

SIA "Primekss"
Registration number 40003328876
Legal address: Gustava Zemgala avenue 76, Rīga

*2024 Annual Report
prepared in accordance with
Latvian Law on Annual Reports and
Consolidated Annual Reports,
and Independent auditors' report**

** This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.*

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

TABLE OF CONTENTS

	PAGE
CORPORATE INFORMATION	3
MANAGEMENT REPORT	4
FINANCIAL STATEMENTS:	
Statement of profit and loss	5
Balance sheet	6 – 7
Statement of change in equity	8
Statement of cash flows	9
Note to Financial statements	10 – 27
Report of independent auditors	28 - 30

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

CORPORATE INFORMATION

Name of the Company	"PRIMEKSS"
Legal status of the Company	Limited liability company
Registration number, place and date	40003328876 Riga, February 14, 1997
Legal and office address	Gustava Zemgala avenue 76, Riga, LV-1039 Latvia
Shareholder	"Primekss Group" SIA reg. number. 40003997182 (100 %) Gustava Zemgala avenue 76, Riga, LV-1039, Latvia
Type of activity	Concrete floor construction
NACE code	43.33. Floor and wall covering
Board of the Company	Jānis Ošlejs, Chairman of the board Agnese Maskalāne, Member of the board Jānis Bokums, Member of the board from 24.07.2020.
Annual report prepared	Līga Dubovska Senior Accountant
Reporting year	1 January to 31 December 2024
Previous reporting year	1 January to 31 December 2023
Auditor and responsible certified auditor name and address	SIA Deloitte Audits Latvia License No. 43 Republikas laukums 2A, Riga, LV-1019, Latvia Jeļena Mihejenkova Zvērināta revidente Sertifikāts Nr. 166

SIA “PRIMEKSS” 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

MANAGEMENT REPORT

Principal activities

“Primekss” SIA (hereinafter “the Company”) is a Limited Liability company. Company’s registered and office address is Gustava Zemgala avenue 76, Riga, Latvia. Core business is installation of industrial concrete floors. The Company realizes projects in Latvia and abroad as subcontractor for Primekss Group’s subsidiaries in Baltics, Scandinavia and Israel.

Development and financial performance of the Company during the reporting year

During reporting year, the Company and its subsidiaries have provided services in Latvia, Scandinavia, Lithuania, Estonia, Germany and Israel as well as sold construction materials in USA. Total turnover of the financial year reached EUR 51.0 million.

During the reporting period, the Company continued to invest in improving existing products as well as in new products and market research. The Company’s financial situation at the year-end was stable and the existing financial risks were accordingly monitored. At the end of the reporting period, the Company’s equity was positive and reached EUR 11 million and total balance sheet were EUR 36.9 million.

Financial risk management

Information on Company’s financial risk management is provided in Note 27 of financial report.

The future development of the Company

In 2025 management of the Company plans to continue to invest in product and manufacturing process quality improvement and sales promotion, in order to ensure their competitive advantage in existing markets and enter new licensing markets.

Subsequent events

The continuation of hostilities in Ukraine and sanctions against the Russian Federation may affect the European and global economy. The company does not have significant cooperation partners in Ukraine, Russia or Belarus, but the overall impact on developments in the world economy may affect its operations. The company’s management follows developments in the economy and reorients its activities, for example by changing material suppliers. At the moment, the Company’s management cannot predict how economic changes will affect its operations, but it is confident that it will be able to adapt to the changing market situation. However, this conclusion is based on the information that is available at the time of signing this financial report and the impact of future events on the Company’s operations in the future may differ from management’s assessment.

After the end of the reporting period, there were no other significant circumstances or events that could affect the future development of the Company.

Proposals relating to the Company’s profit distribution

Company’s board recommends to retain profit of financial year 2024.

On behalf of the Company, this management report was signed by:

Agnese Maskalāne,
Member of the Board

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR 2024**

	Notes	2024 EUR	2023 EUR
Revenue	3	51 123 979	45 033 770
Other operating income	4	3 057	9 978
Cost of goods sold:		(21 418 747)	(19 765 048)
a) costs of raw and auxiliary materials		(18 743 875)	(18 173 024)
b) other external costs		(2 674 872)	(1 592 024)
Costs of personnel:	8	(19 011 942)	(13 941 607)
a) wages and salaries		(15 759 384)	(11 579 785)
b) social insurance contributions		(3 252 558)	(2 361 822)
Impairment adjustments (depreciation)		(1 384 917)	(818 658)
a) fixed and intangible assets impairment adjustments (depreciation)		(1 384 917)	(1 007 403)
Other operating expenses	5	(8 168 483)	(5 959 605)
Other interest income :		1 015 093	552 252
a) from related parties		732 033	552 252
b) from other parties	7	283 060	-
Other interest costs			
a) related parties			
b) other entities	6	(1 571 945)	(1 565 306)
Profit before corporate income tax		589 095	3 357 031
Corporate income tax for the reporting year		(19 771)	(10 538)
Profit after corporate income tax		566 324	3 346 493
PROFIT FOR THE YEAR		566 324	3 346 493

The accompanying notes on pages 10 to 27 are an integral part of these financial statements.

