

Riga, 29nd of June, 2021

CrossChem International Ltd
Annual report for year 01.01.2020 - 31.12.2020
and an Independent Auditors' Report

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COMPANY INFORMATION

Name of the Company	CrossChem International Ltd		
Legal status of the Company	Limited liability company		
Registration No., place and date	LV40103538622, Riga, 25.04.2012.g.		
Registered office	Ziedleju iela 6, Mārupe, Mārupes nov., LV-2167		
Major shareholders	Andersonš Ričards - 50%, Jana Muzičenko 50%		
Members of the Board	Ričards Andersons	–	Board member
	Andris Miķelsons	–	Board member
Annual report drawn up by	Ričards Andersons	–	Board member
Reporting year	from	01.01.2020	to 31.12.2020
Information on group's subsidiary	CrossChem Ltd 100% CrossChem Japan Co.,Ltd - 51%		
Type of company's activity	Holding company		
NACE classification code	6420		
Auditors	Sindikš SIA Brīvības str. 85-5 Rīga, LV - 1001 License No. 100		Certified Auditor Silvija Gulbe Certificate No. 142

MANAGEMENT REPORT

Type of activity

CrossChem International Limited Liability Company (hereinafter - the Company) is a holding company, which on 31.12.2020 has investments in the share capital of 13 companies, receiving dividends, respectively. In addition, the Company leases a market mark to its subsidiary.

Performance and Financial Situation of the Company

The company's net turnover in 2020 is 89,535 EUR. Compared to 2019, revenues have increased by 15%. This is due to the fact that the subsidiary's fee for the trademark depends on the amount of AdBlue in liters. The Company also leases car equipment to its subsidiary. The amount of the Company's equity as of December 31, 2020 is EUR 9,041,630. Compared to the previous year, it has increased due to the increase of the company's share capital, the creation of a share premium, as well as the end of the year with a profit. The company is financially stable and is able to cover its current payments, as well as ensure the fulfillment of the investment plan.

Future Development Plans

"The company plans to continue to develop as a holding structure with the aim of increasing the number of international companies operating under the CrossChem name. Our main task is to promote the brand and advertise products sold under the CrossChem brand worldwide.

We plan to position the company both in international exhibition venues and on the Internet.

The structure of the holding includes companies that are registered relatively recently and are at an early stage of development, therefore we do not plan a significant increase in dividends in the next financial year. The holding has several companies that have been operating stably for several years and are already generating a stable cash flow in the form of dividends.

As the Company's business is not related to the production and sale of goods, it has no significant operating costs. The company's income covers the company's expenses.

The business of the companies included in the farm structure is mainly based on the sale of chemical products for cars, agricultural machinery, its main customers are transport companies and farms. Despite the COVID-19 crisis, these sectors of the economy continued to operate economically. The above shows that, despite the epidemiological constraints, the company's business structure is stable.

Research and Development Measures

Like all industries, holding companies are vulnerable to sharp price increases in commodity markets. Rapid changes in the global price environment may adversely affect economic performance in the short term, but corporate profitability is stable in the medium term. It is affected by constant demand for products, as well as operational measures related to efficiency gains and cost optimization.

In the short and medium term, the company plans to use dividend flows to settle accounts payable.

It is also worth noting that the 100% subsidiary SIA CrossChem plans to enter the capital market in 2021 by issuing medium-term bonds. These measures will increase the liquidity level of the holding money.

The company's management does not see significant financial risks that exceed business norms.

Ričards Andersons
(Board member)

signature

29nd of June, 2021

Andris Miķelsons
(Board member)

signature

INCOME STATEMENT
(classified per function of expenditure)

	Note number	2020 EUR	2019 EUR
Gross profit or loss		-	-
Administrative expenses	2	(25 183)	(21 756)
Other operating income		89 535	83 506
Other operating expenses	3	(5 465)	(65 924)
Income from participation in:	4	50 310	65 289
a) the capital of subsidiary companies,		50 310	-
b) the capital of associated companies,		-	65 289
Other interest and similar income:		108 231	84 873
a) from subsidiary companies,		107 891	-
b) from other persons.		340	84 873
Interest payments and similar expenses:		(3 111)	(90 297)
b) to other persons.		(3 111)	(90 297)
Profit or loss before the corporate income tax		214 317	55 691
Corporate income tax for the reporting year		(3 278)	-
Profit or loss of the reporting year		211 039	55 691

Notes on pages 9 to 21 form are integral part of these financial statements.

