BZK GRAIN ALLIANCE AB

Corporate identity number: 556754-1056

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

FOR THE FINANCIAL YEAR

1 OF JANUARY 2021 - 31 OF DECEMBER 2021

Contents

NOTES TO THE PARENT COMPANY'S ANNUAL REPORT:

Report on operation

About Grain Alliance

Grain Alliance is one of the leading agricultural companies in Ukraine. The company cultivates around 57,000 hectares of arable land in central Ukraine. The foundation for BZK Grain Alliance AB was laid in 1998. At that time, the company was primarily a supplier of agricultural services, but during the summer of 1998, two thousand hectares were seeded. The cultivated area increased gradually and in 2008 amounted to 27,000 hectares. In May 2008, the founder of the company, the American entrepreneur Alex Oronov, together with a group of Swedish investors led by the Claesson & Anderzén group, spearheaded and established a new company structure - Grain Alliance. Under this new corporate structure, the land bank has gradually increased, and the company has become more profitable, sustainable and straightforward.

In conjunction with the Swedish investments into the company a profound reorganization and restructuring was initiated. The company's operations were enhanced, and new modern corporate governance principles were introduced. Moreover, the additional capital enabled a rejuvenation of the equipment fleet and the introduction of new agricultural techniques.

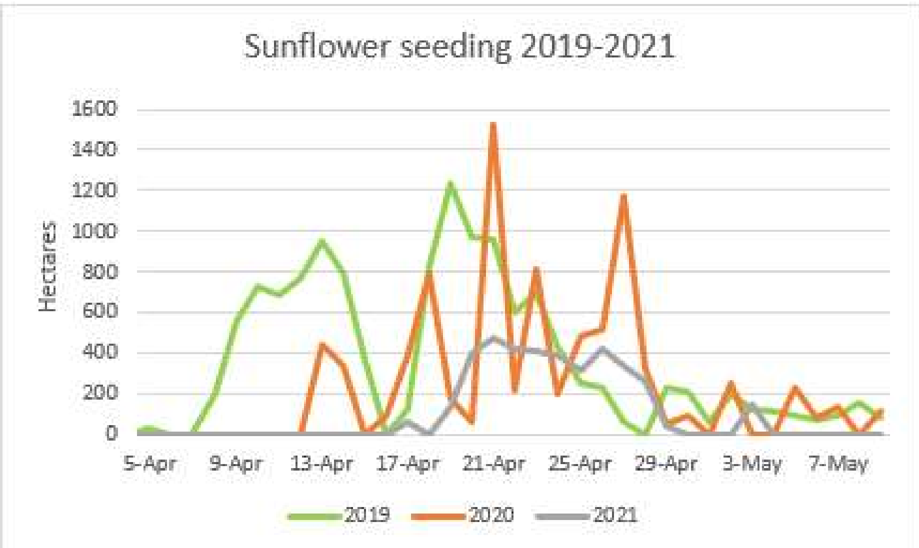
Operations and locations

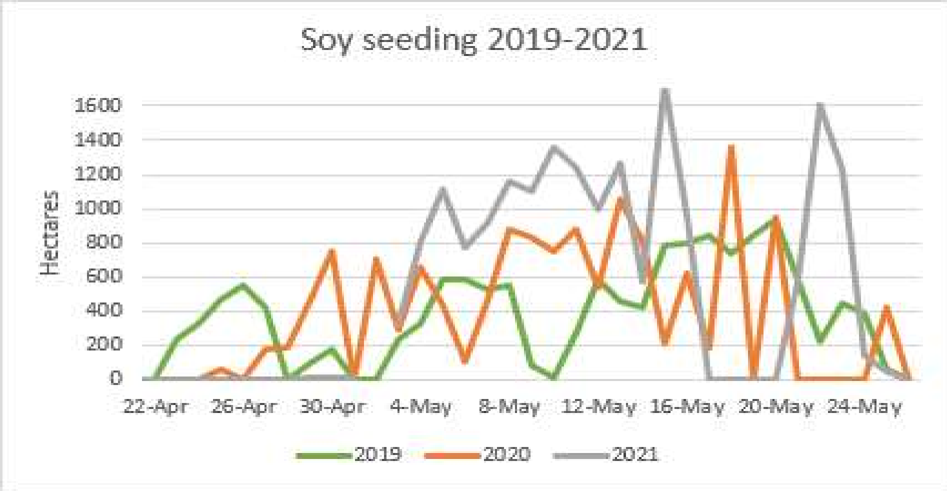
Grain Alliance lands are located in the center of the Ukrainian black earth belt. The company operates in four districts in Ukraine: Kyiv, Poltava, Cherkasy and Chernihiv districts. The agricultural operations are divided into three regions (clusters), where each region cultivates between 17,000 and 23,000 hectares. Each of the regions is fully equipped with modern agricultural equipment and the short distances between the regions enable the efficient utilization of machinery. In order to allow efficient handling and storage of the produced grain, the company has five drying facilities, four of which have a direct rail connection.

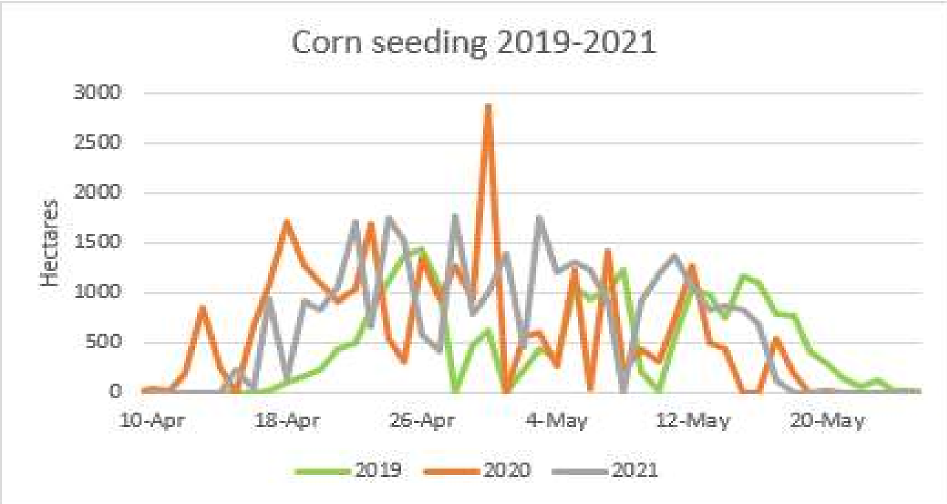
Efficiency and control are lead in Grain Alliance's strategy and therefore the company tends land within a limited geographical area. The radius of Grain Alliance's core area (the area farmed) is about 80 kilometers. During the past years, the company has gradually expanded and developed 16,000 ha in the Chernihiv region, north of Kyiv. Cultivating land in a limited geographical area allows a more efficient use of resources as transport for both equipment and crops is shorter. The simple fact that the lands are within an hour's drive from the main office also strengthens the control. Farming is a human intensive activity that requires hands-on monitoring and control. Grain Alliance operations are further supported by the five central grain handling facilities the company has either built from scratch or renovated. Having access to own in-house storage and drying not only increases the speed of the harvest but also mitigates logistic risks and gives the Company the opportunity to sell the crops when needed, not being forced to sell during the harvest when the prices are under pressure due to logistics limitation. Due to land bank expansion in Chernihiv, and expansion of corn crop in other regions Grain Alliance initiated further development of the drying and storage facility there in Nizhyn and drying facility in Pyriatyn. This program due to alternative fuel and energy efficiency measures implementation got support from EBRD in a way of 10 million Euro loan.

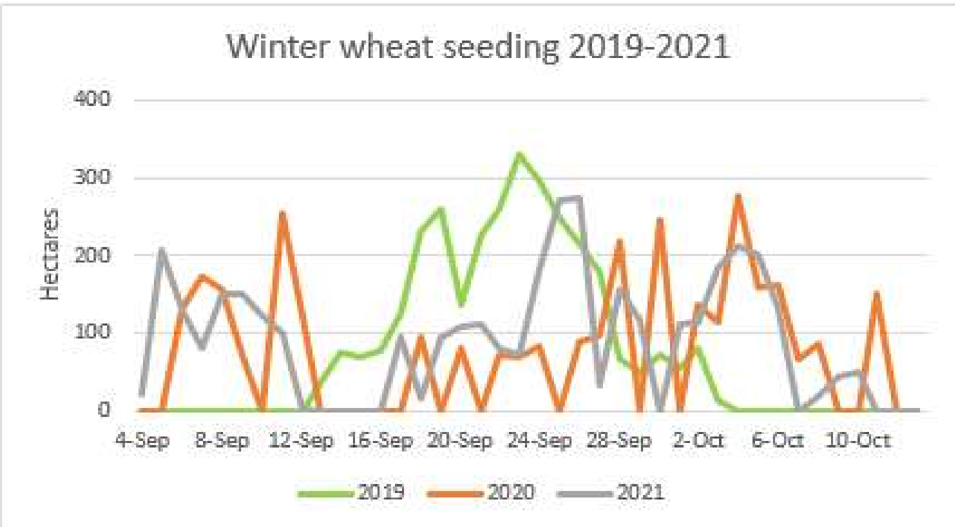
SEEDING 2021

2021 seeding campaign was well prepared to provide excellent operating results. The biggest challenge for the company was 30 000 hectares of corn seeding. Almost 17 000 hectares of corn were seeded in the Poltava cluster alone. During 2021, the company continued further improvement of the machinery fleet. The company has purchased two brand-new John Deere tractors 8340 together with the new precision seeder Väderstad Tempo L18 financed in the frames of the EBRD Capex Project.

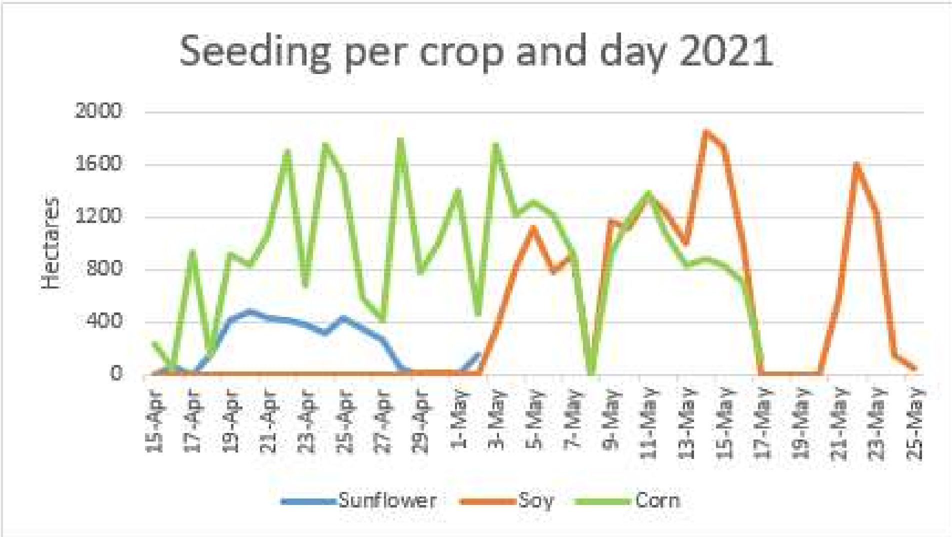



Soy seeding 2019-2021
Hectares
1600
1400
1200
1000
800
600
400
200
0
22-Apr 26-Apr 30-Apr 4-May 8-May 12-May 16-May 20-May 24-May
2019 2020 2021


Corn seeding 2019-2021
Hectares
3000
2500
2000
1500
1000
500
0
10-Apr 18-Apr 26-Apr 4-May 12-May 20-May
2019 2020 2021


Winter wheat seeding 2019-2021
Hectares
400
300
200
100
0
4-Sep 8-Sep 12-Sep 16-Sep 20-Sep 24-Sep 28-Sep 2-Oct 6-Oct 10-Oct
2019 2020 2021

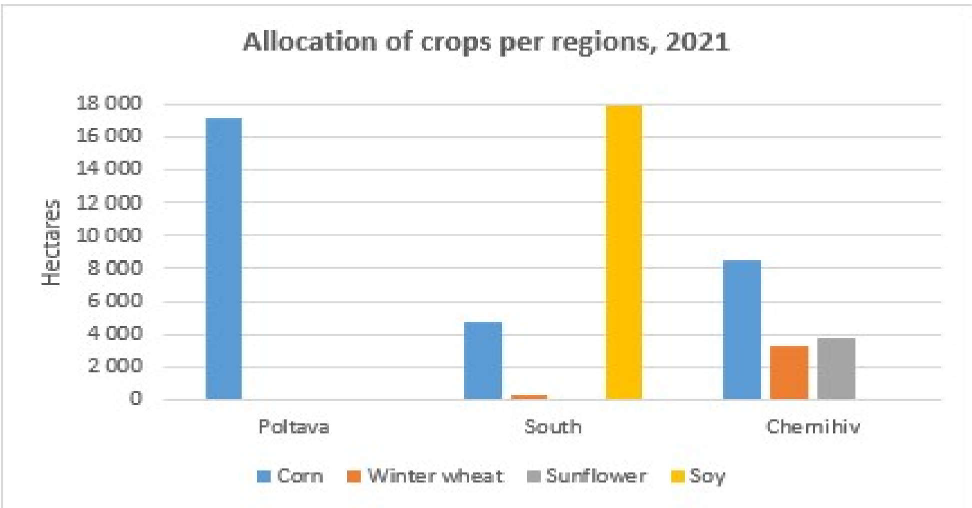
Crop production is one of the few industries that has not experienced the negative impact of quarantine restrictions. Yields mainly depended on weather conditions. In winter wheat was good conditions, all spring crops, in turn, were late with their vegetation due to high precipitation in spring. It resulted into later harvesting for corn, soybeans and sunflower.



