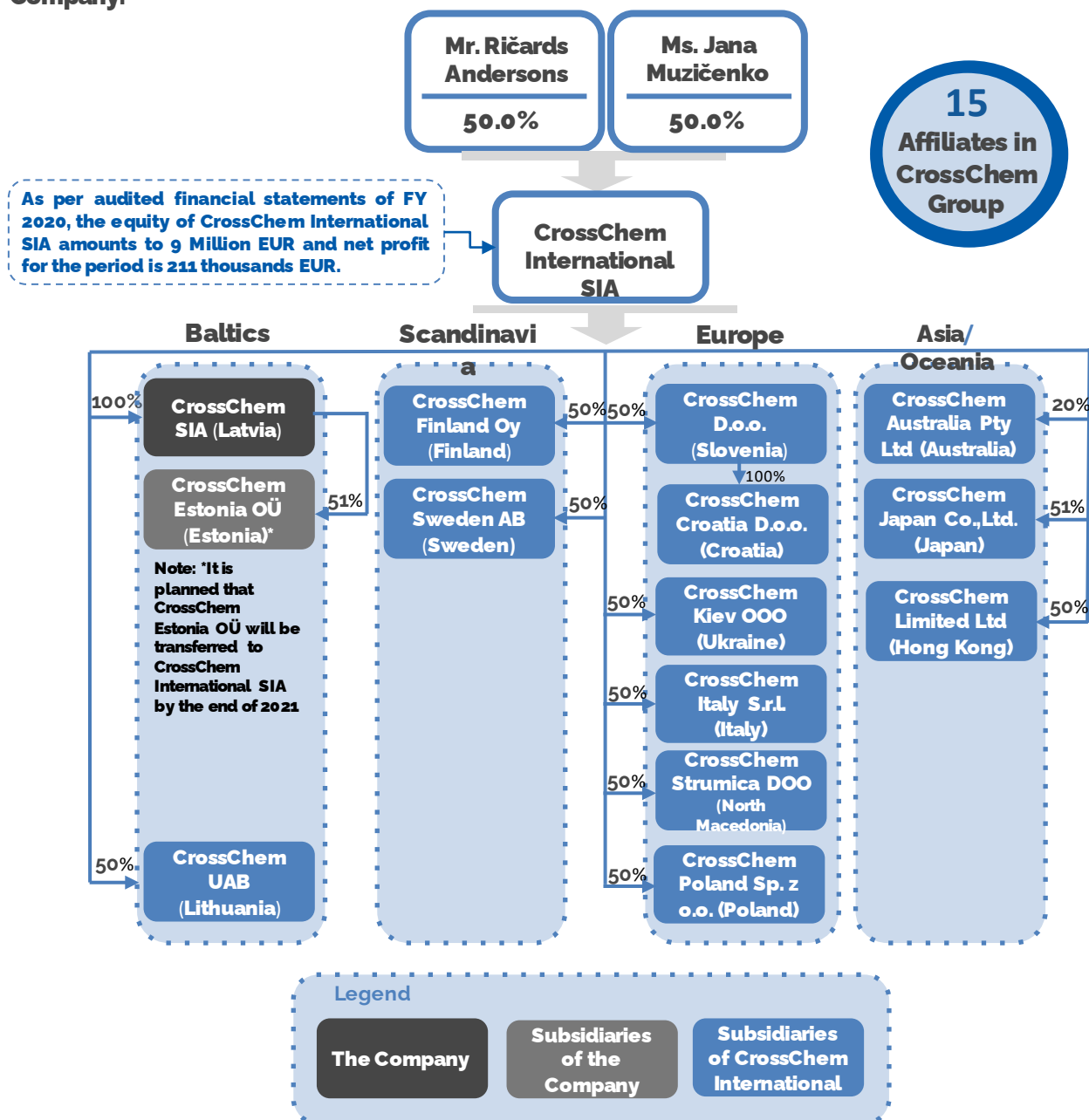
ETEX
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Shareholder structure

CrossChem SIA (the Company) as a manufacturing and R&D unit serves as the cornerstone of the CrossChem International group of companies.

The only shareholder of the Issuer is a holding company registered in Latvia "CrossChem International" SIA (registration No. 4010353862, legal address: Ziedleju iela 6, Mārupes nov., Mārupe, LV-2167), which owns 100% of the Company's shares.

CrossChem International is a holding company that holds the AdBlue® license from the German Association of the Automotive Industry (VDA) and that is developing a network of AdBlue® manufacturing units (affiliates) in foreign countries together with local and completely unrelated business partners – operators of the manufacturing units, thus expanding the customer base for the Company.



Use of proceeds



**Future
Quality**

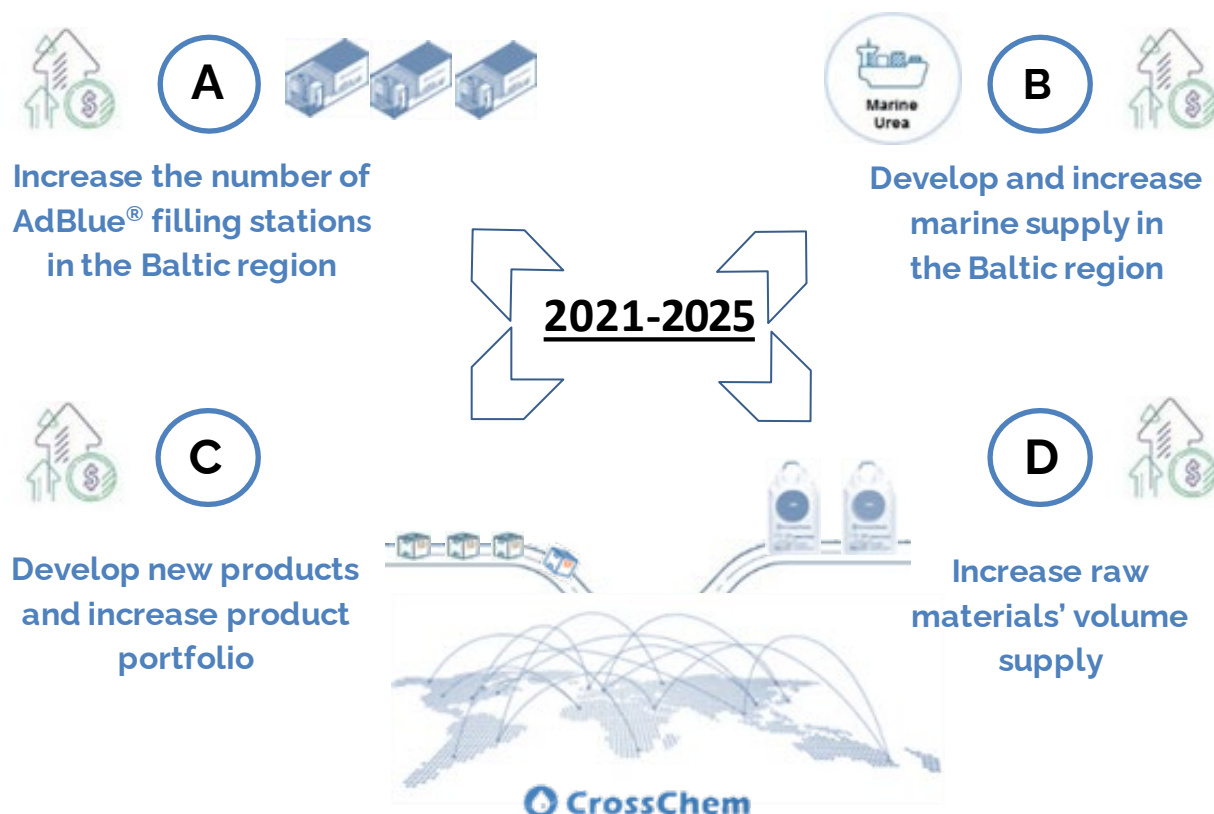
Development and Support

Over the course of the next three years, the Company is planning to execute a bond/note programme of up to 10 million EUR to reach set targets of expansion. The securities will be admitted to trading on Nasdaq Riga First North Bond Market.

The proceeds of the bonds will be used to support the Company's development programme 2021-2025, which have four main directions:

- A. Network of AdBlue® filling stations;
- B. Marine supply;
- C. New products;
- D. Working capital to source raw materials.

In 2021, the Company plans to issue the first stage of securities in the amount of EUR 3 million.



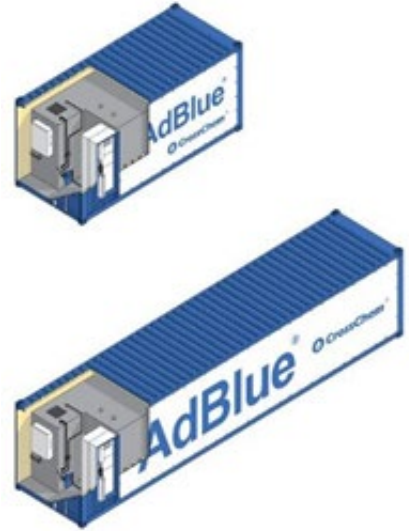
A. Network of AdBlue® filling stations

To more efficiently reach the end user and provide the best price, the Company is developing its network of mobile AdBlue® filling stations (MAFS).