Ričards Andersons
(Board member)

signature

29nd of June, 2021

Andris Miķelsons
(Board member)

signature

Annual report drawn up by:

Ričards Andersons
(Board member)

signature

BALANCE SHEET

ASSETS	Note number	31.12.2020 EUR	31.12.2019 EUR
Long-term investments			
Fixed assets			
Other fixed assets and inventory		-	1 800
Total fixed assets	6	<u>-</u>	<u>1 800</u>
Long-term financial investments			
Shareholding in the capital of subsidiary companies	7	10 009 496	8 033
Investments in associated companies	8	50 127	16 419
Loans to associated companies	9	-	10 000
Other loans and long-term receivables	10	-	1 210 213
Total long-term financial investments		<u>10 059 623</u>	<u>1 244 665</u>
Total long-term investments		<u>10 059 623</u>	<u>1 246 465</u>
Current assets			
Inventories			
Advance payments for inventories		-	2 519
Total inventories		<u>-</u>	<u>2 519</u>
Receivables			
Trade receivables	11	6 258	7 735
Other receivables	12	-	822
Prepaid expenses		16	52
Total receivables		<u>6 274</u>	<u>8 609</u>
Cash and cash equivalents		<u>26 181</u>	<u>4 524</u>
Total current assets		<u>32 455</u>	<u>15 652</u>
TOTAL ASSETS		<u>10 092 078</u>	<u>1 262 117</u>

BALANCE SHEET

LIABILITIES	Note number	31.12.2020 EUR	31.12.2019 EUR
Equity capital			
Share capital (equity capital)	13	5 828	2 845
Share issue premium		8 839 000	-
Retained earnings or uncovered losses of previous years		(22 893)	(78 584)
Profit or loss of the reporting year		211 039	55 691
Total equity capital		9 032 974	(20 048)
Creditors			
Long-term liabilities			
Other borrowings	14	1 046 268	1 252 592
Total long-term liabilities		1 046 268	1 252 592
Short-term liabilities			
Trade payables		83	214
Amounts owed to subsidiary companies		846	-
Taxes and mandatory state social insurance contributions	15	5 700	1 999
Other liabilities	16	1 450	27 360
Accrued liabilities	17	4 757	-
Total short-term liabilities		12 836	29 573
Total liabilities		1 059 104	1 282 165
TOTAL LIABILITIES		10 092 078	1 262 117

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Ričards Andersons
(Board member)

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29nd of June, 2021

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(Board member)

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CASH FLOW STATEMENT

(indirect method)

	Note number	2020 EUR	2019 EUR
Cash Flow from operating activities			
Profit or loss before taxation		214 317	55 691
Adjustments:			
Adjustments of decrease in value of equity capital		1 800	6 176
Unrealized profit from fluctuations of currency exchange rate		21	2 999
Proceeds from investment in an affiliate and associate		(50 310)	(65 289)
Interest and similar income		(108 231)	(84 873)
Interest and similar expenses		3 111	90 297
Cash Flow before adjustments on changes in current assets and liabilities		60 708	5 001
Adjustments for:			
Increase (-)/ decrease (+) in trade and other receivables		2 335	88 699
Increase (-)/ decrease (+) in inventories		2 519	8 032
Increase (+)/ decrease (-) in trade and other payables		(16 737)	(69 263)
Gross operating cash flow		48 825	32 469
Interest paid		(3 111)	(90 297)
Corporate tax paid		(3 278)	-
Net cash flow from operating activities		42 436	(57 828)
Cash flow from investing activities			
Acquisition of an affiliate		(1 194 708)	(14 075)
Proceeds from investment properties		1 520	18 306
Loans granted		(157 891)	(322 123)
Proceeds from refunded loans		1 378 104	-
Interest received		108 231	-
Dividends received		50 310	46 983
Net cash flow from investing activities		185 566	(270 909)
Cash flow from financing activities			
Loans from credit institutions received		-	335 868
Loans from credit institutions repaid		(206 324)	-
Net cash flow from financing activities		(206 324)	335 868
Result of foreign exchange rate fluctuations		(21)	(2 999)
Net increase/decrease in cash and cash equivalents		21 657	4 132
Cash and cash equivalents at the beginning of the period		4 524	392
Cash and cash equivalents at the end of the period		26 181	4 524