ALLOCATION OF CROPS

Four main crops of GA: Corn, Soybeans, Sunflower and Winter Wheat were cultivated on 57 000 ha in 2021.

The biggest part in crop rotation takes corn – 30 400 ha or 54% of GA's arable land. Poltava cluster brings 57% of corn cultivation land.

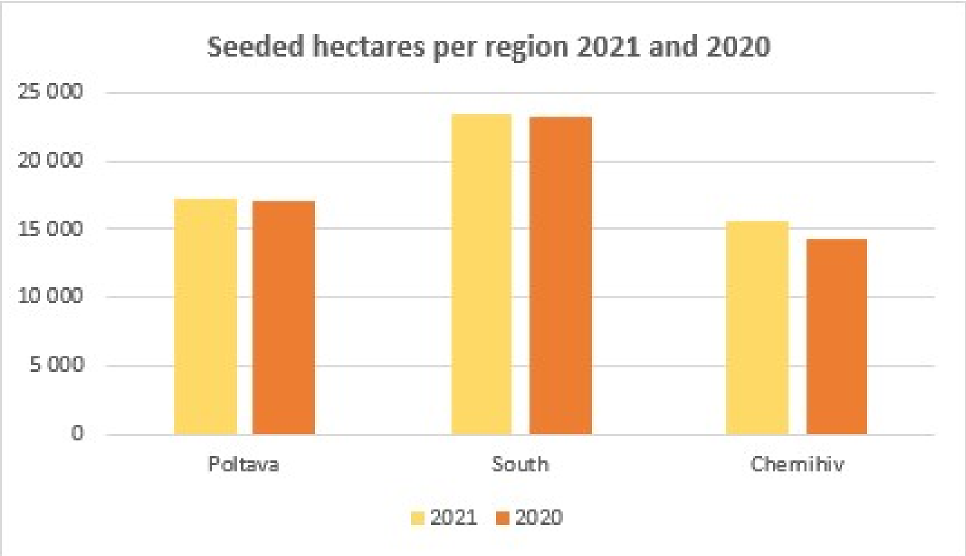


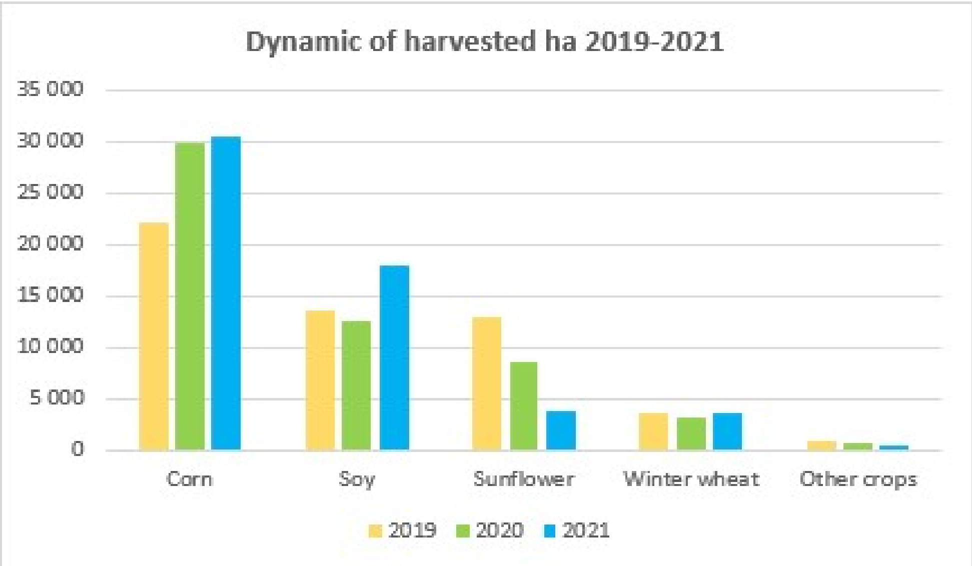
The soy area was cultivated on 17 900 ha in 2021. The South cluster is the only one in which soy was grown. Soy cultivation area was increased for 5 300 ha to 2020. The Company improves its scientific approach in the growing soy.

The sunflower was cultivated on 3 800 ha in 2021. It is 4 700ha less than the previous year. Sunflower is concentrated only in the Chernihiv cluster. Considering the gradual increase of sales prices and yield levels for all crops, soy, corn and wheat profitability becomes equal, slightly higher for sunflower.

Winter wheat is historically the least profitable crop for Grain Alliance. The sowing area of the winter wheat has not significantly changed compared to the previous year. The main reason for that is the preferable position of Corn and Soy for cultivation in GA.

GA cares for small areas for forage corn and alfalfa for its two cattle farms in the South region.





HARVEST 2021

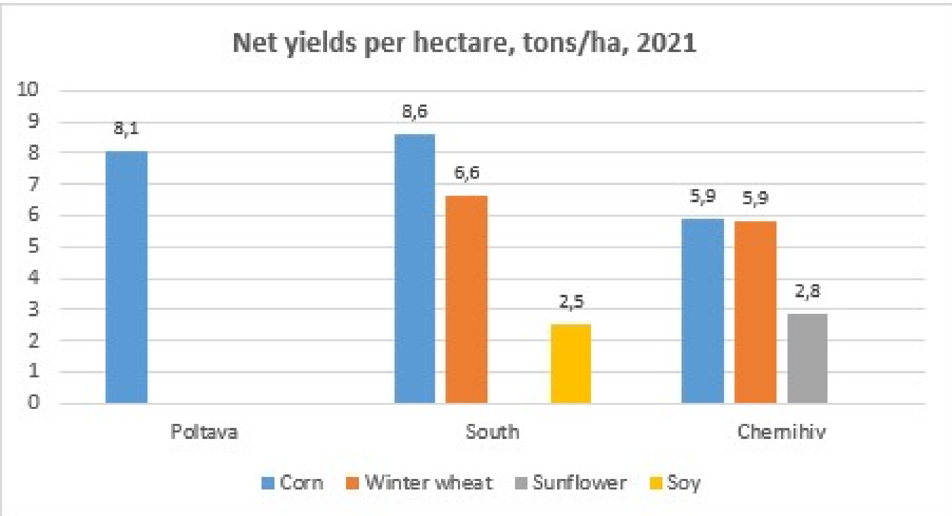
Wheat harvesting was started in the middle of July with the average net yield 5.9 tons/ha, which is in line with the budgeted yield.

At the end of August, we started harvesting spring crops. Due to the prolonged vegetation period of corn and rainy weather during the first 2 weeks of September, the Company started harvesting later than planned. The first crop was soybeans (29 August), next – corn (9 September) and sunflower (15 September).

Harvesting period 2021 by months and weeks

Crops	July 2021				August 2021				September 2021				October 2021					November 2021				December 2021				January 2022			
	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	1	2	3	4
Corn									125 days																				
Soy							57 days																						
Sunflower										32 days																			
Wheat	27 days																												

The harvesting campaign of soy and sunflower was very successful for the Grain Alliance as it was finished promptly. The team has done its best and finished harvesting at the end of October 2021. Corn harvesting lasted until the end of the year.



CROP PRICES AND SALES 2021

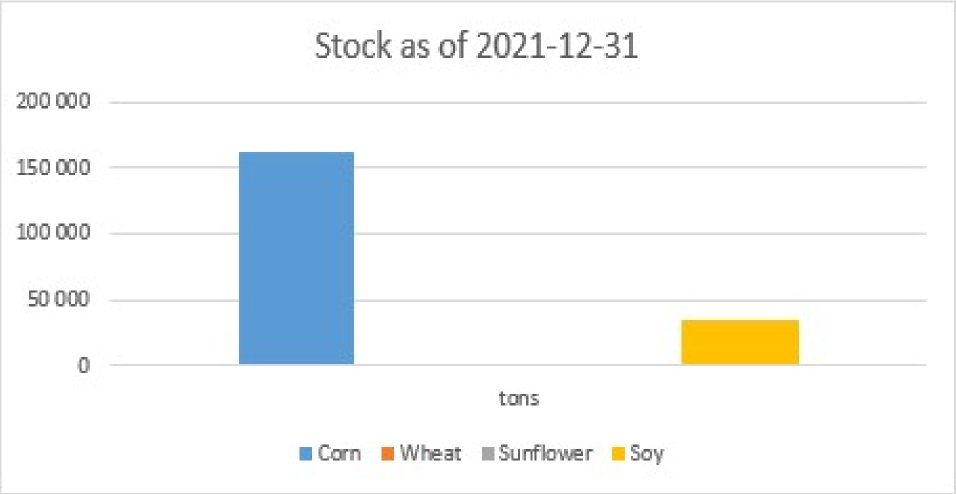
In order to maintain liquidity at the proper level, the Group actively enters into contracts for the supply of grain throughout the year, including the pre-sowing season. Forward contracts are usually made to hedge against unforeseen events, including waring prices and bad weather.

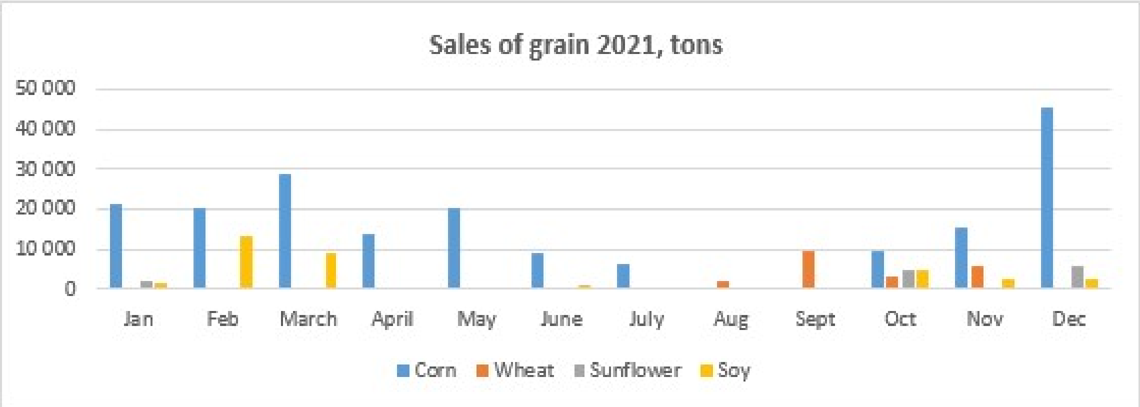
During Q1-Q2 2021, the Company has finished the execution of the sales contracts of grain harvested in 2020. There were no breaches of the sales contract's terms and conditions.