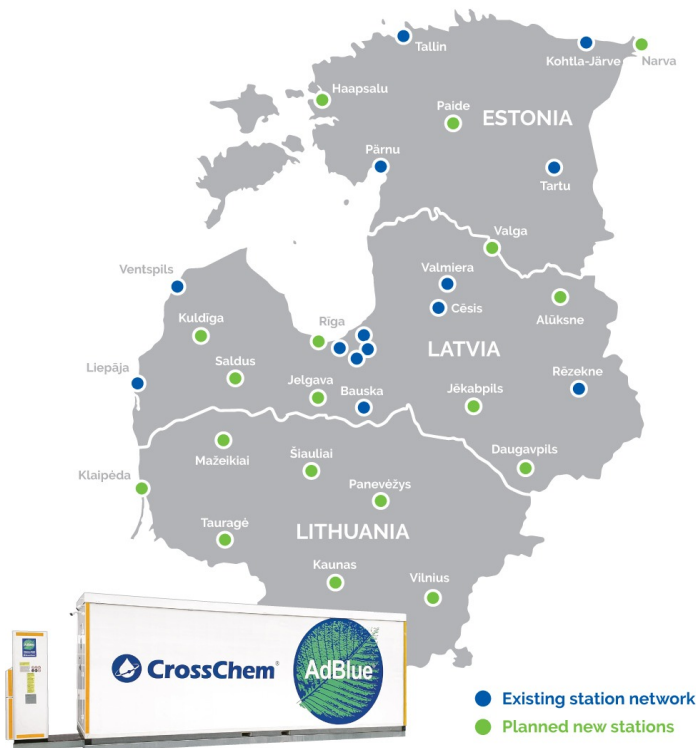
MAFS provide a competitive advantage over its competitors, as the price and the mobility allows the Company to offer unique services directly to the end customers.

MAFS are mobile, fast to set up (like a vending machine) and offered in two models:

- 6m x 2.5m for up to 21'500 litres of AdBlue® and fits in a passenger car's parking spot;
- 12m x 2.5m, for up to 45'000 liters of AdBlue® and fits in one truck parking spot.



Currently the Company has 10 MAFS in Latvia and 5 in Estonia. The Company is planning to install 20 new stations over the next three years.



New stations will allow to cover new regions and attract new customers on transit routes.

A larger number of stations will strengthen CrossChem's position as a network, providing customers with required stability.

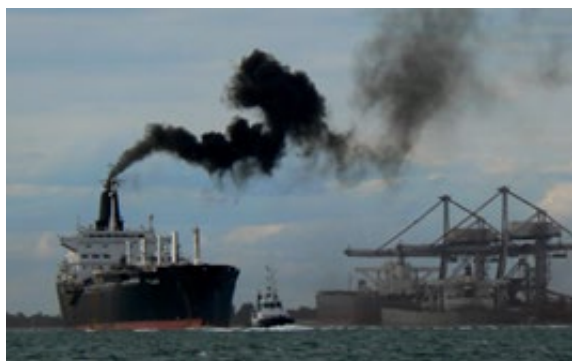
The Company is planning to equip MAFS with vending machines to provide:

- coffee;
- soft drinks;
- light snacks.

and add additional products, for example:

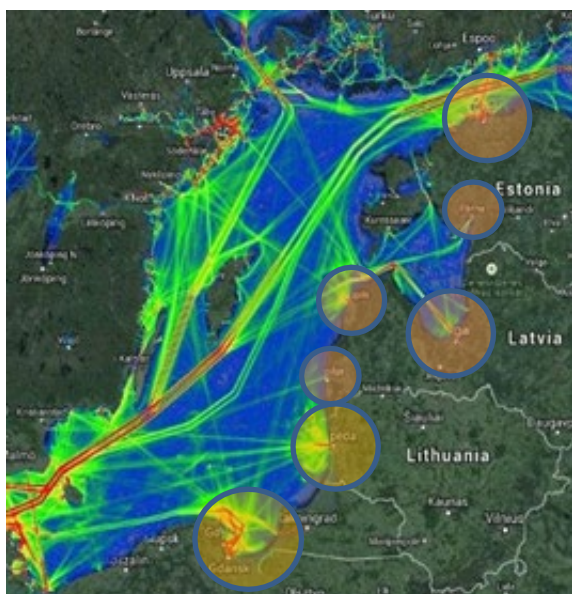
- recharge for electric cars;
- fill up windscreen wash.

B. Marine supply



The Baltic sea is a part of Emission Control Area (ECA) zone regulation and in particular Nitrogen Oxide (NO_x) emissions – Regulation 13, which is mandatory to any marine diesel engine over 130 kW.

The transition and adaptation to environmental standards for cargo ships, cruise liners, container carriers and simple small delivery vessels will require consumption of AUS40® (40% urea solution) manufactured by CrossChem.



The Company already has a long history of supplying ships with AUS40® since 2010 when first cargoes were delivered to Tallink Group ferries. Since that time, the Company has supplied several hundreds of tons of the product, has set up a convenient ship supply system and established close relationships with ship chandlers all over the world.

The future is expected to draw high demand of AUS40® in the Baltic sea area while worldwide consumption is what Company will look to engage.

Due to this reason the Company signed an investment agreement at the beginning of 2021 and will build special dedicated chemical storage tanks, which will increase total liquid chemical storage capacity by 3 thousand tonnes and have new additional transport units to maintain supply in Latvia and along the main seaport:



10x 180 m³, 1x 10 0 m³ 7x 23m³, total storage capacity of 3000mt

AUS40® - trade name was registered in 2020. To promote the product and services provided by the Company, a web page www.buyaus40.com was launched.

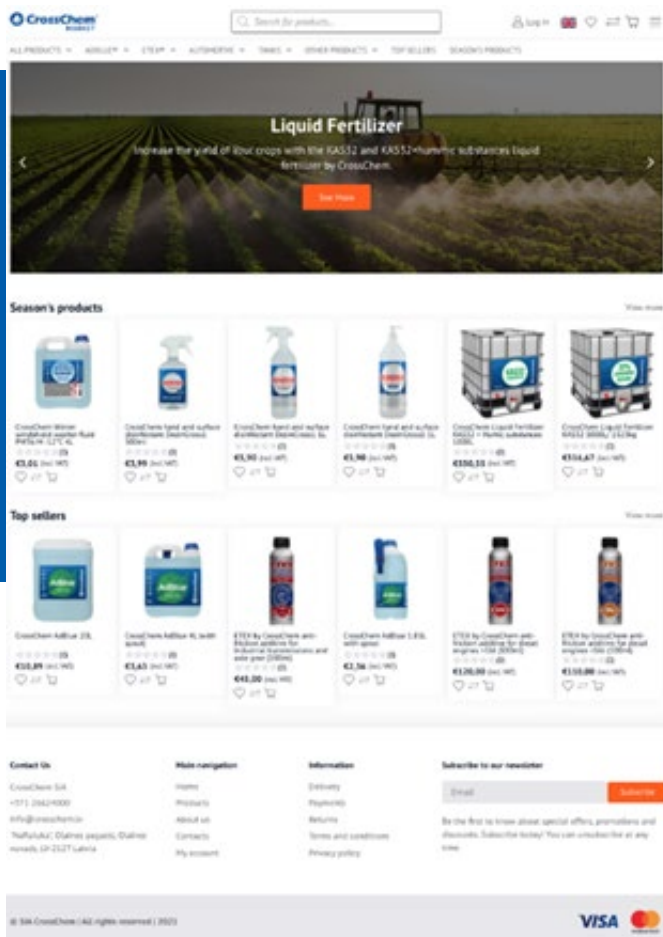
C. New products

By widening the product portfolio and using economies of scale the Company is planning to develop and promote new products.

Under the brand CrossChem ETEX® more than ten different new anti-friction additives are promoted. ETEX® is a tribological composition for transport industry and industrial production. The product is developed based on minerals of geological origin, which is a thin multi-component mixture of silicates. It has a layered structure, contains about thirty components and forms a new composite material. The main objective of the product is to optimise the clearances within the joints, and reduce the friction of metals, thus eliminating the wear and tear of machine parts and reducing energy consumption. The product goal is to solve the issues associated with transport, mechanisms energy efficiency, minimise enterprise high costs and other expenditures.



Under the brand CrossChem AGRO the Company promotes fertilizers and products for the farming industry.



New initiatives:

- create new washing chemicals line;
- add solvents and polymers;
- become a urea producer.

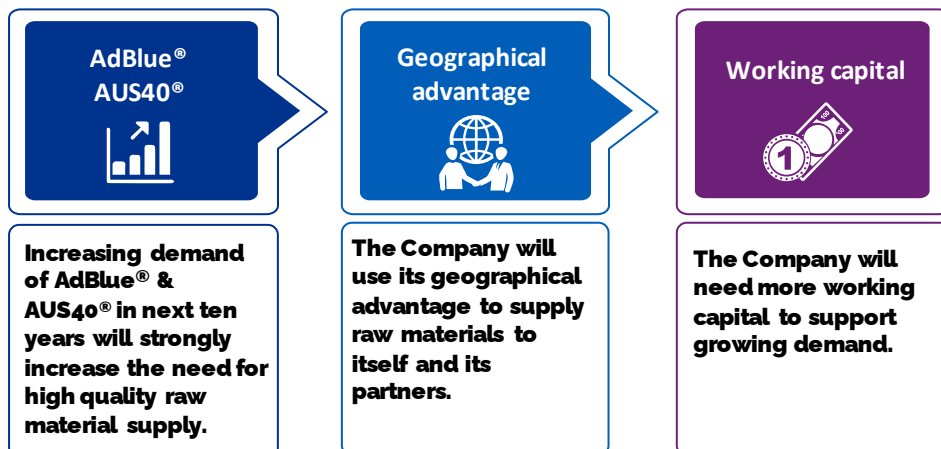
In line with these initiatives, the Company plans to invest into:

- Research and development;
- Licensing;
- Production equipment;
- Marketing.

D. Increase raw material volume supply

The majority of costs are attributed to the expenses for acquiring raw material – specifically urea purchase. It is possible to increase profitability by sourcing supply of this raw material more efficiently and planning the deliveries in advance

Today, the Company has more than 5 urea suppliers and with this addressing the risks of cessation of production from a particular location. The supply of urea takes place with spot deals for the best prices available in a certain period.