On behalf of the Company, these financial statements were signed by:

Agnese Maskalāne,
Member of the Board

Līga Dubovska
Senior Accountant

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

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**BALANCE SHEET
AS OF 31 DECEMBER 2024**

	Notes	31.12.2024 EUR	31.12.2023 EUR
ASSETS			
Long-term investments			
Intangible assets			
Development costs			
Patents, licenses, trade marks		62 038	75 760
Total Intangible assets	9	62 038	75 760
Property, plant and equipment			
Plant and equipment		3 987 999	2 847 365
Other fixed assets and inventory		772 085	737 380
Prepayments for fixed assets		104 281	679 223
Total property, plant and equipment	9	4 864 365	4 263 968
Long-term financial investments			
Participation in the capital of related companies	10 (a)	1 734 027	1 734 027
Loans to related parties	24 (f)	10 494 935	9 917 109
Other investments	10 (b)	600	600
Total long-term financial investments		12 229 562	11 651 736
Total Long-term investments		17 155 965	15 991 464
CURRENT ASSETS			
Inventories	11	3 468 972	3 055 866
Receivables			
Trade receivables	12	2 455 610	245 781
Trade receivables from related parties	24 (b)	10 828 171	11 679 243
Other receivables	13	923 970	544 896
Deferred expenses		300 673	182 496
Accrued revenue	14	717 376	341 020
Total receivables		15 225 800	12 993 436
Cash and cash equivalents	15	1 059 242	322 776
Total current assets		19 754 014	16 372 078
TOTAL ASSETS		36 909 979	32 363 542

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**BALANCE SHEET
AS OF 31 DECEMBER 2024**

	Notes	31.12.2024 EUR	31.12.2023 EUR
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1 625 474	1 625 474
Reserves	17	1 901	1 901
Prior year retained earnings		9 394 651	6 046 686
Profit for the year		566 324	3 346 493
Total Equity		11 588 350	11 020 554
Provisions			
Other provisions	18	609 000	609 000
Total provisions		609 000	609 000
Non-current liabilities			
Long-term bank borrowings	19	707 964	1 400 026
Other borrowings	20	11 568 393	10 370 232
Total non-current liabilities		12 276 357	11 770 257
Current liabilities			
Short-term bank borrowings	19	1 124 579	2 800 711
Other borrowings	20	761 102	514 991
Advances from customers		543 662	64 588
Trade payables		4 186 232	3 258 786
Payables to related parties	24 (c)(e)	355 773	113 540
Taxes and mandatory state social insurance contributions	21	2 249 530	393 596
Other payables	22	1 056 516	581 731
Deferred income		738 213	380
Accrued liabilities	23	1 420 665	1 235 408
Total current liabilities		12 436 272	8 963 731
Total liabilities		24 712 629	20 733 988
TOTAL EQUITY AND LIABILITIES		36 909 979	32 363 542

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SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 2024**

	Share capital	Reserves	Retained earnings / (accumulated losses)	Total
	EUR	EUR	EUR	EUR
Balance as of 31.12.2022	1 625 474	1 901	6 046 686	7 674 061
Profit for the reporting year	-	-	3 346 493	3 346 493
Balance as of 31.12.2023	1 625 474	1 901	9 393 179	11 020 554
Correction	-	-	1 472	1 472
Profit for the reporting year	-	-	566 324	566 324
Balance as of 31.12.2024	1 625 474	1 901	9 960 975	11 588 350

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Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**STATEMENT OF CASH FLOW
FOR THE YEAR 2024**

	Notes	2024 EUR	2023 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		588 298	3 357 031
<i>Changes in:</i>			
Depreciation and amortization and loss on disposal of non current assets		2 087 192	1 007 402
Provisions		-	150 000
Interest income		(577 826)	(551 818)
Interest expense		1 352 158	1 397 400
Profit before adjustments for current assets and current liabilities		3 449 823	5 360 015
<i>Changes in:</i>			
Receivables (increase) / decrease		(2 232 364)	(668 788)
Inventories (increase) / decrease		(413 106)	1 176 957
Payables (increase) /decrease		4 892 598	(2 509 844)
Gross cash flows from operating activities		5 696 951	3 358 340
Interest paid		(690 028)	(740 491)
Corporate income tax paid		(10 538)	(14 798)
Net cash flows from operating activities		4 996 384	2 603 051
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1 598 724)	(1 460 040)
Proceeds from sales of fixed assets		9 826	48 837
Issued loans		-	222 785
Net cash flows used in investing activities		(1 588 898)	(1 188 418)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings received		-	532 542
Paid borrowings		(1 832 162)	(1 228 563)
Finance lease payments		(838 858)	(591 122)
Net cash flows used in financing activities		(2 671 020)	(1 287 143)
Net cash flow for the reporting year		736 466	127 490
Cash and cash equivalents at the beginning of the reporting year		322 776	195 286
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR	15	1 059 242	322 776

The accompanying notes on pages 10 to 27 are an integral part of these financial statements.

On behalf of the Company, these financial statements were signed by:

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Līga Dubovska
Senior Accountant

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

1. GENERAL INFORMATION

Limited Liability Company Primekss (hereinafter the Company) was registered in Republic of Latvia on 14 February 1997. Registration number of the Company in the Enterprise Registry of Republic of Latvia is 40003328876. The Company's registered and office address is Gustava Zemgala avenue 76, Riga, Latvia.

The Company's principal activity is installation of concrete floors.

2. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with the Laws of the Republic of Latvia on Accounting and on Annual Reports and Consolidated Annual Reports.

The financial statements have been prepared on the historical cost basis. Financial statements are prepared in currency of Republic of Latvia – euro (hereinafter – „EUR”). Financial statements cover the period from 1 January 2024 to 31 December 2024.

The statement of profit and loss is prepared according to the type of expenses.

The statement of cash flows is prepared using the indirect method.

These are the Company's stand-alone financial statements. The consolidated financial statement is prepared separately.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied also during the previous reporting year, unless stated otherwise.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of value added tax. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its benefit is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the statement of profit and loss.