Notes on pages 9 to 21 form an integral part of these financial statements.

Ričards Andersons
(Board member)*signature*

29nd of June, 2021

Andris Miķelsons
(Board member)*signature***Annual report drawn up by:**Ričards Andersons
(Board member)*signature*

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluatio n reserve of financial instruments	Revaluat ion reserve of long- term	Reserves	Retained earnings	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 31.12.2018	2 845	-	-	-	303 000	(78 584)	227 261
Increase / decrease in reserve balance	-	-	-	-	(303 000)	62 150	(240 850)
Profit for the financial year	-	-	-	-	-	(6 459)	(6 459)
As at 31.12.2019	2 845	-	-	-	-	(22 893)	(20 048)
Correction of the amount shown on the balance sheet of	-	-	-	-	-	-	-
Increase / decrease in share capital	2 983	8 839 000	-	-	-	-	8 841 983
Profit for the financial year	-	-	-	-	-	211 039	211 039
As at 31.12.2020	5 828	8 839 000	-	-	-	188 146	9 032 974

Notes on pages 9 to 21 form an integral part of these financial statements.

Ričards Andersons
(Board member)

signature

29nd of June, 2021

Andris Miķelsons
(Board member)

signature

Annual report drawn up by:

Ričards Andersons
(Board member)

signature

NOTES TO THE FINANCIAL STATEMENTS

(1) Significant accounting principles

Principles of preparation of financial statements

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

The income statement is classified using the expense function method.

On December 31, 2020, the company corresponds to the category of a micro-company. The annual report is prepared applying the following basic principles:

- 1) it is assumed that the company will continue to operate;
- 2) The same accounting policies and valuation methods used in the previous year have been used, except for those balance sheet items, the use of which is permitted due to the new law "Law on Annual Accounts and Consolidated Annual Accounts", because the company does not apply IFRS in preparing annual reports;
- 3) financial statement items are recognized and measured using the precautionary principle, subject to the following conditions:
 - (a) the financial statements include only profits made up to the balance sheet date;
 - (b) all liabilities and expected risk amounts and losses incurred during the reporting year or previous years have been taken into account, even if they became known between the balance sheet date and the date when the annual report is signed by the company's governing body;
 - (c) all amounts of impairment and depreciation of assets have been calculated and taken into account, whether the accounting year is closed with a profit or loss;
- 4) in the balance sheet and profit and loss account items, the amounts are indicated on an accrual basis, ie income and expenses shall be indicated taking into account the time of their occurrence and not the time of receipt or issue of money. Revenues and expenses related to the reporting year are indicated regardless of the date of receipt of the payment or invoice;
- 5) costs are reconciled with revenues in the relevant reporting periods;
- 6) the amounts indicated in the relevant balance sheet items (opening balances) correspond to the amounts indicated in the same balance sheet items at the end of the previous reporting year (closing balances);
- 7) asset and liability items are valued separately;
- 8) in the balance sheet and profit and loss account items, the amounts are indicated taking into account the content and nature of economic transactions, and not only the legal form.

Reporting period

The reporting period is 12 months	01.01.2020	to	31.12.2020
The previous period is 12 months from	01.01.2019	to	31.12.2019

Transactions in foreign currencies

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

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

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

Related parties

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

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

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

Intangible assets and fixed assets

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

Buildings and structures	5%
Office equipment	20%
Computer hardware	35%
Motor vehicles	20%

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

Licenses	10-20%
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Gains or losses from sales of fixed assets are displayed in the income statement of the respective period. Repair or renovation expenses that increase the useful life of fixed assets or their value are capitalised and written off within the period of useful life of assets. Other repair or renovation expenses are recognised as the loss of the accounting period.