Top Urea suppliers



Financials



**Future
Quality**

Statement of financial position

EUR '000	31 Dec 18	31 Dec 19	31 Dec 20	30 Jun 21
Intangibles & fixed assets				
Intangibles	39	61	222	237
Land and buildings	631	716	674	679
Technological equipment	106	208	635	614
Other fixed assets	235	245	236	213
Total fixed assets	1 011	1 230	1 767	1 743
Long-term assets				
Financial investments	11	9	179	177
Loans to affiliated companies	80	45	327	691
Other loans issued	65	105	376	23
Total non-current assets	1 167	1 389	2 649	2 634
Current assets				
Inventory	1 518	1 567	2 208	1 945
Trade receivables	1 021	1 122	841	1 958
Other receivables	69	99	19	73
Due from related parties	396	437	22	29
Cash	5	86	376	203
Total current assets	3 009	3 311	3 466	4 208
Total assets	4 176	4 700	6 115	6 842
Equity				
Share capital	140	140	1 301	1 301
Revaluation reserve	-	-	407	387
Retained profit/loss	589	146	85	678
Net profit/loss for financial year	146	(60)	693	545
Total equity	875	226	2 487	2 911
Non-current liabilities				
Loan liabilities	836	1 065	1 035	1 020
Provisions	27	-	-	-
Total non-current liabilities	863	1 065	1 035	1 020
Current liabilities				
Current loan liabilities	230	418	395	207
Trade payables	1 586	410	1 153	1 153
Debts to affiliated and associated companies	24	0	15	24
Advances received	238	876	725	977
Taxes payable	109	49	110	107
Other payables	182	554	69	361
Accrued liabilities	69	747	121	75
Other current liabilities	0	355	5	7
Total current liabilities	2 438	3 410	2 593	2 909
Total liabilities	3 300	4 474	3 628	3 929
Total equity and liabilities	4 176	4 700	6 115	6 842

Investments in CrossChem Estonia OÜ (51%) share capital - this investment will be transferred to the Parent Company by the end of FY 2021.

Starting from the FY2021, the Company has discontinued directly financing of affiliated companies - all residual balances have been refinanced to the Parent Company. The Company plans to recover loan from the 2021 dividends.

Mainly consists of urea raw material. Finished goods amounted for 4% of inventory in FY 2020.

In the result of revaluation of fixed assets, a long-term investment revaluation reserve has been established at the end of FY 2020. The main revalued fixed assets consist of AdBlue® production plants.

Loan from non-related private individual with a repayment term until the end of 2022.

Source: FY2019 and FY2018 unconsolidated financial statements audited by Sindiks SIA, FY2020 unconsolidated financial statements audited by Grant Thornton Baltic SIA, 6 month FY2021 unconsolidated financial statements reviewed by Grant Thornton Baltic SIA.

Income statement

EUR '000	FY2018	FY2019	FY2020	6M2020	6M2021
Revenues	10 792	12 318	15 526	7 226	9 835
<i>Revenue growth rate, %</i>	<i>n/a</i>	<i>14.1</i>	<i>26.0</i>	<i>n/a</i>	<i>36.1</i>
Cost of raw materials	(7 735)	(8 908)	(11 135)	(5 252)	(7 157)
Transportation costs	(1 413)	(1 370)	(1 482)	(695)	(857)
Personnel costs	(703)	(980)	(1 097)	(489)	(738)
Other COGS	(281)	(391)	(356)	(159)	(170)
Gross profit	659	669	1 456	631	913
<i>Gross profit margin, %</i>	<i>6.1</i>	<i>5.4</i>	<i>9.4</i>	<i>8.7</i>	<i>9.3</i>
Selling costs	(306)	(405)	(343)	(130)	(265)
Administrative expenses	(37)	(57)	(50)	(22)	(55)
Other operating income	258	124	88	8	124
Other operating expenses	(246)	(90)	(83)	(9)	(12)
EBITDA	327	240	1 068	478	704
<i>EBITDA margin, %</i>	<i>3.0</i>	<i>1.9</i>	<i>6.9</i>	<i>6.6</i>	<i>7.2</i>
Depreciation and amortization	(73)	(160)	(198)	(97)	(101)
EBIT	254	80	870	381	603
<i>EBIT margin, %</i>	<i>2.4</i>	<i>0.6</i>	<i>5.6</i>	<i>5.3</i>	<i>6.1</i>
Finance income/(expenses), net	(107)	(131)	(166)	(86)	(33)
EBT	147	(50)	704	295	570
Corporate income tax	(1)	(10)	(11)	(1)	(25)
Net profit/ (loss)	145	(60)	693	294	545
<i>Net profit/ (loss) margin, %</i>	<i>1.3</i>	<i>(0.5)</i>	<i>4.5</i>	<i>4.1</i>	<i>5.5</i>

Source: FY2019 and FY2018 unconsolidated financial statements audited by Sindiks SIA,
 FY2020 unconsolidated financial statements audited by Grant Thornton Baltic SIA.
 6 month FY2021 unconsolidated financial statements reviewed by Grant Thornton Baltic SIA.
 6month FY2020 unconsolidated unaudited financial statements.

Note : Classification of data is based on General Ledger information

Financial ratios

	FY2018	FY2019	FY2020	6M2021
Current Ratio (x)	1.2	1.0	1.3	1.4
Quick Ratio (x)	0.6	0.5	0.5	0.8
Asset Turnover (x)*	n/a	2.8	2.9	2.8
Inventory Turnover Ratio (x)*	n/a	7.6	7.5	7.9
Working Capital, EUR'000	424	152	889	1 303
Net Profit Margin (%)*	1.4	(0.5)	4.5	5.5
Return on Assets (%)*	3.5	(1.3)	11.3	13.8
Return on Equity (%)*	16.6	(26.5)	27.9	32.4
Debt to Assets (%)	26.1	31.6	23.6	18.3
Debt to Equity (%)	124.6	656.2	58.1	43.0

Note: *In the calculation of ratios, LTM income statement figures used.

Source: Calculations based on the figures provided in the table above and in the table on the previous page.

Cash flow statement

EUR'000	FY2018	FY2019	FY2020	6M2020	6M2021
Cash flow from operations					
Earnings before tax	146	(50)	704	295	570
Depreciation	58	323	167	83	100
Amortization	4	16	22	10	45
Provisions	(3)	(27)	-	-	-
Net gain from fixed asset sale	36	(1)	-	-	23
Interest income	-	-	(1)	(1)	(13)
Subsidy income	-	-	(72)	-	(100)
Financial investment revaluation	-	2	-	-	(20)
Interest expense	108	131	167	87	47
Change in accounts receivable	(246)	(171)	756	7	(1 176)
Change in inventories	(278)	(54)	(641)	(330)	263
Change in accounts payable	584	417	(446)	(549)	514
Gross cash flow from operations	410	584	657	(399)	251
Interest expense	(108)	(131)	(167)	(87)	(47)
Corporate income tax	-	-	16	(15)	(34)
Net Cash flow from operations	302	453	506	(500)	170
Cash flow from investing					
Common stock purchase of related parties	-	-	(172)	-	-
Sale of related party common stock	-	-	3	-	2
Fixed asset purchase	(345)	(558)	(335)	(57)	(144)
Fixed asset sale	13	1	17	-	-
Issued debt	-	-	(553)	-	(11)
Income from loan repayments	-	-	-	10	-
Interest income	-	-	1	1	13
Net Cash flow from investing	(332)	(557)	(1 039)	(46)	(140)
Cash flow from financing					
Debt borrowed	273	416	1 109	991	-
Subsidies, grants received	-	-	72	-	100
Loan repayment expenses	-	-	-	-	(203)
Dividends paid	(280)	(232)	(357)	(197)	(100)
Net cash flow from financing	(7)	184	824	794	203
Net change in cash	(37)	81	290	247	(173)
Beggining cash balance	42	5	86	86	376
Ending cash balance	5	86	376	333	203

Source: FY2019 and FY2018 unconsolidated financial statements audited by Sindiks SIA,
FY2020 unconsolidated financial statements audited by Grant Thornton Baltic SIA.
6 month FY2021 unconsolidated financial statements reviewed by Grant Thornton Baltic SIA.
6month FY2020 unconsolidated unaudited financial statements.

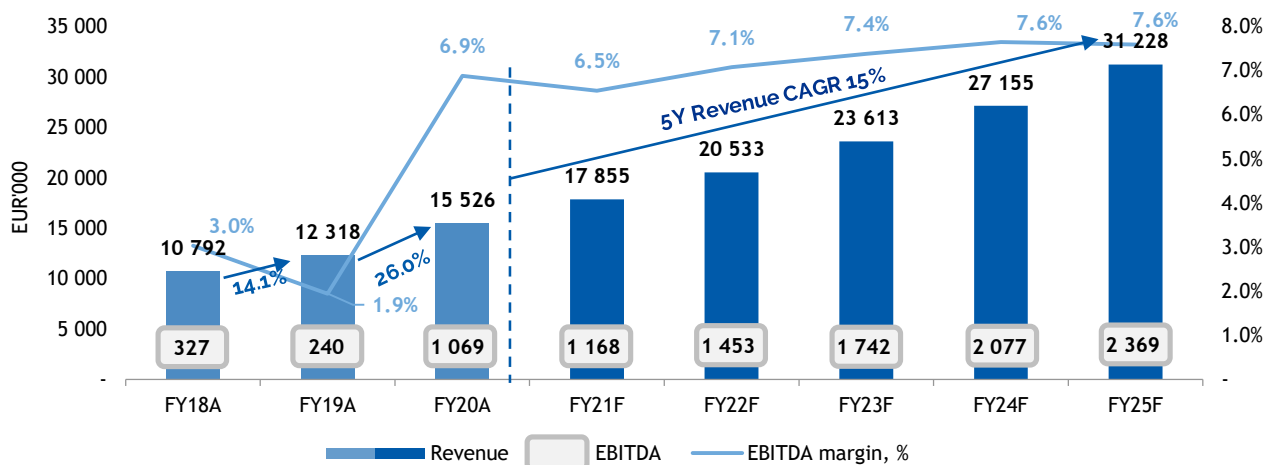
Additional financial data incorporated by reference.