A sharp increase in world agricultural prices in the 2020-2021 marketing year has lifted forward grain and oilseed prices for the new season starting on the 1st of July with prices standing at multi-year highs.

According to the State Customs Service of Ukraine, in 2021, Ukraine exported agricultural food in the amount of 27.9 billion dollars, almost 25% above the 2020 record of 22.4 billion dollars. Thus, for the fourth year in a row, our country has updated the historical record of agricultural exports.

Grain Alliance continues sales in USD, CPT sea port or DAP Ukrainian border compared to 5 years average and managed to ensure timely deliveries.





As of December 31, 2021, the Company had approximately 196 thousand tons of grain in a stock.

Directors' report

Result/Sales

Production of 2021 was evenly sold and shipped to buyers during the marketing year. The grain sales prices have continued a sharp increase since the middle of the year. Grain Alliance managed to have sales higher than budget prices.

Currency

During the year ended 31 December 2021, the Ukrainian Hryvnia appreciated against the EUR and US dollar by 11% and 4% respectively; Swedish Krona depreciated against the EUR and US dollar by 3% and 10% respectively (2020: depreciated against EUR by 30%, against the US dollar by 20%; Swedish Krona – 36%).

The Company's operational currency is the Ukrainian hryvnia.

The financial sector has successfully gone through the coronavirus crisis and properly performed its functions. The Ukrainian banks have entered the pandemic with enough capital and high liquidity. Still, the banking sector remains highly profitable due to stable operating income.

The National Bank of Ukraine has encouraged banks to restructure loans to the borrowers who face temporary financial difficulties during the crisis.

Grain Alliance has properly executed all obligations with the commercial and international banks.

In 2021, the National bank of Ukraine has increased its key policy rate from 6.0% to 9.0%. The interest rates on loans in commercial banks have correspondingly grown.

Investments during 2021

According to the updated production policy, Grain Alliance still considers soy and corn as the most profitable crops. Grain Alliance continues to pay much attention to improving the quality of seeding, protection and timing. During 2021, Grain Alliance has invested into purchase of its own railcars in quantity 54 units, updated its tractor fleet with the brand-new John Deere tractors, corn planter Väderstad Tempo L18 and Subsoilers Quivogne SSDR 7/300.

Grain Alliance continues cooperation with the EBRD in the frames of the 7-years capex loan agreement and Grant agreement with Taiwan ICDF.

At the turn of 2021, Grain Alliance has decided to revert to the initial program. Due to the rapidly increasing land bank of the Chernihiv cluster in combination with the production policy, the company has pursued investments into further development of the drying and storage capacities of the Nizhyn elevator (Chernihiv district). The main works on the construction of the Nizhyn elevator were completed in September 2021. Thus, the total storage capacity at the facility is around 70 thousand tons, and the drying capacity is more than 2300 tons of corn per day. A unique feature of the facility is the operation of dryers exclusively on solid biofuel including production waste, sunflower husk and biomass pellets. Thus, with nil use of natural gas, the facility will dry about 100 thousand tons of corn per year of its own and the third parties' grain. It is estimated this to save about 600 thousand m3 to 1 million m3 of natural gas per season. Thus, this facility not only increases the economic potential of the region but also makes a significant contribution to environmental safety, as well as the energy independence of Ukraine.

STORAGE AND DRYING CAPACITY 2021-12-31

Elevators	Baryshivka	Berezan	Yahotyn	Pyriatyn	Nizhyn	Yarmolyntsi
Max storage capacity	18 000 t.	44 000 t.	55 000 t.	105 000 t.	69 000 t.	16 000 t.
Type of storage	Flat bed	Flat bed + steel silos	Flat bed + steel silos	Steel silos	Steel silos	Flat bed + steel silos
Drying capacity	650 t/day	1000 t/day	1000 t/day	2600 t/day	2300 t/day	600 t/day
Railroad	On site	On site	8 km	On site	On site	5,5 km
Shipment capacity	800 t/day	1000 t/day	1750 t/day	2000 t/day	1750 t/day	800 t/day

EMPLOYEES

The average number of employees in 2021 was 1044, divided between 219 women and 825 men. However, it is important to keep in mind that the number of employees depends on the season. The vast majority of employees are seasonal employees who assist during seeding or harvest. The Company continues implementation of its regular plan of staff optimization in the frame of the operational efficiency increase program.

OWNERSHIP

In total, there are 7,807,775 shares in the company. The principal owner Agro Ukraina AB, owns 7, 801 155 (99.92%) of the shares. Behind it stands the CA group.

ENVIRONMENTAL ASPECTS AND SUSTAINABILITY

Sustainability and caring for the environment are central questions for Grain Alliance. The Company follows a balanced crop rotation plan, which aims to prevent exhaustion of the soil and minimize negative environmental effects. The crop production approach is based on scientific measurements of the soils and modern production methods. Since 2008 Grain Alliance has carried out annual soil analysis on the cultivated fields. Our up-to-date laboratory allows to provide qualitative analysis of plant development in fields and diagnostics of diseases. The information from the analysis is the basis for the overall environmental strategy that aims to avoid exhaustion, harmful soil compaction and other adverse environmental effects.

Another important part of this environmental strategy is the introduction of modern farming methods, and the old outdated equipment has been replaced in favour of modern equipment. We also introduce new methods of balanced plants' feeding with micro- and macro- fertilizers during the vegetation period to avoid soil exhaustion. The Company's long-term goal is to increase the share of renewable fuels in our production as well as in heating villages and towns around us. The investment in the thermal generators in Yahotyn, Pyriatyn and Nizhyn allowed for a decrease in natural gas consumption.

Grain Alliance continues implementation of its environmental and social action plan which aims to enhance the environmental, health and safety programs and the employee-management relationship. During 2021, the company has improved a stakeholder engagement program and the corporate social responsibility program.

HUMAN RESOURCE POLICY

Grain Alliance has an active HR policy that centres around personal development and education. To fulfil its policy, the company has taken all appropriate measures to offer remote training for the personnel of all levels.

To withstand the challenges of the COVID-19 pandemic, the company has followed all possible precaution measures for the workplaces, including regular environmental cleaning and disinfection, physical distancing, personal hygiene, reduction of work-related travels, provision of regular information about the risk of COVID-19 to increase awareness among workers and promote safe individual practices at the workplace etcetera.

RISKS

The Group's agricultural operations are conducted entirely in Ukraine, which can be classed as an economy in transition. A transition economy is characterized by the limited availability of capital, high inflation, unbalanced trade balance and strained public finances. The operations as such are also associated with risks in the form of volatile world prices, climate change and other external influences on the soil and crops. The fact that operations are conducted in Ukraine also entails elevated economic and political risks compared with, for example, Sweden. In 2021, the Ukrainian economic situation demonstrated a slight improvement.

Political risks

The political situation throughout 2021 remained unchanged due to the ongoing military conflict in the Eastern Ukraine. Relations between Ukraine and the Russian Federation remained tense for a year, which escalated into a full-scale Russian-Ukrainian war in the late February 2022.

Political instability could negatively affect the country's economic situation, reduce investment attractiveness and complicate business operations. The management of the Group is confident that it should be a strong business model, an expansion of export sales and participation in the industry associations in order to represent the interests of the Group.

The company monitors the current situation and takes measures to minimize any negative effects. To address the country-specific risks the company participates actively in discussions with industry associations, government agencies and the Swedish Embassy in Ukraine. For more detailed information about risks and risk management, see Note 30.

Macroeconomic risk

In 2021 the degree of macroeconomic uncertainty in Ukraine still remained high due to a significant amount of public debt. At the same time, the authorities continued demonstrating their commitment to introduce reforms in order to boost economic growth, while maintaining macro-fiscal stability and liberalizing economic environment.

Further economic growth largely depends on the success of the Ukrainian army, the end of the war and the actions of the Ukrainian government in implementation of the planned structural reforms and effective cooperation in the international area.

Climate risk

Unfavourable weather conditions could have a negative impact on crops and direct implications for the per-unit cost of production. The land cultivated by the Group is spread between different climate zones of Ukraine. This allows reducing the possible negative impact of adverse weather conditions. Additionally, to mitigate the influence of this risk the Company uses the following practices and approaches:

- use of advanced technologies;
- a diversified portfolio of products;
- modern agronomic solutions.

Land assets risk

The land is a key resource in agricultural production. The Group leases land from landowners on a long-term basis. The abolition of the moratorium can motivate some landowners to sell their land plots instead of rolling over land lease agreements. It could lead to a reduction in the size of the leased landbank.

To mitigate this risk, the Group holds a number of social events for the local communities. Land lease agreements re-signing in the best interest of counterparties increase the share of long-term land lease agreements. Hence, the Group estimates the risk level to be stable and continues monitoring of the situation in the regions in which the Group carries out its operations. It is expected to have no significant impact on its land portfolio.

Government and regulatory risk

The Group's businesses may be affected by regulatory developments such as changes in fiscal, tax or other restrictive mechanisms. The Company constantly conducts monitoring of the regulatory environment. Business operations are executed in accordance with the current legislation.

Market / Distribution risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group cooperates with the major grain traders, which allows to sell large quantities of grain at the most favourable prices of the export market.

Foreign exchange risk

The main functional currencies of the Group are the Ukrainian hryvnia and the US dollar. Fluctuations in the value of the Ukrainian Hryvna versus the US dollar and the other currencies may negatively affect the business and can lead to deterioration of the Company's financial results. The Group's sales policy is export-oriented, ensuring sufficient currency proceeds. For currency risk mitigation the management of the Group is matching the timing of export sales with the purchase of inputs denominated in foreign currencies and locking in purchasing and sales prices.

Raw material and resources risk

Volatility of the raw material prices could affect the operating results and profitability. Operating costs could increase and adversely affect the financial performance and the cost of production. The risk is basically connected to a possible price growth for fuel, energy, seeds, fertilizers and crop protection materials. To reduce the above risks, the Group continues:

- to successfully implement the fuel consumption and machinery usage controlling systems using GPS trackers and fuel level sensors;
- to focus on a limited number of crops that allows to use and purchase of seeds, fertilizers and crop protection materials more efficiently by the wholesale prices;
- to build long-term and mutually benefitted relationships with suppliers of qualitative seeds, fertilizers and crop protection materials.

Important events during the reporting period

The proceeds from sales were used to repay short-term debts in local currency and for the purchase of agricultural inputs (seeds, herbicides, fertilizers). Part of the loans have been repaid after the balance sheet date with a total of 205.8 million UAH, and new loans have been taken with a total of 408.5 million UAH.

On November 02, 2021, the official opening of the second stage of the modern elevator took place in Nizhyn. The opening ceremony was attended by the good friends and partners of the Grain Alliance in Ukraine, including officials and representatives of the partner banks.

Land Reform update. Following a 19-year moratorium, the Parliament of Ukraine has finally adopted a law on terms and conditions of agricultural land circulation, which entered into force on July 1, 2021. The key tasks at the market launch stage are the following: transfer of agricultural lands from the state ownership to communal one of amalgamated territorial communities; transfer of land management powers to the local level; inventory of lands, digitization thereof, entering information about these in the State Land Cadastre; ensuring publicity of information about land and resources; illegal takeover counteraction etc.

The impact of COVID-19 on the Group's results was not material during 2021. The Group cooperates with big suppliers and there was no significant disruption in the supplying of materials, which allowed us to complete the production process of growing, collecting, storing, and selling products as usual. Our operations and logistics were running quite smoothly throughout the year. Management continues monitoring of the situation closely on a permanent basis and will assess the need for additional measures in case the period of disruption becomes prolonged.

Important events after reporting period

The ongoing Russian military invasion may have a major impact on the Group's future plans, read more about this in Note 33 Important events after the end of the reporting period.

Plans for the future

Grain Alliance will continue to produce crops in Ukraine, expand the cultivated area and secure the land bank. The company believes that one of the continuing key success factors is to have the storage capacity to fend off price fluctuations and logistic bottlenecks during harvest time.

The planned expansion will mainly take place in the regions where the company already has significant operations, but also in other geographical areas deemed by the Board to be of interest for potential expansion. In addition to the expansion of the land bank and further investment in equipment upgrades, the company will continue (1) the enhancement of agro-techniques with an increased focus on agronomy and in-house scientific laboratory development; and (2) improvement of the grain production supply chain and the distribution network.