Expenses related to leasehold improvements are capitalised and displayed in the fixed assets. Depreciation is calculated over the lease period using the linear method. Loan issue expenses that are directly related to formation of fixed assets and construction in progress are capitalised, if such expenses are reasonably attributable and directly related. Loan issue expenses are capitalised before putting the fixed assets into operation.

Long-term financial investments

- Related companies

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

- Associated companies

Associated company is a company over which the group has direct or indirect significant influence (at least 20%, but not more than 50% of the shareholders' voting rights in this company), but has no control over financial and operating policy. The company recognises the income from investment only to the extent the distribution of the profit accumulated after the acquisition date is received from the respective subsidiary company. Received distribution in excess of such profit is regarded as investment recovery cost and is recognised as a decrease of purchase cost of the investments in related companies.

Evaluation of inventories

Cost price of inventories is determined using FIFO/ average cost method. Inventories are evaluated according to the cost price or the lowest market values on the balance date.

If inventory units are damaged, have become partly or totally obsolete, or the expenses of production completion or selling increase substantially - corresponding inventory units has to be valued at the net sales price. (Net sales price is the forecasted sales price in ordinary business, less the calculated products completion and selling expenses).

Receivables

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

Cash

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

Financial instruments

- Long-term loans and claims

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

Financial leasing liabilities

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

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

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

Provisions

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

Accrued liabilities

Provisions for unused vacation compensation

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

Provision for not received expense invoices

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

Recognition of income

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

Corporate income tax

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

As of 2018, when the taxable basis for the corporate income tax changes, temporary differences in provision on depreciation of the fixed assets do not form; differences for debts of debtors are insignificant; but tax losses to be transferred to the next reporting periods are limited in time and options of use thereof (for 50% from the calculated dividends may be used for no longer than 5 years). On the basis of above, as of 2017 the Company does not form deferred tax.

Reclassification

Certain items in financial reports of 2017 have been reclassified to correspond to the form of reflecting this year's report.

Year 2019	Initial balance, EUR	Correction, EUR	Corrected balance, EUR
Cost of production	16 500	(16 500)	-
costs of administration	18 979	2 777	21 756
Other operating expenses	19 466	13 723	33 189
Net sales	-	(75 426)	(75 426)
Other operating income	-	75 426	75 426
Participation in the capital of affiliated companies	-	8 033	8 033
Participation in the capital of associated companies	-	8 339	8 339
Own shares	16 372	(16 372)	-
Loans to associates	-	10 000	10 000
Other loans and other long - term receivables	1 042 517	(10 000)	1 032 517
Other loans	1 036 724	160 006	1 196 730
Other creditors	187 366	(160 006)	27 360

Application of assumptions

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

Information on errors and adjustments of previous years

Point of error	Initial balance, EUR	Correction, EUR	Corrected balance, EUR	Explanation of changes in the value of the balance of the "Equity" section of the balance sheet due to the correction of an error in previous years
<u>Year 2019</u>				
Other reserves	303 000	(303 000)	-	Adjusted other reserves that were created under the target protocol but were not implemented.
Own capital	220 802	(240 850)	(20 048)	After correcting the errors in 2019, a profit was formed, reserves were changed, which change the equity.
Participation in the capital of associate	-	8 080	8 080	Transferred from Own shares

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<i>Other loans and other long - term receiv</i>	1 042 517	167 696	1 210 213	Adjusted Loan balances according to bank account statements.
<i>Advance payments for stocks</i>	3 439	(920)	2 519	Goods not received / advance payment written off
<i>Other debtors</i>	371 405	(370 583)	822	Adjusted Other receivables / Other reserves created under the target protocol but not implemented
<i>Other loans</i>	1 036 724	215 868	1 252 592	Adjusted Borrowing balances according to bank statements.
<i>Taxes and calsts compulsory social secu</i>	2 738	(739)	1 999	Difference on VAT balances as of 31.12.2019 according to SRS EDS printouts
<i>Other creditors</i>	187 366	(160 006)	27 360	On Other borrowings
<i>Income statement</i>				
<i>Payment of other economic activities</i>	19 466	29 247	48 713	Adjustments for loan agreements for previous periods