This includes historical data in Excel as well as the Parent Company data.

<https://crosschem.lv/documents-for-investors/?lang=en>

Budget forecast

The Budget was prepared by the Management at the end of 2020, based on conservative assumptions. It has not been updated, based on the promising results of 6 months in FY 2021



	FY2021F	FY2022F	FY2023F	FY2024F	FY2025F
Revenue, EUR'000	17 855	20 533	23 613	27 155	31 228
Revenue growth rate, %	15.0	15.0	15.0	15.0	15.0
EBITDA, EUR'000	1 168	1 453	1 742	2 077	2 369
EBITDA margin, %	6.5	7.1	7.4	7.6	7.6

Source: Management information

The forecast is dependent on the successful issuance of the bond programme as well as global commodity prices remaining largely within management's estimates.

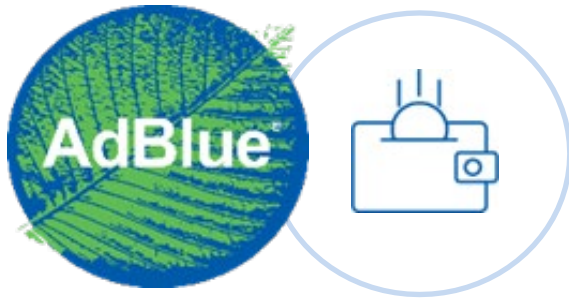


Other
information



**Future
Quality**

Intellectual Property rights



AdBlue®

The German Association of the Automotive Industry (VDA) has registered the trademark AdBlue® in all relevant car markets and licensed out the international commercialization rights.

CrossChem International has obtained an AdBlue® license and provided a sub-license to CrossChem. A standalone full scale license can be obtained without limitation if the production is compliant with VDA requirements. The Company has produced AdBlue® since 2009. Production of the Company is VDA certified. VDA is controlling compliance of AdBlue® production, the audit takes place every 3 years.

CrossChem International has obliged to reimburse CrossChem costs should it be required to obtain a direct AdBlue® license - a guarantee agreement has been concluded between CrossChem and its Parent Company CrossChem International, in which CrossChem International guarantees to reimburse all direct costs that CrossChem may incur in connection with obtaining a direct VDA international license and certification of the Company for AdBlue® production.

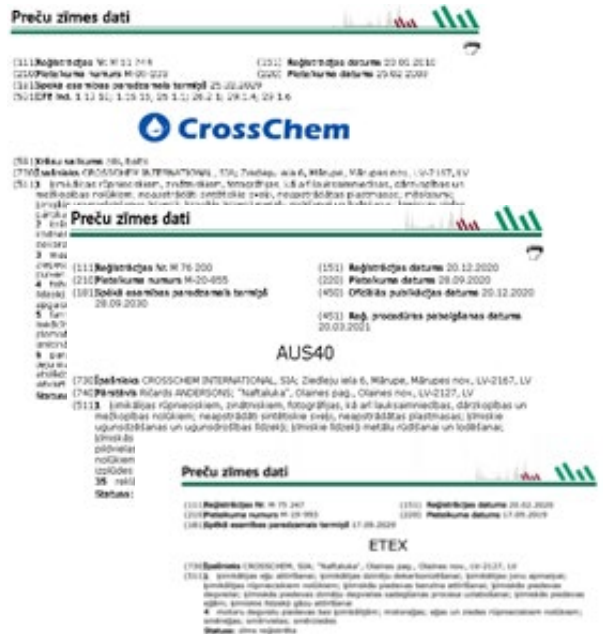
A list of licensed producers:

<https://www.vda.de/en/topics/innovation-and-technology/ad-blue/AdBlue-brand-list-and-licensees-list.html>

Other Trade Names

The Company has the freedom to use the following trade names, which are owned by the Parent Company - CrossChem International :

- CrossChem – Reg. No. W1487886
- ETEX - Reg. No. M75247
- AUS40 - Reg. No. W1575620



CrossChem International has obliged to transfer the indicated trade names to the Company should there be material reason for that.

Risk factors (1 of 2)

Disclaimer

This section covers and describes all known material risks. We draw your attention to the possibility that not all potential risks have been identified.

Production risks

Unexpected changes in production process

Due to potential demand change for the Company's various products, production facilities are adjustable in a way that the risk of not fulfilling any order in a timely manner is minimised, however, not necessarily entirely eliminated.

Outdated technology and equipment

To sustain the Company's aggressive growth strategy and competitive advantage of rapid order fulfilment, regular investments in technology maintenance and development are made.

Inadequacy of raw material quality

The Company faces high volume raw materials procurement (mainly chemicals), which have to be of consistent quality at all times to effectively deliver its own products. The Company has established a raw materials quality standard system and preserves optimal storage conditions. In addition, regular lab tests of the samples are performed in the certified third-party laboratory.

Risks of the human factor

Departure of qualified staff

The risks of losing valuable employees are considered, therefore the Company puts a lot of effort in building a trust-based and respectful corporate culture. Additional benefits are provided - health insurance, salary incentives, additional vacation days for long-serving employees.

Labour qualification mismatch

The Company utilises various equipment and has specialized production processes, which require ongoing education of proper and safe equipment and machinery handling. The employees responsible for these operations undergo annual training.

Market risks

Emergence of new competitors

Due to continuous growth of the industry and its low entry barriers, new competition occasionally enters the market. The Company thus continuously follows market developments and price fluctuations for products and raw materials to be able to compete successfully.

Product demand decline

Some countries impose strict legislation towards diesel engines; thus, narrowing the available market. However, the Company is looking to expand in markets where such issues are less pronounced.

Financial risks

Weak solvency of cooperation partners / customers

To reduce this risk, the Company uses insurance and factoring.

Unexpected changes in legislation

The Company's business is tied with strictly regulated industries such as transport and agriculture, therefore the Company plans its activities conservatively to prevent undesirable legislation affect.

Insufficient working capital

During the expected growth phase, there is a considerable risk of lacking sufficient working capital at times. The Management has addressed this risk and looks to ensure sufficient financial resources are available to buy raw material, particularly when the respective purchase price in the market is lower.

Environmental risks

Environmental pollution

The Company's operations involve handling of various chemicals that can lead to environmental pollution. It has been granted a category B permit for polluting activities. Careful assessment of potential environmental risks and operational shortfalls are carried out recurrently. The civil protection plan of the Company integrates the relevant regulations and best practices.

Unexpected natural disasters

Latvia is a safe country when we speak about unexpected natural disasters, nevertheless these risks cannot be ignored. Due to this, the Company has general liability insurance that covers natural risks.

Fire

The operations of the Company involve handling of various chemicals with specialized equipment that in unforeseen cases combined with human error can lead to hazardous fire risks. The Company has established a fire safety system and regularly provides theoretical and practical training for its employees, as well as strict compliance with occupational safety and fire safety regulations.

Pandemic

These risks arose at the beginning of 2020, determining the Company's and every employee's responsibility for the control of the impact of the pandemic, which includes regular health control of employees, specific training and procedures. These were developed and included into the daily operational plan of office and production area: disinfection and monitoring the fulfilment of all required safety conditions.

Risk factors (2 of 2)

Political risks

Unfavourable customs policy

Being a major exporter and importer of chemical goods, the Company frequently examines the latest developments of customs policies and creates original solutions if necessary. Unexpected customs policy change may take a place due to the relationship between the Russian Federation and Europe. In this situation, the Company regularly follows potential changes in customs policies and has at least two other suppliers in Europe, who are able to cover the needs of CrossChem.

Political instability

The Company has set out its operations globally, thus it may be challenged with regulatory and political changes in other countries. The Company has developed a system of measures to apply when a radical change of politics occur in a country where there are important partners or customers.

Risks related to bonds

Limited liquidity

The Company will apply for the admission of the bonds to trading on Nasdaq Riga First North. Although application(s) will be made for the bonds to be admitted to trading on First North, there is no assurance that such application(s) will be accepted and the bonds will be admitted to trading. Neither the Company nor any other person guarantees the minimum liquidity of the bonds. Thus, the Bondholders should take into account that they may not be able to sell or face difficulties in selling their bonds in secondary market at their fair market value or at all.

Risks related to bonds (cont.)

Price risk

The development of the market prices of the bonds depends on various external factors, such as changes in interest rates, demand for the bonds, central bank policies or overall economic development.

Early redemption

The bonds of a particular tranche may be redeemed prior to their maturity date (call option) on the initiative of the Company, which has the right to redeem all of the outstanding bonds in a tranche prior to the maturity date under certain conditions. If this early redemption right is exercised by the Company, the rate of return from an investment into the bonds may be lower than initially anticipated. This does not apply to the first tranche of bonds.

Repayment risk

The Company may not have the ability to repay or refinance these obligations. In case of the Company's insolvency, Bondholders have the same right to receive their investment as other creditors of the Company in accordance with applicable regulatory enactments. There are no contracts or other transaction documents, which would subordinate the claims of Bondholders to other unsecured obligations of the Company.

If the maturity date occurs at a time when other arrangements prohibit the Company from repaying the bonds, it could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or the Company could attempt to refinance the borrowings that contain the restrictions. If the Company fails to obtain the waivers or refinance these borrowings, it would be unable to repay the bonds.

Nonetheless, the primary means of managing repayment risk is covered by the guarantee letter provided by the parent company.

Strengths

- Global reach (worldwide distribution network).
- Diversified products and service line.
- Management team (small, fast and responsive).
- Experience (15+ years working with AdBlue®).
- Interchangeability in almost all departments and positions.

Opportunities

- Become the world's largest AdBlue® / AUS40® distribution network.
- Become a producer of raw materials.
- Capital markets add more diversified opportunities for future expansion and better visibility/reputation.

Weaknesses

- Development requires ample working capital.
- Availability and pricing of raw materials.