KEY RATIOS

	2021	2020	2019	2018	2017
Turn over, KSEK	561 435	451 448	641 680	366 818	438 041
Operational result, KSEK	424 590	151 293	63 793	147 019	43 396
Result after financial costs, KSEK	362 550	47 494	-22 309	130 293	10 411
Equity ratio %	66,00%	43,82%	45,89%	56,74%	60,52%
Cash flow, KSEK	-44 946	42 351	8 437	9 084	12 113

OUTLINE OF THE PARENT COMPANY RESULTS

The following earnings are at the disposal of the Annual General Meeting (SEK):

Retained earnings	263 822 660
Net result of the period	2 954 038
	266 776 698

The Board proposes that the profit/loss be appropriated as follows:

Dividend	0
to be carried forward	**266 776 698**

Results of operations and the financial position at year end are shown in the Income Statement and Balance Sheet that follow, as well as in the information contained in the Notes to the Accounts.

Consolidated statement of comprehensive income
In thousands of SEK

		The Group	
	Notes	**2021**	**2020**
Revenue from sales	5	561 435	451 448
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	18	444 560	165 874
Cost of sales	6, 12	-530 487	-403 680
Gross profit		**475 508**	**213 641**
Other operating income	7	29 569	4 228
General and administrative expenses	8	-37 683	-33 104
Selling expenses	8	-33 551	-24 328
Other operating expenses	9	-9 253	-9 143
Operating profit / (loss)		**424 590**	**151 293**
Finance costs	10	-71 451	-76 220
Finance income	11	404	737
Foreign exchange gain	13	9 008	-28 314
Profit / (loss) before tax		**362 551**	**47 495**
Income tax expense	14	-1	-1
Profit / (loss) for the year		**362 550**	**47 494**

Other comprehensive income:		
Items that can be reclassified in the income statement		
Foreign exchange differences	73 584	-127 502
Tax effect	-	-
Total comprehensive income for the year	**73 584**	**-127 502**
Whereof attributed to equity holders of the company	**362 550**	**47 494**
Whereof attributed to equity holders of the company	**436 134**	**-80 008**

Consolidated statement of financial position

In thousands of SEK

	Notes	The Group	
Non-current assets		**2021**	**2020**
Property, plant and equipment	15	272 608	201 605
Intangible assets	16	2 670	2 332
Biological assets	18	4 241	3 199
Other non-current assets	17	57 104	40 726
Right of use assets - Land leases	19	249 126	234 378
		585 749	**482 241**
Current assets			
Inventories	20	609 270	252 196
Biological assets	18	12 318	7 700
Trade and other receivables	21	5 167	9 223
Other current assets	21	123 577	52 487
Cash and cash equivalents	22	39 938	84 884
		790 270	**406 491**
Total assets		**1 376 019**	**888 733**
Equity			
Issued capital	23	11 556	11 556
Other contributed capital		278 295	278 295
Foreign currency translation reserve		-143 637	-217 221
Retained earnings		679 329	316 780
		825 543	**389 410**
Non-current liabilities			
Loans and borrowings relative parties	24	32 810	32 064
Loans and borrowings	24	91 281	32 496
Longt term lease obligation	25	267 281	238 961
		391 372	**303 521**
Current liabilities			
Loans and borrowings bank	24,32	46 997	139 584
Loans and borrowings relative parties	24	-	-
Short term lease obligation	25	31 052	23 339
Trade and other liabilities	26	19 796	15 560
Other current liabilities	26	61 259	17 320
		159 104	**195 803**
Total liabilities		**550 476**	**499 324**
Total equity and liabilities		**1 376 019**	**888 733**

Consolidated statement of changes in equity

In thousands of SEK

The Group	Issued Capital	Other contributed capital	Foreign exchange differences	Retained earnings	Total equity
Balance at 31 December 2019	**11 556**	**278 295**	**-89 719**	**269 285**	**469 417**
Profit for the year				47 494	47 494
Other comprehensive income			-127 502		-127 502
Total comprehensive income			*-127 502*	*47 494*	*-80 008*
Transactions with owners					
Issue of capital					
Balance at 31 December 2020	**11 556**	**278 295**	**-217 221**	**316 780**	**389 410**
Profit for the year				362 550	362 550
Other comprehensive income			73 584		73 584
Total comprehensive income			*73 584*	*362 550*	*436 134*
Transactions with owners					
Issue of capital					
Balance at 31 December 2021	**11 556**	**278 295**	**-146 637**	**679 329**	**825 543**

Consolidated statement of cash flow
In thousands of SEK

	The Group	
	2021	**2020**
Operating activities		
Profit / (loss) before tax	**362 550**	**47 494**
Non-cash adjustments:		
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	-444 560	-165 871
Depreciation	74 857	80 243
Gain on sales of fixed assets	-	1 232
Finance income	-404	-737
Foreign exchange gain	-9 008	28 314
Finance costs	71 451	76 220
Loss on impairment of accounts receivable and prepayments	525	2 112
Loss on impairment of property, plant and equipment	4 847	-
Shortages and losses from damage of valuables	51	2 259
Working capital adjustments:		
Change in biological assets	2 153	339
Change in trade receivables and other current assets	-66 017	-20 175
Change in agricultural produce and other inventories	134 744	57 085
Change in trade and other payables and other current liabilities	20 013	5 057
	151 202	**113 572**
Interest received	404	737
Cash flows from operating activities	**151 606**	**114 309**
Investing activities		
Purchase of property, plant and equipment	-95 386	-42 246
Prepayments for property, plant and equipment	-	-
Sales of property, plant and equipment	3 129	1 181
Purchase of Intangibles assets	-1 174	-1 178
Proceeds from (payments for) other non-current assets, net	-1 865	-3 451
Net cash flows used in investing activities	**-95 296**	**-45 694**
Financing activity		
Proceeds from loans and borrowings	275 654	360 806
Repayment of loans and borrowings	-326 305	-297 246
Interest paid	-13 935	-15 929
Payment of finance lease obligations	-64 269	-62 623
Revenue from government grants	21 083	-
Net cash flows from financing activities	**-107 772**	**-14 993**

Consolidated statement of cash flow

In thousands of SEK

Net change in cash and cash equivalents	-51 462	53 623
Foreign exchange difference cash	6 516	-11 273
Cash and cash equivalents at 1 January	84 884	42 533
Cash and cash equivalents at 31 December (Note 22)	**39 938**	**84 884**

In thousands of SEK

1. CORPORATE INFORMATION

BZK Grain Alliance AB (hereinafter referred as the "Parent Company" or the "Company", registration number 556754-1056) was incorporated in Sweden on 19 March 2008. The registered office of the Company is Stockholm (Humlegårdsgatan 19A, 114 46, Stockholm) in Sweden. The company is a majority-owned subsidiary of Agro Ukraina AB (corporate id.number 559040-4157, with registered office in Kalmar). Agro Ukraina AB is part of a group where CA Investment AB (corporate id. number 556794-8459, with registered office in Kalmar) prepares its consolidated financial statements for the smallest group and where Claesson & Anderzén AB (corporate id.number 556395-3701, with registered office in Kalmar) prepares consolidated accounts for the largest Group.

As at 31 December the Company holds ownership interests in the following subsidiaries (hereinafter the Company together with its subsidiaries referred to as the "Group"):

Name	*Corporate id.nr*	*Location*	*Function*	*2021*	*2020*
Baryshevska Grain Company LLC	32886518	Ukraine, Baryshevka	Planting, livestock farming	100%	100%
Baryshevska Grain Trading Company LLC	39843554	Ukraine, Yarmolenci	Planting	100%	100%
Charity Foundation "Development of the village"	38467802	Ukraine, Baryshevka	Charity fund	100%	100%

The principal activity of the Group is crops cultivation, cattle farming and sale of agricultural production in Ukraine

1.1 Operating environment

The Ukrainian economy, where the Group's majority of operations are located, while deemed to be of market status continues to display certain characteristics consistent with that of an economy in transition, for example low levels of liquidity in the capital markets, high inflation and the existence of currency controls which cause the national currency to be limited liquidity outside of Ukraine. The stability of the Ukrainian economy will be impacted by the Government's policies and actions with regard to administrative, legal, and economic reforms. As a result, operations in Ukraine involve some risks that are not typical for developed markets.

The Ukrainian economy is integrated into the global economy, and it is vulnerable to market downturns and economic slowdowns elsewhere in the world. Following the significant deterioration in 2014-2016, the current political and economic situation in Ukraine remains unstable. The Ukrainian government continues to pursue a comprehensive structural reform agenda aiming at the removal of the existing imbalances in the economy, public finance and governance, fighting corruption, reforming judiciary system etc. with the goal to secure conditions for the economic recovery in the country.

The ongoing Russian military invasion has had a major impact on the country's economy, read more about this in Note 33 Important events after the end of the reporting period.

1.2 Covid-19

The Covid-19 outbreak was first reported near the end of 2019. At that time, a cluster of cases displaying the symptoms of a 'pneumonia of unknown cause' were identified in Wuhan, the capital of China's Hubei province. On 31 December 2019, China alerted the World Health Organization (WHO) of this new virus. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a 'Public Health Emergency of International Concern'. Since then, the virus has spread worldwide. On 11 March 2020, the WHO declared the Covid-19 outbreak to be a pandemic.

Covid-19 has significantly impacted the world economy. Many countries have imposed travel bans on millions of people and additionally people in many locations are subject to quarantine measures. Businesses are dealing with lost revenue and disrupted supply chains. While some countries have started to ease the lockdown, the relaxation has been gradual and, as a result of the disruption to businesses, millions of workers have lost their jobs. The Covid-19 pandemic has also resulted in significant volatility in the financial and commodities markets worldwide. Numerous governments have announced measures to provide both financial and non-financial assistance to the affected entities.

The Covid-19 pandemic affects the assumptions and estimation uncertainty associated with the measurement of assets and liabilities.

2. Basis of preparation

These consolidated financial statements are to present for approval by the annual general meeting on 29 of June 2022. The Board has presented the annual report for publication on 28 of June 2022.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The consolidated financial statements have been prepared on a historical cost basis, except for biological assets and agricultural produce, which are measured to fair value in accordance with the requirements of IAS 41 *Agriculture* as disclosed below in Note 3 Summary of significant accounting policies, as well as financial instruments.

IFRS 8 and IAS 33 has not been applied, because the company is not listed.

The consolidated financial statements are presented in thousands of Swedish Krona ("SEK") and all values are rounded to the nearest thousand ("SEK 000") except when otherwise indicated.

Each entity of the Group individually maintains its own books of accounts and prepares its statutory financial statements in accordance with the International Financial Reporting Standards (IFRS). The consolidated financial statements of the Company and its subsidiaries are based on the statutory records and adjusted as necessary to comply with the requirements of IFRS.

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

3. Summary of significant accounting policies

Classification

Non-current liabilities and non-current assets consist in all material of amounts expected to be recovered or paid after more than twelve months from balance sheet date. Current liabilities and current assets consist of amounts expected to be recovered or paid within twelve months from balance sheet date.

Business combinations

Business acquisitions are accounted for the acquisition method, whereby the cost allocated to the acquired assets and liabilities at fair value at acquisition. If there is a positive difference this is recognized as goodwill. If there is a negative difference this is recognized in the income statement in the period it occurs.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Any excess of fair value over consideration paid is recognised immediately in the profit and loss and presented therein as the gain from business combinations.

Functional and reporting currency

The functional currency of the Parent Company is Swedish Krona. The functional currency of the Ukrainian subsidiaries is the Ukrainian Hryvnia ("UAH") as this is the currency which reflects the economic substance of the underlying events and circumstances of the Ukrainian subsidiaries. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are retranslated into the functional currencies at the statement of the financial position date at the functional currency rate of exchange ruling at that date. All differences are taken to the profit and loss. The income statement is translated at the average annual rate.