(c) Translation of foreign currencies

The accompanying financial statements are presented in the currency of the European Union, the Euro (hereinafter – EUR), which is the Company's functional and presentation currency.

All transactions denominated in foreign currencies are translated into the EUR at the European Central Bank rate of exchange prevailing on the transaction day. At the balance sheet date monetary assets and liabilities denominated in foreign currencies are translated at the European Central Bank rate of exchange prevailing on 31 December.

The following exchange rates were used for reporting purposes:

	31.12.2024	31.12.2023
	EUR	EUR
1 USD	0.962557	0.904977
1 SEK	0.087268	0.090123
1 NOK	0.084782	0.088964
1 DKK	0.134088	0.134176
1 ILS	0.263957	0.250044

Profit or loss in the result of these transactions, as well as profit or loss from monetary assets and liabilities in foreign currencies translation into the EUR are recognized in the statement of profit and loss.

(d) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Certain project development costs are recognised as intangible assets if the Company is able to demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits; the ability to measure reliably the expenditure attributable to the intangible asset during its development. Other development costs are expensed in the reporting period in which they are incurred.

Subsequent to initial recognition development costs recognized as intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortization is charged on straight-line basis during estimated period of use.

Other intangible assets primarily comprise software licenses and patents. Intangible assets are stated at historical cost less accumulated amortization and accumulated impairment losses. Amortization of the assets is calculated using the straight-line method to allocate their cost over their estimated useful lives. Generally, other intangible assets are amortised over a period of 3 to 5 years.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Assets that suffered an impairment loss are reviewed for possible reversal of the impairment at each balance sheet date.

(e) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The cost comprises of the purchase price, transportation costs, installation, and other directly attributable expenses related to the acquisition or implementation. The cost of a self-constructed item of property, plant and equipment includes the cost of direct materials, services and workforce.

Subsequent to initial recognition, all items of property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss for the period in which they incurred.

Depreciation of other assets is commenced when the assets are ready for their intended use and calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Estimated useful life, years
Equipment	5-7
Vehicles	5
Other fixed assets	3-5

The residual value and estimated useful life of an asset is reviewed and adjusted, if necessary, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the carrying amount and the sales proceeds of the asset and is recognised in the statement of profit or loss.

Leasehold improvements are amortised over the shorter of the useful life of the improvement and the term of the lease agreement.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the Company's owned assets.

(f) Investments in subsidiaries

Investments in subsidiaries (i.e., where the Company holds more than 50% of interest in the share capital or otherwise controls the investee company) are measured initially at cost. Control is achieved where the Company has the power to govern the financial and operating policies of the investee company.

Subsequent to initial recognition, all investments are stated at historical cost less any accumulated impairment losses. The carrying amounts of investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised in the statement of profit and loss.

(g) Financial assets

Loans

Loans are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition all loans are stated at amortised cost. Differences between the principal amount and the repayable value are gradually recognised in the statement of profit and loss over the period of the loan.

Loans are classified as current receivables if the maturity term does not exceed 12 months from the end of reporting period.

At each balance sheet date, the Company assesses whether there is objective evidence that the carrying amount of loans may not be recoverable. The Company assesses each loan individually. If there is objective evidence that an impairment loss has incurred, the amount of the loss is recognised as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment loss is recognised in the statement of profit and loss as other operating expenses.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of trade receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the statement of profit and loss as other operating expenses.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

If, in subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit and loss.

Trade receivables are included in current assets, except for assets with maturities greater than 12 months after the end of the reporting period.

Cash and cash equivalents

Cash and cash equivalents consist of current bank account balances and short-term deposits with repayment period of 90 days.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventory purchase cost comprises of the purchase price, import charges and other fees and charges, transport costs as well as other directly attributable costs incurred in bringing the inventories to their present location and condition. The carrying amount of inventories is reduced by charging trade discounts, reductions and similar allowances.

Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

Inventory cost price is determined using the first-in, first-out (FIFO) method.

If necessary, an allowance for obsolete, slow moving and defective inventories is provided. The amount of the allowance is recognised in the statement of profit and loss as cost of goods sold.

(i) Accrued revenue

Accrued revenue represents earned revenue for services that were provided during the reporting period but invoiced during the next reporting period.

(j) Deferred expenses

Expenses incurred before the balance sheet date, but which relate to the next reporting periods, are recognised as deferred expenses.

(k) Dividends

Dividends are recorded in the financial statements of the Company in the period in which they are approved by the Company's shareholders.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition all borrowings are stated at amortised cost.

Differences between the proceeds and the redemption value are gradually recognised in the statement of profit and loss over the period of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability at least for 12 months after the end of reporting period.

(m) Leases

Leases of assets under which the lessee assumes substantially all the risks and rewards of ownership associated with the asset are classified as finance leases. All other leases are classified as operating leases.

The Company as lessee

Payments made under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

If the Company is a lessee in a finance lease arrangement, it recognises in the balance sheet the asset as an item of property, plant and equipment and a lease liability measured as the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charge so as to achieve a constant interest rate on the balance of liability outstanding. The interest element of the lease payment is charged to the statement of profit or loss over the lease period. The item of property, plant and equipment acquired under a finance lease is depreciated over the shorter of the useful life of the asset and the lease term, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(n) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions related to them and that the grants will be received. Grants are recognised as revenue over the periods necessary to match them with the costs which they are intended to compensate, on a systematic basis. Accordingly, grants, whose primary condition is that the Company should purchase or construct non-current assets, are recognised as deferred revenue in the balance sheet and transferred to the statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit or loss in the period in which they become receivable.