Threats

- New AdBlue® manufacturers in adjacent markets.
- Limitations or sanctions on Russian origin raw materials.

ESG (1 of 3)

The Company has set a target to become carbon neutral by 2040.

At CrossChem, our focus is on producing products which help to lower the harmful impact created by the transport industry. The transportation sector is one of the highest emitters of greenhouse gases (GHG) globally which in turn contributes to global warming and climate change.

Environmental sustainability



Clean water and sanitation

The availability of fresh water is the basis for human and societal well-being. At the same time, it is important for economy because it has an essential role in food, electricity manufacturing as well as production.

Learn more about our actions

- **Using filtered tap water instead of bottled variety reduces waste, lowers CO2 emissions on transportation. Also, it is a simple activity which each employee can practice daily..**
- **We are planning to collect rainwater and use it for production as technical water - that could allow us to save a significant amount of water every year.**



Responsible Consumption and Production:

- **Reducing plastic consumption in our operation by using refillable bulk storage tanks, reusing 1000L plastic IBC containers up to 40 times and 210L drums up to 60 times until they are recycled.**

Learn more about our actions

- **Electricity consumption in the Company is reduced by switching off equipment when not in use (and avoiding standby mode).**
- **We pay attention to energy efficiency ratings when purchasing new production and office equipment.**
- **For cleaning premises, we use biodegradable cleaning products which reduce the amount of toxic chemicals making their way into the environment.**
- **For property repairs, we utilise materials which have been created from environmentally friendly substances.**
- **The Company is aiming for a waste-free manufacturing process while also utilising responsible waste sorting practices.**
- **CrossChem is cooperating with partners who have the same vision and philosophy on sustainability practices.**

ESG (2 of 3)



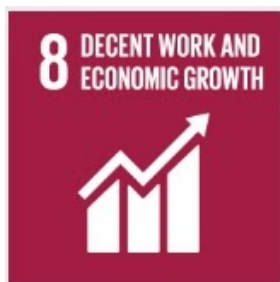
Climate-based actions:

Our belief and target is to manufacture environmentally-friendly products what reduce or neutralize the harmful effects of humanity & industry.

Learn more about our actions

- **We reduced 390,000 tonnes of NO_x emissions created by the transport industry with our produced AdBlue® and AUS40 until 2021.**
- **We plan to build and switch to electricity generated by solar panels by 2022.**
- **Mobile station network reduces consumption of plastic and lowers transportation-generated pollution.**
- **We encourage paperless practices in the office by using digital documentation. If printing is required, we use recycled paper and ensure subsequent recycling.**

Social responsibility



Decent work and economic growth:

Taking into account the industry in which we are operating, our main task is to provide a safe working environment and conditions to our employees which do not pose danger.

Learn more about our actions

- **All employees receive social guarantees, stable and regular salaries, growth opportunities and health insurance. For all employees the company ensures equal career possibilities to work in a more senior position, thus receiving a higher salary.**
- **At the office employees have separate seating areas with predominantly adjustable height desks and ergonomic chairs.**
- **We support gender equality even in a sector as specific as ours. In our Company men and women receive equal pay for the same work.**



Industry, Innovation and Infrastructure:

Never ending improvement is an everyday target at the CrossChem what moves forward each and every team member, mechanisms and processes in general.

ESG (3 of 3)

Learn more about our actions

- **Innovatively created production process requires minimal human involvement and allows to effectively deliver product to the market where there is demand.**
- **The upgrade of packaging line will increase productivity 3 times with existing amount of employees involved.**
- **LEAN management implementation and new ERP (Enterprise Resource Planning) what will be setup in 2022 will help improve performance of company.**
- **A chemical testing laboratory will start operate in 2021 and lower the testing costs 4 times. In 2021,**
- **Additional new 3'000 tonnes bulk chemical storage facility will be created in 2021 what will significantly improve every days operation with bulk chemicals.**

Governance



We believe good corporate governance ensures that we achieve our goals in the right way. The Company's governance is made to ensure that the Company can work independently long-term.

Learn more about our actions

- **The Company is managed by the Board with support of department heads, thus providing multiple views and discussion opportunities on each individual issue.**
- **Established digital reporting and ERP system helps control each and every part of the Company's operations.**
- **Defined principles of administration, customer service, corporate culture is bringing clearance in all departments, individuals and the Company itself.**
- **CrossChem comply with all legal requirements and restrictions, paying all taxes when due.**
- **The business sector is fair and transparent, the client portfolio is wide, carefully analysed, without lobbying.**

Material Agreements, Related Party Transactions & Court and Arbitration Proceedings

Lease agreement for CrossChem headquarters

The headquarters (i.e., terminals, plants, offices and production area) of the Company is located on a leased property. All land and buildings are owned by the lessor.

The maturity of the agreement is 31 December 2028 and the agreement is registered in the Latvian Land Register. Depending on the commercial terms, CrossChem is also considering purchase of this leased property.

In addition to the lease required for the CrossChem headquarters, the lessor is providing multiple operational services to the Company, which include supply of fuel, utilities and handling of railroad logistics.

Loan Agreement with Altum

For financing of working capital the Company and Attīstības finanšu institūcija Altum AS executed a Loan Agreement in the amount of EUR 1 million, dated 15 May 2020. The loan repayment date is 25 March 2023. The agreed annual interest rate for the loan is 2.9%. The loan is secured by mortgages and commercial pledges encumbering the assets of CrossChem.

AdBlue® Trademark License Contract with VDA

Right to use AdBlue® trademark to CrossChem is granted as a sublicense under a Trademark Licence Contract concluded between VDA Verband der Automobilindustrie e.V. and CrossChem International.

To use AdBlue® trademark CrossChem has to ensure continuous compliance with ISO standards 22241 part 1-3. Current certification for operations of the Company is valid until 1 October 2024. The certification is planned to be extended.

The main supplier

UralChem is one of the main suppliers of the Company. Over a more than 10 year long period, the Company has established a solid business relationship with this supplier, which has brought favourable cooperation conditions.

Nevertheless, there are several other relevant suppliers who could replace the main supplier to minimise bargaining power.

Court cases

As of the date of this Information Memorandum, the Company is not and has not been involved in any governmental, legal or arbitration proceedings during the previous 10 years.



Management Board Message

I declare that, to the best of my knowledge, the information provided in this Information Memorandum is accurate and that, to the best of my knowledge, the Information Memorandum is not a subject to any omissions that may serve to distort the picture the Information Memorandum is to provide, and that all relevant information in the shareholders minutes, auditors' records and other internal documents are included in the Information Memorandum.



Ričards Andersons,
Chairman of the Board

Sabiedrība ar ierobežotu atbildību "CrossChem International",
Reg. No. 40103538622,
Ziedleju iela 6, Mārupe, Mārupes parish,
Mārupes district, LV-2167, Latvia

To: all Bondholders of CrossChem SIA

11 September 2021

Riga

LETTER OF GUARANTEE

No. 211011

In line with Sabiedrība ar ierobežotu atbildību "CrossChem", Reg. No. 40003888244, "Naftaluka", Olaines parish, Olaines district, LV-2127, Latvia, (hereinafter – **the Issuer**) plan to issue 3'000 bonds with nominal value of EUR 1'000, total value of EUR 3'000'000, 6.75% interest rate (coupon) and duration of 3 years from bond issuance date, ISIN code LV0000860047 all Bondholders under bond issuance conditions will obtain our guarantee.

We, the parent company of the Issuer, Sabiedrība ar ierobežotu atbildību "CrossChem International", Reg. No. 40103538622, Ziedleju iela 6, Mārupe, Mārupes parish, Mārupes district, LV-2167, Latvia, (hereinafter - **the Guarantor**) hereby guarantee to undertake the Issuer's duty to repay to Bondholders the full bond issue value of EUR 3'000'000, at maturity as well as to service interest coupon payments not made by the Issuer and contractual penalty or other outstanding payments according to the bond issuance conditions.

The guarantee is valid immediately when:

- the Issuer has failed to perform his obligations to Bondholders under the bond issuance conditions;
- Issuer, Guarantor or any of their subsidiaries has caused default on other loan, bond issuance or loan guarantee commitments.

The Guarantor undertakes the Issuer's obligations under the bond issuance conditions (until all the obligations are fully met) as the Issuer itself (*Latvian term: kā pats parādnieks*) and waives the right to request from Bondholders to direct any request regarding outstanding payments from the Issuer in the first place. With each payment under this guarantee our obligation will be reduced pro rata.

Sabiedrība ar ierobežotu atbildību "CrossChem International



Ričards Andersons
Member of the Management Board



Andris Miķelsons
Member of the Management Board

Terms of the Bonds Issue (1 of 6)

1. Information on the Bonds (EUR 6.75 CrossChem 21 2024)

1.1. The use of proceeds

1.1.1. General Information

The total bond issue size will be up to EUR 3,000,000 (three million euro) which will be part of a EUR 10,000,000 (ten million) programme.

The proceeds of the issued bonds will be used to support the Company's development programme 2021-2025, which has five main directions:

- A. Network of AdBlue® filling stations;
- B. Marine supply;
- C. New products;
- D. Working capital to source raw materials.

1.2. Information on the offered Bonds

1.2.1. General Information

The Company (Issuer) will issue 3,000 (three thousand) bonds in (dematerialized) bearer form (hereinafter – the "Bonds"), with nominal value of EUR 1,000 (one thousand euro) per Bond (hereinafter – the "Nominal value").

Currency of the bonds is EUR (euro).

The First Settlement Date of the Bonds will be 5 November 2021 (hereinafter – the "Issue date"), on which the Coupons will start to accrue. The Bonds will be repaid on the Bond maturity date, which is 4 November 2024 (hereinafter – the "Redemption date" (Section 1.2.8).

Any person or entity that holds the Bonds in their securities account has the right to receive Coupon and the Coupon payments depending on the Coupon record date (Section 1.2.7). The Coupon rate for the Bonds is 6.75% (six point seven five percent) per annum and is fixed until the Redemption date.