These financial statements are presented in SEK. The assets and liabilities of foreign subsidiaries are translated into SEK at the end of each year and profit and loss items and cash flows of the foreign subsidiaries are translated at exchange rates that approximates the exchange rates at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The UAH is not a convertible currency outside the territory of Ukraine. Within Ukraine, official exchange rates are determined daily by the National Bank of Ukraine ("NBU"). Market rates may differ from the official rates but the differences are, generally, within narrow parameters monitored by the NBU. The translation of UAH denominated assets and liabilities into SEK for the purpose of the consolidated financial statements does not necessarily mean that the Company could realise or settle, in SEK, the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Company could return or distribute the reported SEK value of capital and retained earnings to its shareholders.

Intangible assets

BZK Grain Alliance AB maintains accounting of the intangible assets in accordance with IAS 38.
The company records the intangible assets in the following groups:
- right to use land in the form of emphyteusis;
- royalty;
- software.

The initial cost of intangible assets is formed from the actually incurred costs of its acquisition or creation.
The initial cost of intangible assets includes:
1) asset purchase price
2) direct costs required to bring intangible assets into working condition.

Not included in the cost of an intangible asset, but written off to expenses of the period:
· General administrative expenses;
· Training costs;
· Initial operating losses.

Subsequent costs are capitalized if they satisfy the criteria for capitalization of subsequent costs. In particular, capitalized costs are the costs inquired for development of additional modules of the automated operating system (ERP), as well as the costs of increasing the functionality and bringing the system into a usable state.
The costs of the current setup, maintenance and software updates are included in the current expenses of the reporting period.

After initial recognition, intangible assets are accounted for using the actual cost model less accumulated depreciation and accumulated impairment losses (IAS 36). Intangible assets are amortized over their entire useful life using the straight-line method.
The liquidation value of intangible assets with a definite useful life is recognized equal to zero.

Asset category	*Useful life (years)*
Right to use land in the form of emphyteusis	According to contract period
Software	3
Royalty	1

The company analyses the useful lives of intangible assets, the residual value and the depreciation method for the need to review them at each annual reporting date. Changes in estimates are accounted for prospectively.
An intangible asset is derecognized:

1) upon disposal of an asset or
2) when the future economic benefits are no longer expected from the asset.

The gain or loss on derecognition of intangible assets is calculated as the difference between the net income from disposal (sale) and the carrying amount of the asset.
Gains or losses on disposals relate to other income and expenses and are recognized in profit or loss in a collapsed form.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. As at 1 January 2010, the date of the first-time adoption of IFRS, the fair value of property, plant and equipment of the Ukrainian subsidiaries, which was appraised by an independent appraisal, were regarded as deemed cost.

Upon recognition, items of property, plant and equipment are divided into components, which represent items with a significant value that can be allocated to a separate depreciation period. Overhaul costs also represent a component of an asset.

Major spare parts and stand-by equipment qualify as property, plant and equipment when they are expected to be used during more than one year.

Repair and maintenance expenditure is expensed as incurred. Major renewals and improvements are capitalised, and the assets replaced are retired. Gains and losses arising from the retirement of property, plant and equipment are included in profit and loss as incurred.

When each major inspection is performed, its cost is recognised as a component in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Estimates of remaining useful lives are made on a regular basis for all buildings, plant and equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively. Depreciation commences on the first day of the month following the date of putting the item into operation.

Depreciation is calculated on a straight-line basis over the estimated remaining useful life of the asset as follows:

Asset category	*Useful life (years)*
Buildings	25-50
Plant and equipment	7-30
Vehicles	7-10
Furniture and fittings	3-5

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the year the item is derecognised.

Construction in progress

Assets in the course of construction are capitalised as a separate component of property, plant and equipment. On completion, the cost of construction is transferred to the appropriate category. Construction in progress is not depreciated.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Biological assets and agricultural produce
Valued at level 3

Plants

Biological assets comprise crops that have been planted but have not yet been harvested. In accordance with IAS 41, the Group's biological assets have been recognized and are measured at fair value less cost to sell. Agricultural produce harvested from the Group's biological assets is measured at its fair value less estimated costs to sell at the point of harvest. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

Due to the lack of observable market prices for certain biological assets in their condition (i.e. as a growing crop) at the time of valuation, the Group estimates the fair value of its biological assets by means of the discounted cash flow method (i.e., by calculating the present value of the net cash flows expected to be generated from the assets when sold as a grown crop, discounted at a current market-determined rate). In particular, the Group based its estimates of fair value of certain biological assets on certain key assumptions, including:

- expected crop yield is based on past crop yield adjusted for actual weather conditions;
- production costs expected to be incurred are projected based on the Group's actual, historical information and forecast assumptions;
- discount rate calculated as a weighted current market-determined rate.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less cost to sell of a biological asset is included in profit or loss for the period in which it arises. A gain or loss may arise on initial recognition of agricultural produce as a result of harvesting. It is included in profit or loss for the period in which it arises.

After the point of harvest the agricultural produce is measured at the lower of the fair value at the point of harvest less cost to sell and net realizable value. Any losses between the initial recognition of the agricultural produce at the point of harvest and net realizable value are included in profit and loss for the period in which they arise.

Once agricultural produce is sold its carrying value at the date of the sale is transferred to cost of sales.

Livestock

The livestock is measured at fair value less estimated point-of-sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit based on the most likely market.

Inventories other than biological assets and agricultural produce

Inventories other than biological assets and agricultural produce are stated at the lower of cost and net realisable value. The cost of inventories includes the expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost is determined based on the weighted average cost. The cost of preparing and treating land prior to seeding is classified as work in progress. After seeding, costs of field preparation are transferred to biological assets.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities of the Group are represented by cash and cash equivalents, trade accounts receivable, net, bank borrowings, trade accounts payable and other financial liabilities. The accounting policies for initial recognition and subsequent measurement of financial instruments are disclosed in the respective accounting policies set out below in this Note.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost (this category is the most relevant to the Group):

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at Financial assets at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at Financial assets at fair value through profit or loss:

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert’s reports, financial analysts, governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Low credit risk financial instruments

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

i. The financial instrument has a low risk of default,

ii. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

iii. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Default definition

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

• significant financial difficulty of the issuer or the borrower;

• a breach of contract, such as a default or past due event;

• the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

• it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

• the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade accounts receivable, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Inputs, assumptions and estimation techniques used by measurement and recognition of expected credit losses are disclosed in respective Notes 9 and 21 to financial assets.

Financial liabilities

Initial recognition and measurement

The Group's financial liabilities include trade and other payables, loans and borrowings, leases and derivative financial instruments.

All financial liabilities are recognised initially at fair value and are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between:

• the carrying amount of the liability before the modification; and

• the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss.

Trade accounts receivable, net

Trade accounts receivable are measured at initial recognition at transaction price, and are subsequently measured at amortised cost using the effective interest rate method. Trade accounts receivable, net which are non-interest bearing, are stated at their nominal value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash with banks, deposits and marketable securities with an maturity of less than three months from the date of acquisition.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Bank borrowings and other long-term payables

Interest-bearing bank borrowings and other long-term payables are initially measured at fair value net of directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of trans- action costs) and the settlement or redemption amount is recognised over the term of the borrowings and recorded as finance costs.

Trade and other accounts payable

Accounts payable are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Lease Liabilities

The Group assesses whether a contract is or contains a lease, at inception of the contract.

The Group recognises lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments. The Group does not apply the short term and low-value lease exemptions.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group recognises interest on lease liabilities based on incremental borrowing rate, presented within interest expenses in the consolidated statement of profit or loss.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• the lease payments change due to changes in an index or rate or market rate, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

In the statement of cash flows the Group separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities).

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation (either based on legal regulations or implied) as a result of past events, and it is probable that an out- flow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

Pension

The Parent Company reports defined contribution pension plan. The company pays fixed contributions and have no obligations to pay further contributions. The costs for pensions are recognized as an expense in the period incurred. Net pension costs are shown in Note 27.

Wages and salaries, pension costs and other social costs

Short-term employee benefits such as salary, social security contributions, withholding taxes, etc. are recognized as an expense in the period incurred. There is no share-based remuneration in the Company.

Termination benefits

A debt is recognized at the point of termination only if the company is provably committed to terminate the employment before ordinary time or when benefits is offered to encourage optional departure.

Contingent assets and liabilities

A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the financial statements unless it is probable that an outflow of economic resources will be required to settle the obligation and it can be reasonably estimated. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Revenue recognition

The Group generates revenue primarily from the sale of agricultural products to the end customers.

The Group recognises revenue from the following major sources:

• grain;
• meat processing products and other meat;
• other agricultural operations (milk, feed grains and other).

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue at a point in time when it transfers control of a product or service to a customer.

The Group's revenue flows are analysed in accordance with the five-step model set out in IFRS 15. The Group's income is recognized at each time when crops are sold. Revenue is recognized when the Group fulfills a commitment by transferring the agreed crop and the customer thereby gaining control of the crop. Delivery is done according to agreed delivery terms.

Revenues amounts to the amount that the Group expects to receive as compensation for the transferred crops. A receivable is recognized at the time the compensation becomes unconditional, ie. only the passing of time is required for payment to take place. The most common payment procedure is that about 90% is paid within three days from the time the crops have been placed in the wagons they are to be transported in, the remaining 10% must be paid within three days after the crops have been weighed in the port from which they are to be transported. The transaction price consists of a determined price for each individual agreement and the revenue from the sale is reported based on the price in the agreement. The sales price does not consist of variable parts and there are no additional performance commitments other than those described above.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs, or as an offset against finance costs when received as compensation for the finance costs for agricultural producers. To the extent the conditions attached to the grants are not met at the reporting date, the received funds are recorded in the Group’s consolidated financial statements as deferred income, which is recognised in profit or loss on a systematic basis over the useful life of the related assets.

Other government grants are recognised at the moment when the decision to disburse the amounts to the Group is made. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached on them and that the grants will be received.

Taxation

Ukrainian fixed agricultural tax

According to effective Ukrainian tax legislation, the Group's entities, as involved in production, processing and sale of agricultural products may opt for paying simplified tax (called fixed agricultural tax in past) in lieu of income tax, land tax and some other local taxes if the revenues from sale of their own agricultural products constitute not less than 75% of their total (gross) revenues. The unified tax is assessed at 0.95% on the deemed value of the land plots owned or leased by the entity (as determined by the relevant State authorities). The rate of tax for the Polissia region and the mountain zones is set at 0.57%. As at 31 December 2020, all Baryshevska Grain Company LLC as a subsidiary was elected to pay the unified tax. The unified tax is in the annual report defined as costs of sales.

Deferred tax / temporary differences

The Group does not recognize any deferred tax on the deficits in Sweden since there is uncertainty to what extent these can be used, as the company has historically reported a loss. There are not any temporary differences in the Ukrainian subsidiaries when it does not recognize any variable tax expense based on the results, see writing above.

Value added tax

Value added tax ("VAT") incurred on a purchase of assets or services which is not recoverable from the taxation authority is recognised as part of the cost of acquisition of the asset or as part of expense item. In other cases, revenues, expenses, assets and liabilities are recognised net of the amount of VAT.

New and amended standards and interpretations

There are no new and amended standards and interpretations, essential for the Group, that have been applied for the financial year beginning on or after 1 January 2021. The amendment applies to annual reporting periods beginning on or after 1 June 2021. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

4. Significant accounting judgment, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leasing contracts are recognized as assets and liabilities in the balance sheet, with recognition of depreciation and interest expense in the income statement. Agreements shorter than 12 months and lease contracts for which the underlying assets is of low value recognised as expenses. And agreements that constitute operational leasing agreements have thus been capitalized in the balance sheet. The Groups leasing agreements consist of land leases.

Lease classification – Group as lessor

The Group has entered into vehicles leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial lease and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial lease, that it retains substantially all the risks and rewards incidental to ownership of these assets and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Provision for expected credit losses of trade receivables and contract

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 21.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 31 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of biological assets

Due to the lack of observable market prices for sowings in their condition at the reporting dates, the fair value of such biological assets was estimated by present valuing the net cash flows expected to be generated from the assets discounted at a current market-determined pre-tax rate.

Fair values of biological assets were based on the following key assumptions:

– expected crop yield is based on past crop yield adjusted for actual weather conditions;
– production costs expected to be incurred are projected based on the Group's actual, historical information and forecasted assumptions;
– expected selling prices for agricultural produce at the point of harvest less cost to sell;
– discount rate calculated as a weighted current market-determined rate.