(o) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Trade payables are classified as current liabilities if payment is due within one year or less. Otherwise, they are classified as non-current liabilities.

(p) Deferred revenue

Deferred revenue represents non-current and current portion of advances received from customers for services, which have not been provided at the balance sheet date. Deferred revenue is initially recognised at the present value of consideration received. Revenue is recognised in the statement of profit or loss in the period when the services have been provided to customers.

(q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expenses relating to any provision are presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(r) Accrual for employees unused vacations

Accrual for unused vacations is computed by multiplying employees' average salary for the last 6 months by the number of unused vacation days at the end of the reporting year, additionally calculating employers' mandatory social insurance contributions.

(s) Corporate income tax

Corporate income tax consists of the corporate income tax calculated for the reporting year. According to the Law on Corporate Income Tax of the Republic of Lithuania, corporate income tax is calculated on the distributed profit and on the conditional distributed profit (20/80 of the net amounts distributed). Corporate tax on distributed profits is recognized at the moment when the Company's members make a decision on profit distribution and conditional profit distribution takes place.

(t) Contingent liabilities and assets

Contingent liabilities are disclosed in notes to these financial statements. They are recognised as liabilities only if the possibility of an outflow of resources embodying economic benefits becomes probable. Contingent assets are not recognised in these financial statements but disclosed when an inflow of economic benefits is probable.

(u) Related parties

If one person can control the other party or exercise significant influence over the other party in making financial and operating decisions, then they are considered related parties. Related parties are defined as shareholders, employees, Board members, their close relatives and companies that directly, or indirectly through one or more intermediaries control the Company or are controlled by the Company, or which, together with Company, are under control.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(v) Events after the reporting date

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the balance sheet. Post-year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

(w) Use of estimates and critical judgments

The legislation of the Republic of Latvia requires that in preparing the financial statements the management of the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of off-balance sheet assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The following are critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty which exist at the reporting date of the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period:

Allowance for doubtful and bad trade receivables

The Company's management evaluates the carrying amounts of trade receivables and assesses their recoverability, making an allowance for doubtful and bad trade receivables, if necessary. The Company's management has evaluated trade receivables and adequate provisions are made as of 31 December 2024.

Net realisable value of inventories

The Company's management evaluates the net realisable value of inventories based on the expected sales prices and selling costs and assesses the physical condition of inventories during the annual stock count. If the net realisable value of inventories is lower than the cost of inventories then an allowance is recorded. The Company's management has evaluated the net realisable value of inventories and considers that it is not necessary to make an additional significant allowance as of 31 December 2024.

Warranty provisions

Warranty provisions are made: 1) for specific projects; 2) for other projects. The amount of provisions for specific projects can be accurately estimated, since the amount of planned repair costs is known. Provisions for warranty repairs for other projects are made based on the geographical and divisional (concrete floor or concrete structure) principle, taking as a basis the 5-year turnover and the actual amount of warranty repairs. The Company's management considers that it is not necessary to make additional significant warranty provisions as of 31 December 2024 (see also Note 18).

Useful lives of property, plant and equipment

Useful lives of property, plant and equipment are assessed at each balance sheet date and changed, if necessary, to reflect the Company's management current view on their remaining useful lives in the light of changes in technology, the remaining prospective economic utilisation of the assets and their physical condition.

The carrying amount of property, plant and equipment

The Company's management reviews the carrying amounts of property, plant and equipment and assesses whenever indications exist that the assets' recoverable amounts are lower than their carrying amounts. The Company's management calculates and records an impairment loss on property, plant and equipment based on the estimates related to the expected future use, planned liquidation or sale of the assets. Taking into consideration the Company's planned level of activities and the estimated market value of the assets, the Company's management considers that no significant adjustments to the carrying values of property, plant and equipment are necessary as of 31 December 2024.

The carrying amounts of investments in subsidiaries

The Company's management reviews the carrying amounts of the investments in subsidiaries and assesses whenever indications exist that the assets' recoverable amounts are lower than their carrying amounts. The Company's management calculates and records an impairment loss on investments in subsidiaries based on the expected future returns of the assets. The Company's management considers that no significant adjustments to the carrying values of the investments in subsidiaries are necessary as of 31 December 2024.

Carrying amounts of issued loans

The Company's management evaluates the carrying amounts of issued loans and evaluates their recoverability, making an allowance for doubtful loans, if necessary. The Company's management has evaluated the issued loans and considers that it is not necessary to make an additional significant allowance as of 31 December 2024.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024***The determination of construction contracts stage of completion*

At each balance sheet date, the Company's management evaluates the stage of completion of unfinished construction contracts and the associated revenue and costs. Based on the assessment made as of 31 December 2024 and information available at the date of approval of these financial statements, the Company's management considers that no additional significant adjustments in relation to construction contracts are necessary as of 31 December 2024.