The following ISIN (International Security Identification Number) has been reserved for the bonds by Nasdaq CSD: LV0000860047.

Except as otherwise expressly provided herein, all references to a specific time of day refer to the specific time of day in the local time of the Latvian Republic.

1.2.2. Legal acts that regulate the Bond issue

The Bond issue is arranged in compliance with the Financial Instrument Market Law and other Legal acts of the Republic of Latvia that are in force including the FCMC and the Nasdaq CSD regulations.

All disputes between Bondholders and the Issuer shall be settled in courts of the Republic of Latvia in accordance with the Legal acts in force. Terms of the Bond issue laid down in Section 1 – Section 3 (hereinafter – the "Terms of the Issue") are drafted and signed in English and any translations of the Terms of the Issue into another language are unofficial and made exceptionally for the Potential Bondholders' convenience. In case of any dispute's settlement, interpretation of the norms of the Terms of the Issue in English holds priority against an interpretation in any other language.

1.2.3. Form and accounting of the Bonds

The Bonds will be recorded in the Latvian SSS (securities settlement system governed by Latvian law) operated by Nasdaq CSD, which will provide the maintaining functions for the Bonds.

Bondholders may hold Bonds through Nasdaq CSD participants participating in the Latvian SSS.

1.2.4. Treasury Bonds

The Issuer shall have the right to sell the following Bonds (Treasury Bonds) on the secondary market:

- any not sold (until Redemption date) and returned Bonds by AS LHV Pank (hereinafter - the "Arranger");
- part of the Bonds that Issuer will keep after Issued date.

1.2.5. Guarantee of Bonds

Guarantor - SIA "CrossChem International", company registration number 40103538622, address: Ziedleju street 6, Marupe, Marupes parish, Marupes district, LV-2167, Latvia.

As security for all obligations of the Issuer (in respect of the Bonds, including but not limited to the obligation to redeem the Bonds and pay interest thereon), the Guarantor on 11 September 2021 issued the Letter of Guarantee No. 211011 (hereinafter – the "Guarantee"), guaranteeing that it will undertake the Issuer's duty to repay to Bondholders the full Nominal value of all Bonds EUR 3'000'000 at Redemption date as well as to service interest Coupon payments not made by the Issuer and contractual penalties and other outstanding payments. The Guarantee is valid immediately when:

- the Issuer has failed to perform his obligations to Bondholders under the Bond issuance conditions;
- Issuer, Guarantor or any of their subsidiaries has caused default on another loan, bond issuance or loan guarantee commitments.

The Guarantor undertakes the Issuer's obligations under the bond issuance conditions (until all the obligations are fully met) as the Issuer itself (*kā pats parādnieks*) and waives the right to request from Bondholders to direct any request regarding outstanding payments from the Issuer in the first place.

With each payment under the Guarantee the Guarantor's obligation will be reduced pro rata.

1.2.6. Rights and restrictions connected with the Bond issue

Any Bondholder has the right to receive Coupon payments and the Principal repayment in accordance with Section 1.2.7. "Coupon payments" and 1.2.8. "Procedure of Bond repayment", as well as exercise of other rights fixed in the Terms of the Issue and legislation of the Republic of Latvia.

The Issuer has the right to purchase Bonds on the secondary market directly from Bondholders. Bonds that are purchased by the Issuer are held in the Issuer's financial instruments' custody account and the Issuer has the rights to sell purchased Bonds to Potential Bondholders and other Bondholders. The Issuer cannot cancel the purchased Bonds held in the Issuer's financial instruments' custody account, therefore decreasing the size of the Bond issue.

Terms of the Bonds Issue (2 of 6)

Bonds owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) are not eligible to participate in the voting in accordance with Section 2.7 "Procedure for applying for the waiver".

1.2.7. Coupon payments

Coupon payments are made once per quarter on the 4th day at the end of each quarterly period (if this day falls on a holiday or a public holiday, then on the next nearest Business Day) in according with following schedule:

- 1. 4 February 2022 – First Coupon payment date;**
- 2. 4 May 2022;**
- 3. 4 August 2022;**
- 4. 4 November 2022;**
- 5. 6 February 2023;**
- 6. 4 May 2023;**
- 7. 4 August 2023;**
- 8. 6 November 2023;**
- 9. 5 February 2024;**
- 10. 6 May 2024;**
- 11. 5 August 2024;**
- 12. 4 November 2024 – Last Coupon payment date.**

The Coupon record date is the 5th (fifth) Business Day prior to the Coupon payment day. At the end of the Coupon record date the Bondholders' list, who will be eligible for the Coupon payments, will be fixed. The Coupon payment shall be made to the Bondholders, as per the Bondholders list, on each Coupon payment date for the preceding Coupon period.

The Issuer pays the Coupon through the intermediary of Nasdaq CSD and in accordance with applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities. Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Issue are Nasdaq CSD Rulebook and Corporate Action Service description.

If the Coupon payment date is a holiday or a festive day, the Issuer will make the relevant Coupon payment on the first Business Day after the holiday or festive day.

The Coupon payment amount is determined according to the following formula:

$CPN = F \cdot C / 4 \text{ or } CPN\% = C / 4$
CPN – the amount of Coupon payment in EUR per Bond
F – Nominal value of one Bond
C – annual Coupon rate (%)
CPN% - the amount of Coupon payment % per Bond

If the Issuer fails to make Coupon payments in accordance with the deadlines specified in the Terms of the Issue provisions in accordance with Section 2.4 take effect.

The party performing the calculation is not required to calculate the Coupon payment, since the annual rate of the Coupon for the relevant period is fixed in advance.

1.2.8. Procedure of the Bond repayment

The Issuer will repay the full Nominal value of all Bonds (hereinafter – the "Nominal amount") to all Bondholders as a lump sum at the Redemption date.

The Issuer will repay the Nominal amount in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Issue are the Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal amount will be repaid on the Redemption date. Bondholders eligible to receive due part of the Nominal amount will be fixed at the end of the Nominal record date, which is the Business Day prior to the Redemption date.

If the Redemption date falls in a holiday or a festive day, the Issuer will make the relevant Nominal amount payment on the first Business Day after the holiday or festive day.

If the Issuer has failed to make the Nominal amount payment in accordance with the deadlines specified in the Terms of the Issue, the procedures in accordance with Section 2.4 take effect

1.2.9. Early redemption (call option)

No early redemption is possible by the Issuer.

1.2.10. Early redemption (put option)

Bondholders have the right to demand early redemption of Bonds (put option) in case of occurrence of the events of default in accordance with the Section 2.2. "Event of default".

1.2.11. Accrued interest calculation

The first Coupon starts to accrue on 105 November 2021, which is the Issue date. The accrued Coupon is calculated presuming that there are 360 days in one year (day count convention - "European 30/360"). Accrued interest between Coupon payment dates shall be calculated as follows:

$AI = F \cdot C / 360 \cdot D$
AI – accrued interest of one Bond
F – Nominal value of one Bond
C – annual Coupon rate (%)
D – the amount of days from the beginning of the Coupon accrual period according to European 30/360 day count method

1.2.12. Representation of the Bondholders

By submitting a subscription offer or acquiring the Bonds on the secondary market, each Bondholder:

a) **expresses its consent to the appointment of the Guarantor to perform the obligations and exercise the rights in connection with the Guarantee as set forth in these Terms of the Issue and authorizes the Guarantor to exercise the rights, powers, authorities and discretions specifically given to the Guarantor under the Terms of the Issue and Guarantee;**

Terms of the Bonds Issue (3 of 6)

b) confirms that the fact that the Guarantor acts under the Guarantee does not constitute any conflict with the interests of the Bondholder;

c) agrees that the Guarantor has only such functions, obligations and liability as expressly set forth in these Terms of the Issue and the Guarantee, and that upon the performance of its obligations and exercising of its rights in connection with the Guarantee, the Guarantor is entitled to act at its discretion, considering the interests of the Bondholders, and, unless specifically requested by the Guarantor, the Bondholders have no right to give any instructions to the Guarantor and the Guarantor is under no obligation to request or follow such instructions, except for the instructions provided under Section 2.4.

Upon the performance of its obligations and exercising its rights, the Guarantor acts at its own discretion in the interests and on the account of the Bondholders collectively and generally (and not of any particular Bondholder) without having any independent interests of its own, other than deriving from these Terms of the Issue and the Guarantee, and without any obligation to consider any interests or rights of the Issuer or any other guarantee provider (other than arising from the applicable law or the Guarantee).

1.2.13. Decisions of the Issuer on the Bonds issue

On 11 October 2021, the Issuer's shareholder passed the resolution (No. 211011_RIA_01) to approve the issue of secured debt securities (Bonds) with nominal value of EUR 1,000 (one thousand euro), total nominal issue value EUR 3,000,000 (three million euro), annual Coupon rate 6.75% (six point seven five percent) paid on a quarterly basis and approved the Terms of the Issue.

1.2.14. Decisions of other parties on the Bonds issue

For financing of working capital the Issuer and AS "Attīstības finanšu institūcija Altum" executed a Loan Agreement in the amount of EUR 1,000,000 (one million euro), dated 15 May 2020. The loan repayment date is 25 March 2023. The agreed annual interest rate for the loan is 2.9% (two point nine per cent). The loan is secured by mortgages and commercial pledges encumbering the assets of the Issuer.

The Issuer has received written permission from AS "Attīstības finanšu institūcija Altum" regarding this particular Bond issue.

1.2.15. Restrictions on free circulation of the Bonds

The Bonds are freely transferable securities and can be pledged. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the laws of the Republic of Latvia.

2. Special Conditions

2.1. Disclosure of information

Up to the maturity of the Bonds, the Issuer shall publish all the information required by covenants, rules of Nasdaq First North Riga (upon admission to trading) and regulatory enactments.