Weather

The Group is highly susceptible to changes in growing and weather conditions, which can impact the production of crops, the costs of production and crop yields. The Group must perform key operations at specific times, in particular during the limited autumn and spring planting periods and the narrow summer and autumn harvest periods. As a result, weather conditions during planting or harvest can have a significant impact on the Group's results of operations.

The Group's hiring policy contemplates the employment of the sufficient number of the agricultural experts, whose responsibility also includes the analysis, prognoses and correction of the Group's operating plans with respect to the weather issues. While making weather analysis and prognoses the engaged experts use the reliable external sources specialized in the weather analysis for the agricultural sector.

In thousands of SEK

5. Revenue from sales

	The Group	
	2021	***2020***
Corn	306 901	198 898
Sunflower	68 253	69 637
Soy	114 952	117 677
Wheat	46 104	30 676
Milk	11 524	10 827
Meat	2 583	2 399
Barley	-	-
Other	343	640
	550 660	430 754
Auxiliary agricultural services	10 759	20 620
Other	16	73
	561 435	**451 448**

Revenues from threee major customers, each individually exceeding 10% of total revenue, amounted to 308 045 (2020: four customers – SEK 212 693).

	The Group	
	2021	
Louis Dreyfus	63 493	11%
Bunge	149 982	27%
Suntrade	94 570	17%
Other	253 390	45%
	561 435	**100 %**

The Group's income is recognized at each time when crops are sold. Revenue is recognized when the Group fulfills a commitment by transferring the agreed crop and the customer thereby gaining control of the crop. Delivery is done according to agreed delivery terms. The transaction price consists of a determined price for each individual agreement and the revenue from the sale is reported based on the price in the agreement. The sales price does not consist of variable parts and there are no additional performance commitments other than those described above.

In thousands of SEK

6. Cost of sales

	The Group 2021	2020
Depreciation of intangible assets	17	18
Depreciation of property, plant and equipment	34 123	36 954
Depreciation Right-to-use assets	34 828	36 050
Depreciation of other non-current assets	1 971	4 015
Cost of auxiliary agricultural services	2 322	4 125
Cost of agricultural produce sold	457 211	322 468
Cost of other produce	15	50
	530 487	**403 680**

The agricultural produce sold by the Group is measured based on the fair value of the respective agricultural produce sold less estimated cost to sell at the time of harvesting and taking into account subsequent write downs to net realisable value, if any. The total depreciation in presented in note 12.

7. Other operating income

	The Group 2021	2020
Gain on accounts payable written off	31	115
Government subsides recognized as income	21 083	1 202
Penalties received	15	-
Gain on disposal of inventories	314	125
Gain from early termination of a lease (16 IFRS)	4 802	1 311
Gain on disposal of PPE	2 408	887
Fixed assets received free of charge	3	205
Surplus of inventories	222	189
Rental Income	185	190
Other income	506	4
	29 569	**4 228**

In thousands of SEK

8. Selling, general and administrative expenses

General and administrative expenses	The Group 2021	2020
Payroll and related taxes	14 570	15 547
Professional services	11 285	10 318
Fuel and other materials used	2 089	2 647
Services provided by third parties	3 778	253
Depreciation expenses	3 271	3 206
Repair and maintenance expenses	1 746	918
Representative costs and business trips	46	40
Other expenses	898	176
	37 683	**33 104**

Selling expenses	The Group 2021	2020
Payroll and related taxes	493	604
Fuel and other materials used	1 816	697
Services provided by third parties	209	44
Depreciation	468	-
Transportation	30 531	22 971
Repair and maintenance expenses	12	12
Other expenses	22	-
	33 551	**24 328**

Audit fees for the parent company and the Group in year 2021 and 2020 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	The Group 2021	2020
Audit assignment fees	632	693
Other	67	205
	699	**898**

Audit assignments include review of the annual report and the accounting, as well as the administration of the board and the managing director, other tasks that is assigned to the company's auditor, as well as advice or other assistance that is caused by observations during such examination or the implementation of such other tasks.

In thousands of SEK

9. Other operating expenses

	The Group	
	2021	***2020***
Shortages and losses from damage of valuables	51	2 259
Charity expenses (i)	2 670	1 909
Result on disposal of inventories	4 847	-
Increase in bad debt allowance for trade receivables	-	-
Loss on impairment of accounts receivable and prepayments	525	2 112
Loss on disposal of PPE	162	2 119
Other expenses	998	744
	9 253	**9 143**

(i) Products and services provided to schools, kindergartens, and hospitals, provided by the charitable foundation.

10. Finance costs

	The Group	
	2021	***2020***
Interest on loans and borrowings related party	745	716
Interest on loans and borrowings bank	14 164	16 512
Financial costs of financial lease	56 153	58 756
Financial costs of discounting of financial aids	389	232
Other	-	4
	71 451	**76 220**

11. Finance income

	The Group	
	2021	***2020***
Interest income	120	737
Financial income for financial assistance	284	-
	404	**737**

In thousands of SEK

12. Depreciation

	The Group 2021	2020
Depreciation property, plant and equipment (within cost of sales)	34 318	36 954
Depreciation property, plant and equipment (within G&A expense)	2 098	2 338
Depreciation property, plant and equipment (within distribution expense)	468	-
Depreciation intangibles assets	1 174	831
Depreciation other non-current assets	1 971	4 015
Depreciation right-to-use assets	34 828	36 105
	74 857	**80 243**

Depreciations above are the company's total depreciations, which are divided in their respective functions in the income statement.

13. Foreign exchange gain/loss

	The Group 2021	2020
Foreign exchange difference within the Group	3 732	-9 261
Foreign exchange difference others	5 276	-19 053
	9 008	**-28 314**

14. Income tax

	The Group 2021	2020
Current tax	1	1
Defered tax	-	-
	1	**1**

In thousands of SEK

15. Property, plant and Equipment

	Land	*Building & constuctions*	*Plant & Equipment*	*Vehicles*	*Furnitue*	*Constuction in progress*	*Total*
Cost							
As at 1 January 2020	**2 312**	**121 748**	**219 503**	**33 859**	**4 664**	**32 827**	**414 914**
Additions	-	9 616	35 618	1 862	1 433	-	48 528
Transfer	-	5 982	-6 042	67	-7	-	0
Disposals	-27	-1 369	-4 422	-41	-531	-10 880	-17 270
Foreign currency translation differences	-612	-34 554	-62 225	-9 563	-1 376	-7 132	-115 461
As at 31 December 2020	**1 672**	**101 423**	**182 433**	**26 184**	**4 183**	**14 815**	**330 710**
Additions	148	42 476	11 079	22 016	1 843	3 845	81 407
Transfer	-	3 157	2 356	-6 752	2 238	-	999
Disposals	-	-128	-6 038	-757	-157	-	-7 080
Foreign currency translation differences	250	17 195	26 805	5 710	823	2 357	53 140
As at 31 December 2021	**2 070**	**164 123**	**216 635**	**46 401**	**8 930**	**21 017**	**459 176**
Depreciation							
As at 1 January 2020	**-**	**-25 569**	**-91 368**	**-15 260**	**-2 960**	**-**	**-135 157**
Depreciation for the year	-	-2 649	-30 513	-5 563	-568	-	-39 292
Reclassification	-	4 972	-4 896	-45	-31	-	0
Disposals	-	290	3 142	36	508	-	3 977
Foreign currency translation differences	-	6 425	29 137	5 001	802	-	41 366
As at 31 December 2020	**-**	**-16 530**	**-94 498**	**-15 830**	**-2 248**	**-**	**-129 106**
Depreciation for the year	-	-3 071	-28 449	-4 477	-1 177	-	-37 174
Impairment for the year		-3 464	-1 371	-10	-2		-4 847
Reclassification	-	-1 879	-2 120	4 812	-1 812	-	-999
Disposals	-	128	6 031	499	133	-	6 791
Foreign currency translation differences	-	-2 851	-15 091	-2 807	-484	-	-21 233
As at 31 December 2021	**-**	**-27 667**	**-135 498**	**-17 813**	**-5 590**	**-**	**-186 568**
Net book value							
As at 31 December 2020	**1 672**	**84 893**	**87 935**	**10 354**	**1 935**	**14 815**	**201 605**
As at 31 December 2021	**2 070**	**136 456**	**81 137**	**28 588**	**3 340**	**21 017**	**272 608**

In thousands of SEK

Property, plant and equipment comprised the following as at 31 December each year:

	2021	2020
Property, plant and equipment	260 101	195 513
Prepayments for property, plant and equipment	12 507	6 092
Total property, plant and equipment	**272 608**	**201 605**

As at 31 December 2021, a value of 177 914 regarding property, plant and equipment was pledged as a security for the bank loans (2020: SEK 102 072 - note 32).

16. INTANGIBLE ASSETS

	The right to use land in the form of emphyteusis	*Royalty*	*Software*	*Total*
Cost				
As at 1 January 2020	**814**	**764**	**2 045**	**3 623**
Additions	208	488	728	1 424
Transfer	-	-	-	-
Disposals	-	-658	221	-879
Foreign currency translation differences	-248	-178	-620	-1 046
As at 31 December 2020	**774**	**415**	**1 932**	**3 121**
Additions	-	794	380	1 174
Transfer	-	-	-	-
Disposals	-	-1 244	-	-1 244
Foreign currency translation differences	112	35	301	448
As at 31 December 2021	**885**	**-**	**2 613**	**3 498**
Depreciation				
As at 1 January 2020	-4	**-764**	**-120**	**-888**
Depreciation for the year	-18	-488	-325	-831
Reclassification	-	-	-	-
Disposals	-	658	12	670
Foreign currency translation differences	4	178	79	261
As at 31 December 2020	-18	**-415**	**-355**	**-788**
Depreciation for the year	-17	-794	-363	-1 174
Reclassification	-	-	-	-
Disposals	-	1 244	-	1 244
Foreign currency translation differences	-4	-35	-71	-110
As at 31 December 2021	-39	**-**	**-789**	**-828**
Net book value				
As at 31 December 2020	755	-	1 577	2 332
As at 31 December 2021	846	-	1 824	2 670

In thousands of SEK

17. Other non-current assets

	The Group	
	2021	***2020***
Longterm receivables	11 192	5 931
Prepaid lease expenses	44 921	33 837
Other non-current assets	991	958
	57 104	**40 726**

18. Biological assets

Reconciliation of changes in the carrying amount of biological assets is as follows:

		The Group		
	Note	***Plants***	***Animal-breeding***	***Total***
Carrying amount at 1 January 2020		**11 676**	**5 240**	**16 916**
Increase due to purchases and subsequent expenditures		225 677	14 735	240 412
Decrease due to crops harvest	(i)	-399 184	-6 729	-405 913
Decrease due to sales		-	-2 131	-2 131
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	171 721	-5 847	165 874
Livestock losses		-	-13	-13
Currency translation differences		-2 850	-1 398	-4 250
Carrying amount at 31 December 2020	(iii)	**7 039**	**3 856**	**10 899**
Increase due to purchases and subsequent expenditures		781 521	14 998	796 519
Decrease due to crops harvest	(i)	-780 802	-11 098	-791 900
Decrease due to sales		-443 745	-1 550	-445 295
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	446 032	-1 472	444 560
Livestock losses		-5	-6	-11
Currency translation differences		1 185	606	1 791
Carrying amount at 31 December 2021	(iii)	**11 225**	**5 334**	**16 559**

Biological assets are recognized at fair value from a cash flow model according to IFRS 13 at level 3. Key assumptions in the model include discount rate, projected sales price and yield per hectare.