3. Revenue

	2024	2023
	EUR	EUR
Business segments		
Revenue from construction contracts	41 042 689	31 785 435
Revenue from sale of goods	9 939 399	13 174 153
Other regular operating revenue	141 891	74 182
Total	51 123 979	45 033 770
Geographical markets		
Outside Latvia	45 633 369	41 584 806
Latvia	5 490 610	3 448 964
Total	51 123 979	45 033 770

4. Other operating income

	2024	2023
	EUR	EUR
Revenues from the sale of equipment spare parts	-	9 978
Other revenue	3 057	-
Total	3 057	9 978

5. Other operating expenses

	2024	2023
	EUR	EUR
Transport maintenance and fuel costs	1 818 829	1 507 017
Business trips costs	1 965 356	1 414 117
Professional services costs	1 747 804	1 182 610
Machinery repair and maintenance costs	886 581	510 779
Office maintenance and marketing costs	531 842	362 384
Work clothing and small tools	297 763	195 245
Other operating expenses	920 308	787 453
Total	8 168 483	5 959 605

6. Interest and similar expenses

	2024	2023
	EUR	EUR
Interest payments on loans and guarantees from credit institutions	874 616	843 359
Provisions for expected interest payments	450 000	450 000
Commission fees of credit institutions	97 353	72 380
Interest payments on finance leases	149 976	102 640
Currency exchange costs	-	96 927
Total	1 571 945	1 565 306

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024**

7. Income from other parties

	2024 EUR	2023 EUR
Income from exchange rate fluctuations	283 060	-
Income from interest from related parties	732 033	552 252
Total	1 015 093	552 252

8. Information about personnel

	2024 EUR	2023 EUR
Personnal remuneration	15 759 384	11 579 785
Mandatory state social insurance contributions	3 252 558	2 361 822
Total	19 011 942	13 941 607

Including remuneration of the management:

	2024 EUR	2023 EUR
Board		
Board remuneration	380 077	388 608
Mandatory state social insurance contributions	91 922	91 686
Total	471 999	480 294

	2024	2023
Average number of employees in the Company	413	332
Including board members	3	3
Including the last employees	410	329

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024****9. Intangible assets, property, plant and equipment**

	Licenses, patents and trade marks	Develop- ment costs	Long-term leasehold improvements	Equipment and machinery	Other fixed assets	Advance payments for fixed assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Historical cost							
31.12.2022	256 267	302 673	105 459	6 227 836	1 222 253	238 021	8 352 509
Additions	22 996	-	-	1 328 138	611 302	441 202	2 403 638
Disposal	-	-	-	(358 505)	(26 194)	-	(384 699)
31.12.2023	279 263	302 673	105 459	7 197 469	1 807 361	679 223	10 371 448
Additions	28 595	-	-	2 203 576	422 008	29 515	2 683 693
Disposal	(25 238)	-	-	(405 028)	(326 566)	(604 457)	(1 361 29)
31.12.2024	282 620	302 673	105 459	8 996 017	1 902 803	104 281	11 693 852
Accumulated depreciation							
31.12.2022	(168 974)	(293 703)	(105 459)	(4 014 393)	(777 650)	-	(5 360 179)
Charges	(34 529)	(8 970)	-	(663 549)	(300 355)	-	(1 007 403)
Disposal	-	-	-	327 838	8 024	-	335 862
31.12.2023	(203 503)	(302 673)	(105 459)	(4 350 104)	(1 069 981)	-	(6 031 720)
Charges	(42 318)	-	-	(966 743)	(375 856)	-	(1 384 917)
Correction	-	-	-	(92 705)	-	-	(92 705)
Disposal	25 239	-	-	401 534	315 119	-	741 892
31.12.2024	(220 582)	(302 673)	(105 459)	(5 008 018)	(1 130 718)	-	(6 767 450)
Net carrying amount							
31.12.2023	75 760	-	-	2 847 365	737 380	679 223	4 339 728
31.12.2024	62 038	-	-	3 987 999	772 085	104 281	4 926 403

Pledged fixed assets

	31.12.2024 EUR	31.12.2023 EUR
Remaining amount of pledged fixed assets	4 760 084	3 584 745
Remaining amount of assets held under finance leases	2 005 736	1 595 245

Fully depreciated fixed assets

As of 31 December 2024 fixed assets included equipment with acquisition cost of EUR 3 162 523 (31.12.2023.: EUR 3 901 496) that was fully depreciated but actively used in operating activities.

10. Investment in subsidiaries and other investments**10.(a) Investment in subsidiaries**

	2024 EUR	2023 EUR
At the beginning of the reporting year	1 734 027	1 734 027
At the end of the reporting year	1 734 027	1 734 027

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024****Information about subsidiaries: legal addresses, balance sheet value and financial data:**

Subsidiary name	Address	Investment Balance sheet value*		Equity		Profit / (loss) for the year	
		31.12.2024 EUR	31.12.2023 EUR	31.12.2024 EUR	31.12.2023 EUR	2024 EUR	2023 EUR
UAB "Primekss Grindys"	Kalvariju 131 – 408B Vilnius, LT – 08221, Lietuva	270 935	270 935	145 460	120 720	24 740	10 861
AB "Primekss Sweden"	Geijersgatan 2c, SE-21618, Limhamn, Sweden	459 588	459 588	2 019 023	2 046 070	49	398 359
AS "Primekss Norge"	Postboks 4691, Nydalen, N-0405 Oslo, Norway	298 803	298 803	337 564	311 591	41 201	41 000
OY "Primeks Suomi"	PL22, 10900 Hanko, Finland	8 000	8 000	328 663	268 998	59 665	96 787
Aps "Primekss Danmark"	Tuborg Boulevard 12, 3. 2900 Hellerup, Danmark	10 734	10 734	232 643	197 723	13 099	25 903
Primekss Israel 2011	Hamelacha 43, PO Box 8390, Netanya, Israel	580 382	580 382	857 158	780 867	29 556	80 737
GmbH "Primekss Germany"	Hebelermeer 55 49767 Twist, Emsl, Germany	105 500	105 500	(21 027)	25 628	(46 655)	166 716
ООО "Примех"	Volgogradskaya ulica, dom № 13, office 213, Minsk, Belarus	85	85	(7 361)	(11 024)	2 650	(2 022)
Total		1 734 027	1 734 027	3 892 124	3 740 573	124 306	818 341