(2) Administrative expenses

	2020	2019
	EUR	EUR
Personnel expenses	11 718	15 141
Audit expenses	6 109	1 850
Car expenses	3 039	-
State social insurance contributions	2 821	3 645
Bank service expenses	1 138	927
Insurance payments (excluding employees)	52	-
Other administration expenses	306	193
Total	25 183	21 756

(3) Other operating expenses

	2020	2019
	EUR	EUR
Losses from adjustment to prior periods	2 519	-
Other staff costs	757	-
Net losses from exchange rate fluctuations	21	2 999
Adjustments for loan agreements for previous periods	-	29 247
Office expenses	-	7 734
Depreciation of fixed assets	1 800	6 176
Exterior works and services		16 500
Other expenses	368	3 268
Total	5 465	65 924

(4) Income from participation in:

	2020	2019
	EUR	EUR
Income from participating interests	50 310	46 983
Proceeds from the sale of shares	-	18 306
Total	50 310	65 289

(5) Intangible assets

		Concessions, patents, licenses, trade marks and similar rights	Total intangible assets
		EUR	EUR
Acquisition value	01.01.2020	16 500	16 500
Acquisition value	31.12.2020	16 500	16 500
Accumulated amortization	01.01.2020	16 500	16 500
Accumulated amortization	31.12.2020	16 500	16 500
Net book value	01.01.2020	-	-
Net book value	31.12.2020	-	-

(6) Fixed assets

		Other fixed assets and inventory	Total fixed assets
		EUR	EUR
Acquisition value	01.01.2020	<u>55 162</u>	<u>55 162</u>
Acquisition value	31.12.2020	55 162	55 162
Accumulated depreciation	01.01.2020	<u>53 362</u>	<u>53 362</u>
Depreciation charge		<u>1 800</u>	<u>1 800</u>
Accumulated depreciation	31.12.2020	55 162	55 162
Net book value	01.01.2020	<u>1 800</u>	<u>1 800</u>
Net book value	31.12.2020	<u>-</u>	<u>-</u>

(7) Shareholding in the capital of subsidiary companies

	31.12.2020	31.12.2019
	EUR	EUR
Acquisition value at the beginning of the reporting year	8 033	8 033
Investments in the beginning of period	8 033	8 033
Acquisition (+)	10 001 463	-
Acquisition value at the end of the reporting period	10 009 496	8 033
Investments in the beginning of period	10 009 496	8 033

Change of investments:

In 2020, the debt of SIA CrossChem to SIA CrossChem Internaional was capitalized, as well as the property investment was assessed.

Company name

	Owned shares, %	Acquisition value	Investment book value	Profit or loss	Subsidiary company's equity value on 31.12.2020
SIA CrossChem	100	10 001 463	10 001 463	692 813	2 486 890
CrossChem Japan Co.,LTD	51	8 033	8 033	8 033	40 951
	X	10 009 496	10 009 496	700 846	2 527 841

(8) Investments in associated companies

	31.12.2020	31.12.2019
	EUR	EUR
Acquisition value in the beginning of beriod	16 419	16 419
Investments in the beginning of period	16 419	16 419
Acquisition (+)	33 708	-
Acquisition value at the end of the reporting year	50 127	16 419
Participation value at the end of the reporting period	50 127	16 419

Change of investments:

The company's goal is to increase the number of international companies operating under the CrossChem name by acquiring 50% of the share capital of the established company.