Crops harvested during the year are initially recognised at fair value less costs to sell at the time of harvest. For determination of fair value of agricultural produce, the domestic crop prices, where supported by management plans, less costs to sell at the time of harvest are used. Crop production for the years ended 31 December 2021 and 2020 was as follows:

In thousands of SEK

	The Group			
	2021		***2020***	
	Tons harvested	*FV less cost to sell at the time of harvest*	*Tons harvested*	*FV less cost to sell at the time of harvest*
Corn	232 034	435 034	189 995	223 402
Wheat	21 053	46 396	15 457	25 989
Sunflower	10 830	57 479	23 034	71 193
Barley	-	-	-	-
Soybean	45 210	240 099	23 029	76 516
Other	17 277	1 794	4 041	2 084
	326 404	**780 802**	**255 556**	**399 184**

(i) The gain arising from the change in fair value less costs to sell of plants represents the aggregate gain arising during the period on initial recognition of biological assets and agricultural produce and from the change in fair value less costs to sell of biological assets. A discounted cash flow model was used to determine the fair values of biological assets. The discounted cash flow model is based on the following significant assumptions:

	The Group			
	2021		***2020***	
	Yield in tons per hectare	*Price per ton less cost to sell*	*Yield in tons per hectare*	*Price per ton less cost to sell*
Winter wheat	5,9	2 204	5,6	1 681
Barley	-	-	-	-
Corn	7,6	1 875	6,4	1 176
Soybean	2,5	5 311	1,8	3 323
Sunflower	2,8	5 307	2,8	3 091

(iii) Biological assets as at 31 December comprised:

Livestock

	The Group			
	2021		***2020***	
	Number, heads	*Carrying value*	*Number, heads*	*Carrying value*
Cattle	1 288	5 334	1 266	3 856
Others	-	-	-	-
	1 288	**5 334**	**1 266**	**3 856**

In thousands of SEK

Plants

	The Group			
	2021		***2020***	
	Hectares	*Carrying amount*	*Hectares*	*Carrying amount*
Winter wheat	2 056	11 225	3 630	7 039
Corn	-	-	-	-
Others	-	-	-	-
	2 056	**11 225**	**3 630**	**7 039**

19. RIGHT OF USE ASSETS

	Land
As at 31 December 2019	**358 833**
Additions	52 423
Transfer	-20 866
Disposals	-
Foreign currency translation differences	-100 302
As at 31 December 2020	**290 089**
Additions	57 077
Transfer	-
Disposals	-61 316
Foreign currency translation differences	41 736
As at 31 December 2021	**327 586**
Depreciation	
As at 1 January 2020	**-34 035**
Depreciation for the year	-36 105
Reclassification	-
Disposals	-
Foreign currency translation differences	14 430
As at 31 December 2020	**-55 710**
Depreciation for the year	-34 828
Reclassification	-
Disposals	20 910
Foreign currency translation differences	-8 832
As at 31 December 2021	**-78 460**
Net book value	
As at 31 December 2020	**234 378**
As at 31 December 2021	**249 126**

The average discount rate used is 16,8% (2020: 16,8%).

In thousands of SEK

20. Inventories

	The Group	
	2021	***2020***
Agricultural produce *(at fair value less costs to sell or net realisable value)* (i)	510 390	206 219
Work in progress *(at cost)* (ii)	23 925	24 199
Raw materials *(at cost)* (iii)	25 105	14 310
Fertilizer, herbicide and pesticide *(at cost)*	46 954	5 740
Other inventories *(at cost)*	2 896	1 728
	609 270	**252 196**

(i) Agricultural produce is measured at the lower of the fair value at the time of harvest less cost to sell and net realizable value.
(ii) Work in progress represents the cost of preparing and treating land prior to seeding.
(iii) Raw materials mainly comprise seeds, other chemicals and fuel.

On 31 December 2021 the inventory provided security for bank loans to the amount of 97 924 (2020: 31 051)

21. Trade and other receivables, other current assets

	The Group	
Trade and other receivables	**2021**	**2020**
Trade receivables	5 167	9 223
Less: bad debt allowance	-	-
	5 167	**9 223**
Other current assets		
Deferred expenses	6 480	5 260
Advances paid	53 861	32 591
VAT recoverable	52 900	9 859
Loans issued	578	498
Income tax prepayment	-	2
Other prepaid taxes	551	179
Other	9 207	4 099
	123 577	**52 487**

In thousands of SEK

	The Group
	Provision for bad debts
As at 1 January 2020	**0**
Charge for the year	-
Used amounts	-
Foreign exchange translation difference	-
As at 31 December 2020	**0**
Charge for the year	-
Foreign exchange translation difference	-
As at 31 December 2021	**0**

For detailed information about aging see note 30.

22. Cash and cash equivalents

	The Group	
	2021	***2020***
Cash:		
- on bank accounts	39 864	84 847
- on hand	74	37
	39 938	**84 884**

As at 31 December 2021, a value of SEK 9 972 regarding to escrow account (2020: SEK 9 022 – note 32).

23. Share capital

The registered share capital amounts to SEK 11 556 (2020: SEK 11 556) and consists of 7 807 775 shares (2020: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.

24. Loans and borrowings

As at 31 December 2021 loans and borrowings are as follows:

		Maturity	*2022*	*2022-2025*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
Ukrainian bank	USD	5-5,75%	-	-	-
European bank	EUR	5%	11 976	91 281	103 257
Ukrainian bank	UAH	8-11,25%%	35 021	-	35 021
Related party (Note 28)	SEK	4-7%	-	32 810	32 810
			46 997	**124 091**	**171 088**

In thousands of SEK

As at 31 December 2020 loans and borrowings are as follows:

		Maturity	*2021*	*2021-2023*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
Ukrainian bank	USD	5-5,75%	-	-	-
European bank	EUR	5%	352	32 496	32 848
Ukrainian bank	UAH	8-9,25%%	139 232	-	139 232
Related party (Note 28)	SEK	4-7%	-	32 064	32 064
			139 584	**64 560**	**204 143**

25. LEASING LIABILITY

	The group	
	2021	**2020**
Within one year	31 052	23 339
In the second to the fifth year inclusive	116 931	122 960
After fifth year	150 350	116 001
	298 333	**262 300**

26. TRADE AND OTHER LIABILITIES, OTHER CURRENT LIABILITIES

	The Group	
	2021	***2020***
Trade and other liabilities		
Trade liabilities	9 926	10 187
Payroll and related taxes	3 178	1 873
Unused vacations accrual	5 423	3 335
Other	1 269	165
	19 796	**15 560**
Other current liabilities		
Value added tax	-	-
Advances received	50 630	13 265
Accrued expenses	-	480
Income tax payable	-	-
Other taxes	3 741	2 426
Lease payable	6 817	889
Other	71	260
	61 259	**17 320**

In thousands of SEK

27. NUMBER OF EMPLOYEES AND EMPLOYEE BENEFITS

Number of employees

	2021			**2020**		
	Women	***Men***	***Total***	***Women***	***Men***	***Total***
Sweden	-	-	-	-	-	-
Ukraine	219	825	1 044	223	862	1 085
	219	**825**	**1 044**	**223**	**862**	**1 085**

The management of the Group consists of 100% male.

Employee benefits

The Group	***2021***	***2020***
Board and senior executives	938	970
Other employees	55 895	55 616
Pension costs Board and senior executives	182	183
Pension costs other employees	10 462	10 283
Social security costs	1 787	1 758
	69 264	**68 810**

28. RELATED PARTY DISCLOSURES

Ultimate Controlling Party

As at 31 December 2021 the majority owner of the Parent Company is Agro Ukraina AB, which is a subsidiary of Claesson & Anderzén AB. A citizen of Sweden, Mr Johan Claesson, has the controlling interest in Claesson & Anderzén AB.

At December 31, the Group's outstanding balances with related parties as follows:

	2021	*2020*
Entity under common control		
Loans and borrowings	-32 810	-32 064
Of which:		
CA Investment AB	*-16 930*	*-16 679*
CA Agroinvest AB	*-13 800*	*-13 390*
Ukrainian Investment AB	*-2 080*	*-1 995*

In thousands of SEK

Trade and other payables	-	-
Trade and other receivables and other non-current assets	1 127	1 741
Of which:		
Agrogolden LLC	1 127	1 741

The transactions with the related parties during the years ended 31 December were as follows:

	2021	*2020*
Entities under common control		
Interest expenses	-745	-704
Of which:		
CA Investment AB	*-250*	*-210*
CA Agroinvest AB	*-410*	*-409*
Ukrainian Investment AB	*-85*	*-85*
Interest-free funding granted	1 127	1 780
Of which:		
Agrogolden LLC	*1 127*	*1 780*
Revenue from services rendered	-	739
Of which:		
Agrogolden LLC	-	*739*
Purchase of intangibles assets	-	-
Of which:		
Radovenyuk EA	-	-

Compensation to key management personnel

For the year ended 31 December 2021, remuneration paid by the Group to key management personnel was SEK 938 (2020: SEK 970). Compensation included contractual salaries and related taxes.

Key management personnel consist of six individuals as at 31 December 2021 (2020: six).

29. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

Taxation

The Group's operating activities are concentrated in Ukraine as disclosed in Note 1. Ukrainian legislation and regulations regarding taxation and other operational issues continue to evolve. Legislation and regulations are not always clearly written. Management believes that the Group has complied with all regulations and paid or accrued all applicable taxes. Where the risk of outflow of resources is probable, the Group has accrued tax liabilities based on management's best estimate.

The Group's operations and financial position will continue to be affected by Ukrainian political developments including the application of legislation and tax regulations. Management is of the opinion that the contingencies relating to the Group's operations are not of greater significance than those of similar businesses in Ukraine.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments are comprised of trade receivables and liabilities, loans and borrowings, cash and cash equivalents. The main purpose of these financial instruments is to provide funding for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and other liabilities, arising in the course of its operations. Fair values of the Group's financial instruments are close to their carrying amounts.

The main risks arising from the Group's financial instruments are market risk, liquidity risk, credit risk and agricultural risk. The policies for managing each of these risks are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments exposed to market risk include loans and borrowings, deposits, accounts receivable, accounts payable and finance leases.

The sensitivity analyses in the following sections relate to the position as at 31 December 2021 and 2020. They have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant. In calculation of sensitivity analysis, the sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held on 31 December 2021 and 2020.

In thousands of SEK

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates, all other variables equal, of the Group's profit before tax.

		Effect on profit before tax
2021	***Change in basis points***	***The Group***
Change in interest rate (LIBOR)	100	-1 645
Change in interest rate (LIBOR)	-100	1645
2020	***Change in basis points***	***The Group***
Change in interest rate (LIBOR)	100	-1 979
Change in interest rate (LIBOR)	-100	1 979

Foreign currency risk

The Group performs its operations in Swedish Krona ("SEK"), Ukrainian Hryvnia ("UAH"), US dollar ("USD") and Euro ("EUR"). The Group attracts a substantial amount of foreign currency denominated loans and borrowings and is thus exposed to foreign exchange risk. Foreign currency denominated loans and borrowings give rise to foreign exchange exposure. The Group has not entered into transactions to hedge against these foreign currency risks.

Currency risks as defined by IFRS 7 arise when financial instruments are denominated in a currency that is not the functional currency and are of a monetary nature; translation-related risks are not taken into consideration. Relevant risk variables are generally non-functional currencies in which the Group has financial instruments. The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, all other variables equal, of the Group's profit before tax.