* Participation in share capital 100%;

10.(b) Other investments

		Participation part	2024 EUR	2023 EUR
SIA "Viedo materiālu un tehnoloģiju kompetences centrs"	Dzērbenes iela 27, Rīga, LV-1006	6,67 %	200	200
SIA "VMKC"	Dzērbenes iela 27, Rīga, LV-1006	14,28 %	400	400
Total			600	600

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024****11. Inventories**

	31.12.2024. EUR	31.12.2023. EUR
Raw materials, materials and consumables	2 681 855	2 436 101
Advance payments for inventories	279 766	435 995
Work in progress	507 351	183 770
Product on the way	-	-
Total	<u>3 468 972</u>	<u>3 055 866</u>

12. Trade receivables

	31.12.2024. EUR	31.12.2023. EUR
Gross trade receivables	2 456 975	247 146
Allowance for doubtful and bad debts of buyers and customers	(1 365)	(1 365)
Total	<u>2 455 610</u>	<u>245 781</u>

Change in allowance for doubtful and bad trade receivables:

	2024 EUR	2023 EUR
At the beginning of the reporting year	(1 345)	2 710
Decrease/ increase in allowance	-	(1 345)
At the end of the reporting year	<u>1 365</u>	<u>1 365</u>

13. Other debtors

	31.12.2024. EUR	31.12.2023. EUR
VAT overpayment	738 331	229 652
Advance payments to employees	15 844	114 492
Corporate income tax advance payments	-	-
Overpayment of personal income tax Finland/Sweden/Norge	80 968	135 814
Other debtors	88 627	64 938
Total	<u>923 970</u>	<u>544 896</u>

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024****14. Accrued revenue**

	31.12.2024. EUR	31.12.2023. EUR
Accrued revenues from projects	602 760	279 818
Accrued revenues from "Kompetences centrs" income	83 969	61 202
Other accrued revenues*	30 647	-
Total	<u>717 376</u>	<u>341 020</u>

* Other accrued revenues as of 31.12.2022 includes a refund of EUR 40 000 in overpayment of the solidarity tax for 2022.

15. Cash and cash equivalents

	31.12.2024. EUR	31.12.2023. EUR
Cash in the bank accounts	1 059 242	322 776
Total	<u>1 059 242</u>	<u>322 776</u>

16. Share capital

As at 31 December 2023 and 2024 issued and paid share capital equals to EUR 1 625 474 and consists of 22 894 shares with nominal value EUR 71 each. All shares have equal voting rights and rights for dividends.

17. Reserves

Other reserves contain previous year reserves, which have been recognized during profit distribution process, according to legislation. Currently the legislation does not require creating and maintaining these reserves.

18. Provisions

	Provisions for warranty repairs EUR
31.12.2023	609 000
Calculated for 2024	-
31.12.2024	<u>609 000</u>

19. Bank borrowings

	Repayment day	Borrowing amount	Interest rate	31.12.2024 EUR	31.12.2023 EUR
Long-term:					
OP Corporate Bank plc	18.09.2026.	4 000 000	3.0%+6m EURIBOR	600 034	1 400 025
			Long-term total	<u>600 034</u>	<u>1 400 025</u>
Short-term:					
OP Corporate Bank plc	18.09.2026.	4 000 000	3.0%+6m EURIBOR	799 992	799 992
OP Corporate Bank plc credit line	05.09.2024.	2 000 000	2.1%+6m EURIBOR	312 419	1 971 980
Credit card balance				12 168	28 739
			Short-term total:	<u>1 124 579</u>	<u>2 800 711</u>
			Total:	<u>1 724 613</u>	<u>4 200 736</u>

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

In September 2021, Company received a loan of EUR 4 000 000 from OP Corporate Bank plc for 5 years. The credit has to be paid back in 59 monthly equal payments, each payment is for EUR 66 666 and the final 60. payment for EUR 66 706. Interest payments at the rate of EURIBOR plus 3% per annum are payable once a month. As of December 31, 2024, the Company fulfills all the financial indicators specified in the loan agreement. A commercial pledge of the assets of SIA Primekss, SIA Primekss Group and AS Primeteh, guarantees of SIA Primekss Group and AS Primeteh serve as credit security with a maximum amount of EUR 4 800 000.

In 2021, the Company was granted a credit line from OP Corporate Bank plc in EUR currency. The security of the credit line, with a maximum amount of EUR 2 400 000, is provided by the commercial pledge of the assets of SIA Primekss, SIA Primekss Group and AS Primeteh, guarantees by SIA Primekss Group and AS Primeteh, as well as the guarantee of EUR 1 050 000 by AS "Attīstības finanšu institūcija Altum".

20. Other borrowings

	31.12.2024.	31.12.2023.
	EUR	EUR
Long-term:		
Financial lease	1 753 916	1 217 885
Other borrowings*	9 814 477	9 152 347
Total long- term other borrowings	11 568 393	10 370 232
Short-term:		
Financial lease	761 102	514 991
Total short- term other borrowings	761 102	514 991
Total	12 329 494	10 885 223

Cost of finance lease liabilities is set at 2,22 to 5% + 3 months EURIBOR per annum. Maturity date for the long-term part of the agreement is 2029. Vehicles and technological equipment (leasing objects) financed by finance lease are lessor's property until lease is paid in full. See Note 9.

In 2021, the Company received a loan of EUR 7 939 932 from KS AIF "Altum Kapitāla fonds" with a repayment deadline of September 18, 2026. The said loan was granted for payment of refinanced liabilities and increase of working capital (see also 24(e)). Interest payments at the rate of 5% per annum are payable quarterly. Interest payments at a rate of 2.5% per annum are calculated and capitalized quarterly.