Company name, legal address	Owned shares, %	Acquisition value	Investment book value	Profit or loss	Subsidiary company's equity value on 31.12.2020
CrossChem D.O.O.	50	34 900	34 900	(19 833)	50 119
CrossChem Poland Sp.z.o.o.	50	1 138	1 138	-	2 193
ETEX SIA	50	1 420	1 420	6 885	(5 687)
CrossChem Finland	50	1 250	1 250	169 520	422 344
CrossChem Italy	50	5 000	5 000	(993)	9 007
CrossChem Australia PTY	20	1	1	58 598	115 024
CrossChem Kiev Ltd	50	15	15	35	86
CrossChem Sweden AB	50	2 653	2 653	128 071	142 962
CrossChem UAB	50	1 250	1 250	17 727	(11 108)

KrossChem Strumica DOO (Makedoni	50	2 500	2 500	3 569	8 494
	X	50 127	50 127	363 579	733 434

(9) Loans to associated companies

	Changes within the reporting period		31.12.2020	31.12.2019
	Sum	period	31.12.2020	31.12.2019
	EUR	EUR	EUR	EUR
Long-term loans				
CrossChem UAB	10 000	(10 000)	-	10 000
Total long term loans	10 000	(10 000)	-	10 000

(10) Other loans and long-term receivables

		31.12.2020	31.12.2019
		EUR	EUR
Other loans	(1 032 464)	-	1 032 464
Provisions for doubtful loans (-)		-	177 749
Total		-	1 210 213

Information about other loans and other long-term receivables

Name	Sum	Interest rate	within the reporting period	value at the end of the reporting
	EUR		EUR	EUR
CrossChem SIA	1 210 213	11	(1 210 213)	-
Total	1 210 213.00	10.50	-1 210 213.00	-

(11) Trade receivables

	31.12.2020	31.12.2019
	EUR	EUR
Trade receivables carrying amount	6 258	7 735
Total	6 258	7 735

(12) Other receivables

	31.12.2020	31.12.2019
	EUR	EUR
Tax overpayment	-	822
Total	-	822

(13) Share capital (equity capital)

On 31 December 2020, the share capital has been fully paid. It consists of 5828 shares with the nominal value of 1 EUR.

(14) Other borrowings

	% rate	payment	31.12.2020	31.12.2020	31.12.2019
			Currency	EUR	EUR
Long-term borrowings (from 1 to 5 years)					
Blackrock Finance (Cyprus) Limited *	10.5	31.12.2021	44 561	1 046 268	1 046 268
NIM investment	5.0	31.12.2020	44 196	-	121 035

Arcade International	12.0	31.12.2020	44 196	-	85 289
Total long-term borrowings	X	X	X	1 046 268	1 252 592

* Loan agreement with Blackrock Finance (Cyprus) Limited from 27.10.2016, interest rate 10.5, outstanding principal amount of the agreement 840500 and interest amount 295246.08. According to the COVID situation in the world and the agreement of the parties, the calculation of interest for 2020 does not take place. The calculation will be resumed at 2021.

(15) Taxes and mandatory state social insurance contributions

	31.12.2020	31.12.2019
	EUR	EUR
Value added tax	2 709	1 277
Corporate income tax	2 456	-
Personal income tax	301	275
Social contributions	234	447
Total	5 700	1 999

(16) Other liabilities

	31.12.2020	31.12.2019
	EUR	EUR
Short-term other creditors		
Salary	1 450	860
Payments with clients for the previous period expenses	-	26 500
Total short-term other creditors	1 450	27 360

(17) Accrued liabilities

	31.12.2020	31.12.2019
	EUR	EUR
Provisions for unused leave	757	-
Settlements with creditors for accrued liabilities	4 000	-
Total	4 757	-

(18) Average number of employees

	2020	2019
Average number of employees	2	2

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

The business of the companies included in the farm structure is mainly based on the sale of chemicals for cars, agricultural machinery, its main customers are transport companies and farms. Despite the COVID-19 crisis, these sectors of the economy continued to operate economically. epidemiological constraints, the company's business structure is stable.

(20) Financial risk management

Like all industries, holding companies are vulnerable to sharp price increases in commodity markets. Rapid changes in the global price environment may adversely affect economic performance in the short term, but corporate profitability is stable in the medium term. It is affected by constant demand for products, as well as operational measures related to efficiency gains and cost optimization.

Ričards Andersons
(Board member)

signature

29nd of June, 2021

Andris Miķelsons
(Board member)

signature

Annual report drawn up by:

Ričards Andersons
(Board member)

signature