2.2. Event of default

2.2.1. The Issuer undertakes immediately or at least 10 (ten) days before the occurrence of the following default event to notify:

- the Guarantor for failing to meet its obligations under the Terms of the Issue to Bondholders;
- Nasdaq CSD for failing to meet its obligations under Terms of the Issue to Bondholders and the Guarantor will take the place of the Issuer (assume Issuer's obligations) and will make the relevant Debt payments to Bondholders through Nasdaq CSD;
- the Guarantor and Nasdaq CSD regarding the extent to which the its obligations will not be fulfilled and the extent to which the Issuer itself undertakes to settle obligations in accordance the Terms of the Issue.

When the Guarantor undertakes the Issuer's obligations under the Terms of the Issue as the Issuer itself (*Latvian term: kā pats parādnieks*) the Issuer will have an obligation to immediately make a news announcement on the Nasdaq information system regarding this event.

The Issuer is in default if at least one of the following events occurs:

- the Issuer has failed to perform his obligations to Bondholders 5 (five) days after the Redemption date;
- Issuer, Guarantor or any of their subsidiaries has caused default on another loan, bond issuance or loan guarantee commitments.

A Bondholder has the right to submit a written notification to the Guarantor and Nasdaq CSD regarding that the immediate repayment deadline has set in for the Bonds owned by the relevant Bondholder, at any time after the event of default has occurred (and as long as the event of default exists). The Guarantor has to pay the Nominal value of Bonds along with the accrued Coupon and Contractual penalties (Section 2.3.) and other outstanding payments if any (hereinafter – the "Debt") within 5 (five) Business Days after the receipt of the notification.

2.3. Contractual penalty

In the case of non-compliance or inadequate compliance with a payment obligation arising from the Bonds, the Bondholder in question shall be entitled to require and the Issuer shall be obliged to pay a contractual penalty upon the request of any Bondholder to all the Bondholders from Redemption date, to the actual payment date (including) in the amount of 0.05% (zero point zero five per cent) per day from the relevant outstanding amount, but the total contractual penalty may not exceed 10% (ten percent) from the relevant outstanding amount.

If the Issuer has failed to make the Nominal amount repayment in accordance with the deadlines specified in the Terms of the Issue, Bondholders shall have the right to submit claims regarding the repayment of the Debt not earlier than after 5 (five) Business Days following the payment day of the Nominal amount in accordance with Section 2.2.

Terms of the Bonds Issue (4 of 6)

2.4. Guaranteee

The Guarantor shall take all actions that the Guarantor as the issuer of the Guarantee should reasonably take with the purpose to enforce the Guarantee according to the procedure provided for in the Guarantee in case the following conditions are met:

- (a) any of the events of default indicated in Section 2.2. above have occurred; and
- (b) any Bondholder has instructed the Guarantor in writing to enforce the Guarantee;

The Guarantor undertakes the Issuer's obligations under the Bonds and Terms of the Issue (until all the obligations are fully met) as the Issuer itself and waives the right to request from Bondholders to direct the collection of outstanding amounts from the Issuer in the first place. Therefore, obligations of the Guarantor correspond with Issuer's obligations under these Terms of the Issue.

The Guarantee shall not be limited by any terms and conditions that are not expressly stated herein, except Terms of the Issue.

The Guarantor shall be released from its obligations against Bondholders only if:

- Validity of the Guarantee ceases to exist in accordance with provisions of Section 1.2.5;
- the financial liabilities of the Issuer towards Bondholders under the Terms and Conditions (including but not limited to the Nominal Amount, Coupon payments, interest, penalty (if any) and other mandatory payments) are satisfied;

The Guarantee applies only to the extent laid down in Section 1.2.5. and does not apply to any other obligations of the Issuer.

2.5. Guarantors' statement

2.5.1. General statements

Insofar the Guarantee does not provide otherwise the meaning of the term used in the Guarantee correspond with the meaning of terms used in the Terms of the Issue.

By signing the Guarantee, the Guarantor confirms it has received all the necessary corporate and other approvals for signing the Guarantee and thus binding the Guarantor with obligations hereunder.

This Guarantee entered into force on 11 September 2021. The Guarantee is irrevocable and shall remain in force until the Debt is settled in full or until validity of the Guarantee.

The Guarantee is governed by Republic of Latvia law and is „Galvojums“ in accordance with the Civil Law of the Republic of Latvia.

Disputes related to this Guarantee including disputes related to fulfilment of Guarantor's obligations hereunder shall be resolved at the court of general jurisdiction of the Republic of Latvia. The first instance court shall be any of the first instances courts located in Riga (Latvia).

In order to ensure the execution of the Guarantee and payments resulting therefrom, the Issuer together with the Guarantor has agreed to sign any necessary agreements (including but not limited to agreement on the provision of settlement services (CSD) with Nasdaq CSD) prior to the emission of the bonds. The Agreement provides that in case of default the Guarantor takes the place of the Issuer (will assume Issuer's obligations).

2.5.2. Scope of the Guarantee

The Guarantors hereby irrevocably and unconditionally undertake to fulfil the Guarantee No. 211011 issued 11 September 2021 and upon the request from Bondholders to undertake the Issuer's duty to repay to Bondholders the full Nominal value of all Bonds EUR 3'000'000 at Redemption date as well as to service interest Coupon payments not made by the Issuer and contractual penalties and other outstanding payments.

The Guarantor undertakes the Issuer's obligations (until all the obligations are fully met) under the Terms of the Issue as the Issuer itself (Latvian term: kā pats parādnieks) and waives the right to request from Bondholders to direct the collection of the Debt from the Issuer in the first place. Therefore, obligations of the Guarantor correspond with Issuer's obligations under the Terms of the Issue.

The Guarantee shall not be limited by any terms and conditions that are not expressly stated herein.

The Guarantor shall be released from its obligations against Bondholders only if the Debt ceases to exist and all related claims of the Bondholders against the Issuer are satisfied or validity of Guarantee expires.

Latvia, Riga, Date: 26.10.2021



Ričards Andersons,
Member of the Management Board

Terms of the Bonds Issue (5 of 6)

2.6. Covenants and Restrictions

From the Issue Date to the Redemption date, the following shall be undertaken:

- The Issuer and its subsidiaries shall continue business operations in the production of chemical products and special production equipment;
- Not to change the control of the Issuer (not to sell more than 50% of shares of the Issuer or its ultimate holding company);
- Parent Company must maintain a net debt to equity ratio below 1x;
- The Issuer is restricted to distribute no more than 75% of audited net profit;
- The Issuer would not provide loans to related parties, only to group entities for operational and investment purposes;
- The Issuer would not commence sale of intellectual property until the Bonds are fully repaid;
- Not to commence Issuer's liquidation and not to reduce the equity capital;
- To maintain the Issuer's interest coverage ratio at a level of at least 1.5x*.

* To be measured once per year by using the annual audited financial statements as per Latvian accounting standards unless the Issuer decides to adopt IFRS, in which case it will become based on IFRS standards. Any non-compliance must be completely remedied and confirmed by reviewed 6-month financial statements, according to the accounting standards being used by the Issuer at the time of the issuance of the annual audited financial statements. The Issuer will order a review to be undertaken by the auditor appointed for the interim accounts under these circumstances (else 6 month interim accounts may be unaudited).

2.7. Procedure for applying for the waiver

The Issuer has the right to ask for the consent (waiver) of Bondholders to amend the conditions included in the Terms of the Issue (apply for the waiver).

The amendment of the Terms of the Issue may include the amendment of any conditions, which is not restricted by such characteristics of Bonds as currency, Coupon rate, Coupon calculation method, Coupon and Coupon payments, inclusion of Bond for trade in other regulated or alternative markets, Redemption date, and other conditions, unless they contradict regulatory enactments in force in the Republic of Latvia.

The Issuer can apply for the waiver itself or through the intermediary of an authorized person ("Agent"). To apply for the waiver, the Issuer or Issuer's Agent shall notify Bondholders with the intermediation of Nasdaq CSD, or, if Bonds are included in the Nasdaq Riga First North list, via Nasdaq Riga information system, specifying at the least the following information:

- a description of the changes applied for;
- a justification of the necessity of the changes applied for;
- the date when the list of Bondholders eligible to grant the waiver (vote) will be fixed;
- the term within which a Bondholder can support or reject the offered waiver;
- instructions concerning notification about the support or rejection of the waiver and the procedure for filling in the voting questionnaire;
- notification that a Bondholder willing to grant the waiver offered by the Issuer shall notify the Issuer and Issuer's Agent within the term specified in the application, which is certified by a postal seal, signature on receipt or notification (letter or email) from a Bondholder's Custodian. If the Bondholder does not notify the Issuer or Issuer's Agent about the approval to grant waiver within the term specified in the application, a Bondholder shall be deemed as not having granted the waiver;
- contact details of the Issuer and/ or the Issuer's Agent to be used for notifications (telephone number for inquiries, email or address for sending filled in and signed questionnaires, list of representative offices and/ or branches of the Issuer and/ or Issuer's Agent where Bondholders can submit the questionnaires in person);
- other information including the provision of a fee to Bondholders for approving the waiver needed by Bondholders for deciding upon granting the consent or refusal to grant the waiver to the Issuer.

The list of Bondholders shall be received from the Nasdaq CSD as of the date falling to the fifth Business Day after the waiver with intermediation of Nasdaq CSD was sent to Nasdaq CSD participants, who hold the Bonds in financial securities' custody accounts or are Bondholders, or after the announcement of the waiver has been published via Nasdaq Riga information system, if Bonds admitted to trading on the First North Market.

The term allowed to Bondholders for deciding upon refusal to grant the waiver to the Issuer may not be shorter than 14 (fourteen) calendar days after the waiver with intermediation of Nasdaq CSD was sent to Nasdaq CSD participants, who hold the Bonds in financial securities' custody accounts or are Bondholders, or after the announcement of the waiver has been published via Nasdaq Riga information system, if Bonds are admitted to trading on the First North alternative market.