As of 31.12.2024, the long-term composition of other loans includes capitalized interest of EUR 212 130 (31.12.2023: EUR 466 166) and accrued interest payments of EUR 1 196 300 (31.12.2023 EUR 746 300). Accrued long-term interest refers to the additional payment due to the lender on the repayment date of the loan. This payment is calculated as 5% of the Group's value, calculated taking into account the last 12 months' EBITDA and a certain multiplier, and reduced by net debt.

The collateral for the loan, with a maximum amount of EUR 12 800 000, is a commercial pledge of the assets of SIA Primekss, SIA Primekss Group and AS Primeteh.

As of December 31, 2024, the Company fulfills all the covenants set by KS AIF "Altum Kapitāla fonds".

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024****21. Taxes and mandatory state social insurance contributions**

	31.12.2024. EUR	31.12.2023. EUR
Mandatory state social insurance contributions	1 649 651	240 264
Personal income tax	568 710	129 603
Personal income tax in Denmark*	16 204	18 804
Corporate income tax	14 780	4 816
Corporate risk state duty	185	109
Total	2 249 530	393 596

22. Other payables

	31.12.2024. EUR	31.12.2023. EUR
Employee salaries	858 594	488 564
Other	197 922	93 167
Total	1 056 516	581 731

23. Accrued liabilities

	31.12.2024. EUR	31.12.2023. EUR
Accruals for unused vacations	1 123 145	736 302
Accruals for employee bonuses	-	303 934
Accruals for project costs	-	13 763
Other accrued liabilities	413 284	181 409
Total	1 420 665	1 235 408

24. Related party transactions**24.(a) Related party transactions**

During the reporting period, the Company had following income and expense from transactions with related parties:

	2024 EUR	2023 EUR
Income from completion of projects	27 182 857	25 718 981
Income from sales of materials	9 758 080	12 901 499
Income from rendering of services	3 930 757	1 808 127
Total	40 871 694	40 428 607
Cost of purchased material	(6 231 391)	(1 133 932)
Cost for use of licensed technology	(323 898)	(1 712 393)
Total	(6 555 289)	(2 846 325)

24.(b) Related parties' receivables

The Company holds the following receivables from related parties:

	31.12.2024. EUR	31.12.2023. EUR
Receivables from related parties, gross	10 828 171	11 963 214
Allowance for Primekss Germany	-	(283 971)
Receivables from related parties, net	10 828 171	11 679 243

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024****24.(c) Related parties payables**

The Company holds the following liabilities towards related parties:

	31.12.2024.	31.12.2023.
	EUR	EUR
Payables to related parties for received goods and services	355 773	5 610
Total	355 773	5 610

24.(d) Terms and conditions of related parties' transaction

Unpaid debtor and creditor liabilities at the end of the reporting period are unsecured, debt will be settled in cash. No warranties are issued for related parties' debts.

24.(e) Borrowings from related parties

	Repayment date	Principal amount	Interest rate (%)	31.12.2024 EUR	31.12.2023 EUR
AG "Primekss Group Switzerland"	31.05.2026.	1 439 700	0.00%	107 930	107 930
Total:				107 930	107 930

Pledge

Loans received from related parties were unsecured.

Interest rates

As part of the restructuring transaction, in September 2021, the Company paid the principal amount and accrued interest of the loan to AG "Primekss Group Switzerland" in the amount of EUR 1 751 038.

24.(f) Loans for related parties

	Repayment date	Principal amount	Interest rate (%)	31.12.2024 EUR	31.12.2023 EUR
Prime Holding SIA	31.12.2028.	4 060 068	3.5%+EURIBOR	4 815 456	4 526 372
Primekss Group SIA	31.12.2028.	3 900 000	3.5%+EURIBOR	4 636 503	4 354 646
Primekss Israel 2011	31.12.2028.	95 253	3.5%+EURIBOR	113 241	106 356
Primethermo SIA	31.12.2028.		0%	1 100 319	1 100 319
Primethermo SIA loan discounted amount				(170 584)	(170 584)
Kopā:				10 494 935	9 917 109

Interest rates

Calculated interest is capitalized until the interest is paid.

In 31 December 2024 Prime Holding SIA loan consists of principal amount of EUR 4 060 068 and the interest EUR 755 388.

In 31 December 2024 Primekss Group SIA loan consists of principal amount of EUR 3 900 000 and the interest EUR 736 503.

In 31 December 2024 Primekss Israel 2011 loan consists of principal amount of EUR 95 253 and the interest EUR 17 988.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

The debt of SIA "PrimeThermo" is interest-free. According to the Company's accounting policy, long-term debtors are listed at their discounted value, applying the external financing rate available to the Company at the time of loan issuance, which is equivalent 4%. The mentioned debts will be paid off within the next 5 years.

25. Future liabilities

Operating leases contracts

In accordance with the non-cancellable office rental agreements, the Company has following future lease commitments:

	31.12.2024. EUR	31.12.2023. EUR
Office rental agreements:		
Payable within 1 year	301 158	225 738
Payable after more than 1 year and not later than 5 years	773 171	563 115
Total	1 074 329	788 853

26. Contingent liabilities

Guarantees issued

The Company has open OP Corporate Bank plc guarantee and letter of credit line with the total limit of EUR 5 450 000. The line is available until September 7, 2025.

Guarantees as well as the letters of credit import annual cost is 1.95% of the granted amount.

The amount of used bank guarantees and the letters of credit import line in 31 December 2024 is EUR 5 509 123.

The commercial pledge of the assets of SIA Primekss, SIA Primekss Group and AS Primeteh, as well as the guarantee of SIA Primekss Group and AS Primeteh and the guarantee of AS "Attīstības finanšu institūcijas Altum" in the amount of EUR 1 050 000 serve as a guarantee and security of the import letter of credit with a maximum amount of EUR 8 400 000.

AAS "BTA Baltic Insurance Company" within the credit limit for Group's and its subsidiaries clients have issued warranty time, performance and prepayment guarantees in the amount of EUR 38 thousand, within AAS "Ergo" in the amount of EUR 55 thousand and within AAS "Balta" in the amount of EUR 535 thousand.

Issued guarantees from OP Corporate Bank plc, AAS "BTA Baltic Insurances Company", AAS "Balta" and AAS "Ergo" cover theoretical risks which can occur to the Group's clients and suppliers in a situation when the Group could not fulfil its liabilities regarding its Guarantee time guarantee work execution payments for goods.

Other contingent liabilities

In the autumn of 2020, the Danish Revenue Service informed the Company about additional requirements related to the calculated income tax. The Company has engaged an independent Danish tax consultant to verify the accuracy of the tax calculation and to contest the claim. The estimated additional costs are EUR 96 thousand. The amount of additional tax mentioned in the report has not been recognized because the Company has filed a claim in the Danish tax court, where a decision could be made in the second half of 2025.

27. Financial risk management

The Company's activities expose it to a variety of financial risks: foreign currency risk; interest rate risk; credit risk and liquidity risk. The Company's management seeks to minimize potential adverse effects of financial risks on the Company's financial position. The Company does not speculate and does not use option agreements.

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

Foreign currency risk

Foreign currency risk is a financial risk of incurring loss due to adverse changes in foreign currency exchange rates. This risk arises when financial assets in foreign currencies do not match with financial liabilities in the same currency, thus the Company has open currency positions.

The Company's financial assets is EUR, SEK, DKK, DKK, NOK and USD currencies. The Company's main financial assets and liabilities are in euro (EUR). Revenues earned in Latvian territory and outside of Latvia are primary in EUR currency. Daily purchases and costs are primarily carried out in EUR, in some cases in USD.

In view of the currencies the Company uses, its foreign exchange risk is generally assessed as low. Accordingly, there is no need for use of financial derivative instruments for hedging purposes.

Interest rate risk

Interest rate risk is the risk that arises for the Company from fluctuating interest rates. The Company's interest rate risk arises from credit lines, which have variable interest rates.

In the current economic situation, the Company has assessed it as a low risk and does not consider that possible changes in interest rates should be limited with the use of financial derivatives.

Credit risk

A credit risk is the risk when financial losses arise for the Company, if the counterparty is not able to fulfill his commitments. Risk mainly is caused by cash and trade receivables and payables.

Cash in the bank account

Credit risk in respect of cash in banks is managed by assessing credit institutions to collaborate with, at the same time, retaining the opportunity to choose the most advantageous offers and decrease possibility of loss of finance resource.

Trade receivables and payables

The Company has developed a procedure for working with debtors, which entails continuous customer solvency evaluation, preventive measures to mitigate credit risk and ongoing monitoring of receivables. The Company's policy is to do business only with creditworthy counterparties or requiring substantial prepayment.

As the Company primarily focuses on large-scale projects, a significant concentration of credit risk arises on a regular basis both on domestic and foreign customers.

Trade receivables from related parties

Similar to working with the Company's direct customers, the company's subsidiaries cooperate only with creditworthy business partners. Accordingly, the Company's risks are also reduced.

Loans to related parties

In 2021, the financing of Primekss group companies was restructured. As a result, the Company received loans that were re-lent to subsidiary companies and to the parent and ultimate parent companies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to ensure the fulfillment of its liabilities timely and in full amount. Liquidity risk arises when repayment terms of financial assets and liabilities differ. The purpose of the Company's liquidity risk management is to maintain sufficient cash and its equivalents and availability of credit lines (See Note 19) to ensure the Company's ability to settle its liabilities when they are due. The Company regularly assesses the consistency of maturities of financial assets and liabilities, as well as stability of sources of long-term financing. The management believes that the Company will have sufficient funds to maintain a stable liquidation position and considers that the liquidity risk is insignificant. As of 31 December 2024, the Company's current liquidity coefficient was 1.55 (31.12.2023: 1.89).

SIA "PRIMEKSS" 2023 ANNUAL REPORT

Registration number 40003328876

Legal address: Gustava Zemgala avenue 76, Rīga, LV-1039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024**

28. Information about unfinished construction contracts

	31.12.2024.	31.12.2023.
	EUR	EUR
Total costs incurred	3 561 260	58 666
Total recognized revenue	4 731 295	128 248
Advances received	543 663	64 588

29. Events after the reporting date

The continuation of hostilities in Ukraine and sanctions against the Russian Federation may affect the European and global economy. The company does not have significant cooperation partners in Ukraine, Russia or Belarus, but the overall impact on developments in the world economy may affect its operations. The company's management follows developments in the economy and reorients its activities, for example by changing material suppliers. At the moment, the Company's management cannot predict how economic changes will affect its operations, but it is confident that it will be able to adapt to the changing market situation. However, this conclusion is based on the information available at the time of signing this financial statement, and the impact of future events on the Company's operations in the future may differ from the management's evaluation.

After the end of the reporting period, there were no other significant circumstances or events that could affect the future development of the Company.

On behalf of the Company, these financial statements were signed by:

Agnese Maskalāne,
Member of the Board

Līga Dubovska
Senior Accountant