Terms of the Bonds Issue (6 of 6)

Bondholders shall submit signed questionnaires with their decision to the Issuer or Issuer's Agent by a deadline set in the application of the waiver. The waiver is deemed to be granted, if Bondholders owning at least 2/3 (two thirds) of the outstanding Bonds issued (excluding Bonds owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) from the total outstanding amount of Bonds issue) have voted for granting the waiver. The Bonds owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) are not eligible to participate in the voting.

The Issuer or Issuer's Agent shall sum up the received votes and notify Bondholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the questionnaires by sending relevant notification with intermediation of Nasdaq CSD to Nasdaq CSD participants, who hold the Bonds in financial securities' custody accounts or are Bondholders, or by publishing relevant announcement via Nasdaq Riga information system, if Bonds are included in the regulated or alternative market.

If the accepted changes refer to specifications of the Bonds and/ or Coupon calculation method, as well as procedure of Coupon payments and/ or repayment of the Nominal, the Issuer shall inform Nasdaq CSD on the mentioned changes according to the regulation determined in the Nasdaq CSD rules.

If the Issuer offers Bondholders a fee for approving the waiver and the waiver is granted, the Issuer transfers the fee amount to the account stated by a Bondholder in the questionnaire not later than 10 (ten) Business Days after the waiver comes into force.

3. Terms of the Offering

3.1. Subscription to the Bonds

3.1.1. Subscription period

The Issue date and Redemption date, hereinafter together referred as - the "Subscription Period".

3.1.2. Subscription terms

Subscription orders to the Bonds can be submitted to the Arranger every Business day during normal working hours of the Arranger. More detailed information on the submission of the subscription orders is available by email: investmentbanking@lhv.ee.

The total Nominal value of subscribed Bonds should be stated in the Subscription order. Potential Bondholders have the right to submit several subscription orders during the offering. Subscription orders for the Bonds may be modified up until the time of the completion of the book building period ie. 4 November at 17:00 EET (local time), however, thereafter are irrevocable.

The Arranger will register all submitted subscription orders of its clients according to legal requirements and internal procedures. The submission of an Subscription order does not guarantee the full allocation of the Bonds subscribed for and the party subscribing to the Bonds thus agrees that the number of Bonds allocated will be up to the maximum of the number Bonds subscribed for.

3.1.3. Bond price

The Bond purchase price can be equal to 100% (one hundred per cent) of the Nominal value or purchase price could be lower or higher than the Nominal value, meaning that bonds can be sold with discount or premium, plus accrued interest as per Section 1.2.11. "Accrued interest calculation".

All subscription orders that were aggregated during the Subscription Period with the Issue date will be delivered without accrued interest.

3.1.4. Reduction of the Bonds issue size

At any time the Issuer may decide to discontinue the offering of the Bonds. The total issue size is equal to the actual issue size of the Bonds immediately before such decision.

3.1.5. Allocation of the Bonds to investors

The Bonds are allocated to investors in the amount not larger than the amount specified in the subscription form and not less than the minimum size as described in the Section 1.2. "Subscription terms" together with other factors noted elsewhere within this Section ie. 'Terms of the Offering'.

The Arranger at its sole discretion has the right to refuse to allocate all or part of the subscribed Bonds to any Potential Bondholder.

3.2. Settlement and delivery of the Bonds

All subscription orders that were aggregated during the subscription period with Issue date will be delivered without accrued interest.

The Issue date can be any Business Day which is not earlier than the second Business Day and not later than the third Business Day after the allocation has taken place. Allocation is deemed to occur on the Business Day immediately following the end of the Subscription Period.

Settlement of the Bonds will be executed through the Nasdaq CSD as DVP (delivery versus payment) transactions according to the applicable Nasdaq CSD rules and Operating Manual. The Bonds will be transferred to Potential Bondholders' financial instrument accounts on the Issue date.

Settlement for the Bonds can be executed according to other procedure, if such is agreed to by the Arranger and Potential Bondholder.

Redemption date will be the 3 year anniversary from the Issue Date (refer to Section 1.2.8.)

3.3. Pre-emptive rights

None of the Potential Bondholders has the rights of pre-emption in respect to acquisition of the Bonds in the initial placement.

3.4. Transaction

Funds raised through the initial subscription of Bonds will initially be transferred to the bank account of the Issuer at AS LHV Pank.

Glossary (1 of 2)

Legal entities

The Company/ CrossChem	CrossChem SIA
Parent Company/ CrossChem International	CrossChem International SIA
Arranger	AS LHV Pank (Arranger acts as an issuer agent for the interpretation of Nasdaq CSD)

Geographies and currencies

EU	European Union
EUR	Euro
EUR'000	Euro thousands
U.S.	The United States

Periods

6M 2021	Six months (January - June) of financial year 2021
FY18/ FY2018	Financial year ended on 31 December 2018
FY19/ FY2019	Financial year ended on 31 December 2019
FY20/ FY2020	Financial year ended on 31 December 2020
FY2020A	Actual
FY2021F	Forecasted

Miscellaneous

AB	Private limited liability company in Sweden
AdBlue®	Urea solution made from technically pure urea and demineralized water
Android	Mobile operating system developed by Google
AS	Joint stock company in Latvia
ASA	Public company in Norway
AUS40	40% urea solution
BMS	Business Management System
Bondholder	Private person or legal entity that is an owner of one or more Bonds and has a claim against the Issuer as stipulated by the Terms of the Issue and applicable legal acts
B2B	Business-to-business
CEO	Chief executive officer
CFO	Chief financial officer
Co., Ltd.	Company, Limited: Private limited company in Japan
CO ₂	Carbon dioxide
COO	Chief operating officer
Coupon	Interest on Bonds calculated in accordance with the "Terms of the Offering" Section 1.2.7. "Coupon payments"
D.o.o.	Limited liability company in Slovenia and Croatia
Dep.	Department
DOO	Limited liability company in North Macedonia
e.g.	For example (<i>Latin: Exempla gratia</i>)
e.V.	Registered association/corporation in Germany
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EBT	Earning before tax
ECA	Emission Control Area
ERP	Enterprise resource planning
ESG	Environmental, Social and Corporate Governance

Miscellaneous (continued)

etc.	Further, similar items (<i>Latin: Et cetera</i>)
ETEX®	A tribological composition for transport industry and industrial production. The main objective of the product is to optimize the clearances within the joints, and reduce the friction of metals, thus eliminating the wear and tear of machine parts and reducing energy consumption
EURO4	European emission standard (introduced in January 2006 and focussed on reducing particulate matter and nitrogen oxides)
FTE	Full time equivalent
GM	General Manager
h	Hour
HD	Heavy duty
ISIN	International Security Identification Number
iOs	Mobile operating system developed by Apple Inc.
ISO	The International Organization for Standardization
kg	Kilogram
kW	Kilowatt
LDV	Light duty vehicles
Ltd	Private limited company in China
m ²	square metre
MAFS	Mobile AdBlue® filling stations
Management	Management of the CrossChem SIA
MARPOL	The International Convention for the Prevention of Pollution from Ships
MD	Medium duty
mt/MT	megatons
NB	Note well (<i>Latin: Note bene</i>)
NH ₃	Ammonia
NO _x	Nitrogen oxide
NRMM	Non-road machinery
OOO	Limited liability company in Ukraine
OU/OÜ	Private limited company in Estonia
Oy	Limited liability company in Finland
PC	Passenger cars
PhD	Doctor of Philosophy
Potential Bondholder	A private person or legal entity that has, according to the terms stated in the Terms of the Issue, expressed interest or is planning to purchase for its own account one or more Bonds
PR	Public relations
Ptd. Ltd.	Proprietary Limited (private) company in Australia
R&D	Research and development
Reg.No.	Registration Number
S.r.l.	Limited liability company in Italy
SCR	Selective Catalytic Reduction
SE	European Company (<i>Latin: Societas Europaea</i>)
SIA	Limited liability company in Latvia
SNCR	Selective Non-Catalytic Reduction
Sp.z o.o.	Limited liability company in Poland
UAB	Private limited company in Lithuania
VDA	The German Association of the Automotive Industry

Glossary (2 of 2)

Formulas

Revenue growth rate	$\frac{\text{Revenue}_1 - \text{Revenue}_0}{\text{Revenue}_0}$
Gross Profit margin	$\frac{\text{Gross Profit}}{\text{Revenue}}$
EBITDA margin	$\frac{\text{EBITDA}}{\text{Revenue}}$
EBIT margin	$\frac{\text{EBIT}}{\text{Revenue}}$
Current ratio (x)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick ratio (x)	$\frac{\text{Current Assets} - \text{Inventory}}{\text{Current liabilities}}$
Asset turnover (x)	$\frac{\text{Revenue}}{\frac{\text{Assets at the start of year} + \text{Assets at the end of year}}{2}}$
Inventory turnover (x)	$\frac{\text{COGS}}{\frac{\text{Beginning Inventory} + \text{Ending Inventory}}{2}}$
Working capital, EUR	$\text{Accounts Receivable} + \text{Inventory} - \text{Accounts Payable} - \text{Other current liabilities}$
Net Profit Margin (%)	$\frac{\text{Net Profit}}{\text{Revenue}}$
Return on Assets (%)	$\frac{\text{Net Profit}}{\text{Total Assets}}$
Return on Equity (%)	$\frac{\text{Net Profit}}{\text{Total Equity}}$
Debt to Assets (%)	$\frac{\text{Interest-bearing Liabilities}}{\text{Total Assets}}$
Debt to Equity (%)	$\frac{\text{Interest-bearing Liabilities}}{\text{Total Equity}}$
Debt to EBITDA (%)	$\frac{\text{Interest-bearing Liabilities}}{\text{EBITDA}}$
Equity ratio (%)	$\frac{\text{Total Equity}}{\text{Total Assets}}$
Interest Coverage ratio	$\frac{\text{EBIT}}{\text{Interest Expenses}}$

Thank you

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