		Effect on profit before tax
2021	***Change in foreign currency rate***	***The Group***
Change in USD exchange rate	1%	189
Change in USD exchange rate	-1%	-189
2020	***Change in foreign currency rate***	***The Group***
Change in USD exchange rate	1%	620
Change in USD exchange rate	-1%	-620

		Effect on profit before tax
2021	**Change in foreign currency rate**	**The Group**
Change in EUR exchange rate	1%	-968
Change in EUR exchange rate	-1%	968
2020	**Change in foreign currency rate**	**The Group**
Change in EUR exchange rate	1%	-323
Change in EUR exchange rate	-1%	323

The accompanying notes form an integral part of these consolidated and parent company's financial statements

In thousands of SEK

Liquidity risk

The objective is to maintain continuity and flexibility of funding through the use of credit terms provided by suppliers as well as loans and borrowings. Management analyses the aging of assets and maturity of liabilities and plans the liquidity depending on expected repayment of various instruments. In the case of insufficient or excessive liquidity in individual entities, management relocates resources and funds to achieve optimal financing of business needs. The table below summarises the maturity profile of the financial liabilities at 31 December based on contractual undiscounted payments:

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
31-dec-21						
Loans and borrowings, principal amount	-	45 728	-	78 417	40 102	164 247
Interest payable	-	1 269	-	5 572	-	6 841
Future interest expenses	-	2 063	3 844	20 502	6 407	32 816
Trade and other liabilities (Note 23)	9 396	5 000	5 400	-	-	19 796
Lease obligation	-	7 763	23 289	116 931	150 350	298 333
Other current liabilities	-	5 463	5 166	-	-	10 629
	9 396	**67 286**	**37 699**	**221 422**	**196 859**	**532 662**
31-dec-20						
Loans and borrowings, principal amount	-	138 468	-	51 685	7 737	197 890
Interest payable	-	1 117	-	5 137	-	6 254
Future interest expenses	-	3 394	1 219	6 499	2 031	13 143
Trade and other liabilities (Note 23)	3 693	4 763	7 104	-	-	15 560
Lease obligation	-	3 508	19 831	122 960	116 001	262 300
Other current liabilities	-	2 713	862	-	-	3 575
	3 693	**153 962**	**29 016**	**186 282**	**125 769**	**498 722**

In thousands of SEK

Liabilities

	2021	2020
Ingoing balance	**204 144**	**174 323**
Proceeds from loans and borrowings	275 654	360 806
Repayment of borrowings	-326 305	-297 246
Interest paid	-14 707	-15 929
Finance cost	16 165	17 228
Exchange rate difference	-6 277	24 370
Translation differences	22 414	-59 408
Outgoing balance	**171 088**	**204 144**

Credit risk

Sales are performed only to recognised, creditworthy third parties. The policy is that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and, therefore, the exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 21.

The ageing analysis of the trade and other receivables is as follows:

	The Group							
		Past due, but not impaired						
	Neither past due, nor impaired	*<1 month*	*1-2 months*	*2-3 months*	*3-6 months*	*6-12 months*	*More than 12 months*	*Total*
31-dec-21								
Trade and other receivables	4 625	46	-	44	368	84	-	5 167
	4 625	**46**	**-**	**44**	**368**	**84**	**-**	**5 167**
31-dec-20								
Trade and other receivables	3 491	3 386	26	39	127	2 154	-	9 223
	3 491	**3 386**	**26**	**39**	**127**	**2 154**	**-**	**9 223**

Capital management

Management considers debts and net assets attributable to majority participants as primary capital sources. The objective of capital management is to safeguard the ability to continue as a going concern in order to provide returns on investment for shareholders and benefits for other stakeholders as well as to provide financing of its operating requirements, capital expenditures and sustainability of the development strategy. The capital management policies aim to ensure and maintain an optimal capital structure to reduce the overall cost of capital, and flexibility relating to the access to capital markets.

In thousands of SEK

Management monitors capital using a gearing ratio, which is net debt divided by total net assets attributable to majority shareholders plus net debt, including in the net debt loans and borrowings, finance lease liability, trade and other liabilities, less cash and cash equivalents.

	The Group	
	2021	***2020***
Loans and borrowings	171 088	204 144
Trade and other liabilities	81 055	32 880
Less cash and cash equivalents	-39 938	-84 884
Net debt	212 205	152 140
Equity	825 543	389 410
Total equity and net debt	1 037 748	541 550
Gearing ratio	**20%**	**28%**

Management monitors the capital structure on a regular basis and may adjust its capital management policies and targets following changes in the operating environment, market sentiment or its development strategy. The policy is to maintain a gearing ratio below 50%.

Agricultural risk

Agricultural risk arises from the unpredictable of weather, pollution and other risks relating to the performance of crops. In order to manage the level of risk associated with agricultural activity, the Group holds a diversified portfolio of arable crops.

Tax Risk

Companies in Ukraine is exposed to tax risks in various contexts, especially with regard to VAT, as there may be ambiguities in the tax rules. However, the risk for Grain Alliance is limited.

31. Fair value of financial instruments

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodologies as considered appropriate. However considerable judgement is required in interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation. All financial assets and liabilities are valued at amortised cost. Set out below is the comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated statement of financial position

In thousands of SEK

	The Group			
	Carrying amount		*Fair value*	
	2021	*2020*	*2021*	*2020*
Financial assets valued at amortized cost				
Cash and cash equivalents	39 938	84 884	39 938	84 884
Trade and other receivables	5 167	9 223	5 167	9 223
Financial liabilities valued at amortized cost				
Trade and other liabilities	81 055	32 880	81 055	32 880
Loans and borrowings	171 088	204 144	171 088	204 144

32. PLEDGED ASSETS

	The Group	
Pledged assets	**2021**	**2020**
Property, plant and equipment	177 914	102 072
Inventories	97 924	31 051
Escrow account	9 972	9 022
	285 810	**142 145**

33. IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Due to the Russian invasion starting on the 24 February 2022, the broad security concerns became challenging for the further stable development of economical and finance segments in Ukraine, and the operating environment remains risky and with a high level of uncertainties since then.

Considering the fast-moving nature of the situation and the unpredictability of war, it will likely take time to assess the economic fallout. For now, the government has prioritised defence and social spending and remained current on its foreign debt obligations.

Weeks after the first full-scale military attack, fighting continues in and around several major Ukrainian cities, killing tens of thousands of civilians.

All ports in the Black seawater area stopped working due to armed conflict in the territory of Ukraine and export made via seaports were fully frozen.

The logistics routes in occupied territories were damaged and there is no access to them. At the same time, the other railway and car logistic routes are available for usage as Ukraine has an extensive road and railway network.

Since the beginning of the full-scale war, the Ukrainian government has received funding and donations from international organizations and various countries to maintain financial stability and finance social benefits and military needs (the International Monetary Fund, the European Union and directly from many countries).

In early March, the Board of Directors of the European Bank for Reconstruction and Development (EBRD) announced an initial €2 billion aid package to support citizens, companies and countries affected by the war in Ukraine.

The bank also promised to do everything possible to help rebuild the country as soon as conditions permit. The EBRD will currently finance Ukrainian companies through loan deferrals, debt relief and restructuring; trade finance, including fuel imports; emergency liquidity financing as agreed with partners; emergency reform support to endorse the Ukrainian authorities with immediate legislative and regulatory interventions. There is still a considerable risk for a continuing high inflation rate.

The NBU introduced restrictions for individuals on the withdrawal of the hryvnia and switched from a flexible to a fixed exchange rate regime of 29.25 hryvnias to 1 US dollar in the foreign exchange market. This is done to ensure the reliable and stable operation of the national currency and the financial system as a whole.

As a result, commercial interbank quotations remain close to those officially set by the NBU. The buying rate is fixed at UAH 29.25 per $1, while the selling rate has reached UAH 30.20 per $1 at the maximum point.

In addition, the NBU has established a ban on transactions in Ukraine using accounts of residents of Russia or Belarus and legal entities whose ultimate beneficial owners are based in Russia or Belarus.

In the face of the invasion, the Ukrainian government-imposed restrictions on the export of certain primary products. In addition, the Ministry of Economy of Ukraine may issue export permits for a group of goods subject to licensing (for example, wheat). To date, this has not affected the Group's operations.

Wherein, as of 15 March 2022, the Verkhovna Rada of Ukraine considered some changes to the tax system, introduced in Law of Ukraine № 2120-IX "On amendments to the Tax Code of Ukraine and other legislative acts of Ukraine concerning the effect of norms for the martial law period":

- the right to apply the simplified taxation system of Group III at the 2% rate by economic entities with an annual income of up to UAH 10 billion, besides the condition relating to the number of employees is ceased;
- the norms on the VAT exemption in case of a supply of items in favour of the Armed Forces, National Guard, and other territorial defence forces of Ukraine, including medical institutions, except when such transactions for the supply of goods and services are taxed at zero VAT;
- gasoline, heavy distillates, liquefied gas, oil or petroleum are subject to VAT at the reduced rate of 7%, and the excise tax for imported fuel group of products' rate is set at 0.00 euros per 1,000 litres;
- the landlords are exempt from paying land tax and land lease (relating to state and communal property) located in territories:
  - on which combat actions are conducted;
  - the temporarily occupied territories as determined by the Cabinet of Ministers of Ukraine;
  - which are defined as contaminated with explosive objects and/or which contain fortifications.
- the environmental tax shall not be paid regarding facilities located on the territories, where combat actions are conducted or temporarily occupied by armed groups according to the list specified by the Cabinet of Ministers of Ukraine;
- until the termination of martial law, as well as for twelve months after such termination, private entrepreneurs, persons engaged in independent professional activity, members of the farming enterprise, have the right not to pay a unified social security contribution for themselves;

- the suspension of tax audits until the termination of martial law (unless there is a request for a budget refund);

  and numerous other changes, which have much lower impact on the Group's operating.

The government of Ukraine has announced a program to support spring sowing for Ukrainian farmers with a turnover of up to 50 million euros per year, including financing and state guarantees for loans, interest rate compensation, etc.

The invasion of Russian troops has reduced the available areas for spring sowing on the territory of Ukraine. Therefore, a reduction in the future harvest may lead to a change in future prices and availability of food at the global level, since last year Ukraine covered 14% of the world market for corn, sunflower oil and other food products.

As a result of the Russian-Ukrainian war and the impact of rocket fragments, part of the equipment of the Nizhyn elevator was damaged. The company involved employees of the Ministry of Emergency Situations to fix this event. An assessment has been made to evaluate the damage caused, resulting in a impairment in 2022 of the silo by 8,000 TSEK and of the stock of grain by 9,000 TSEK.

Part of the fields of the Chernihiv region (approximately area of 2 500 hectares) were subjected to rocket attacks and partially mined. A complex of demining activities is being carried out in the fields.

Work is underway to reorient the export of agricultural products from shipment by sea to shipment through the western regions of Ukraine to Europe. In order to continue exporting products and maintain the Group's liquidity at the level of uninterrupted operation, the Group bought a transhipment elevator in Slovakia with a capacity of 20 000 tons. The Group estimates the annual capacity of shipment through this elevator at 1 million tons of grain. The purchase price for the Slovak company was 1 574 KEUR. The acquisition analysis is not yet fixed.

During the first five months of 2022, 80 700 tons of corn and 7 000 tons of soy, which were kept as a security against the possible further devaluation of local currency before seeding 2022, were sold by 6 357 UAH/ton and 17 657 UAH/ton net VAT.

Going concern

For the year ended 31 December 2021, the Group's profit amounted to SEK 362 550 thousand (for the year ended 31 December 2020 – SEK 47 494 thousand). At the same time, as of 31 December 2021, the current assets of the Group exceeded its current liabilities by SEK 631 166 thousand (as of 31 December 2020 SEK 210 688 thousand), which indicates a sufficient level of liquidity.

The Group has positive operating cash flow in the amount of SEK 151 606 thousand in 2021 (SEK 114 309 thousand in 2020), which means the Group is in a better position to cover its current liabilities and expenses. As of 31 March 2022, the Group's liquidity amounted to SEK 177 371 thousand (an increase of SEK 137 432 thousand from 31 December 2021). The leverage ratio as of 31 March 2022 amounted to 22%, calculated on the Group's financial debts in relation to equity.

On February 24, 2022, Russia launched a full-scale invasion of Ukraine, where the Group's key assets are located, escalating its aggression against Ukraine that began in 2014. In late February – March 2022, the most intense hostilities are localized in northern Ukraine (including the Chernihiv and Kyiv regions), where the Group conducts agricultural activities. In April, these territories were completely liberated from Russian occupiers.

As a result, the Group was able to plant 55,472 ha, which is 98% of the planted area in the previous year, and 96% of the Group's existing land bank.

Due to hostilities in southern Ukraine, the Group has suspended its grain export operations by sea. Work is underway to reorient the export of agricultural products from shipment by sea to shipment through the western regions of Ukraine and Europe.

For these purposes, the Group purchased a transshipment elevator in the Slovak Republic with a capacity of 20 thousand tons as silos and 5 thousand tons as flat warehouses. The elevator is adjacent to the railway with 4 railway tracks.

One of the problems in the transportation of grain to the EU countries is the difference in the width of the railway tracks. Ukrainian wagons are not compatible with most EU rail networks.

However, the acquired elevator has 2 types of tracks—2 Ukrainian and 2 European standards of ones, which allows unhindered reloading of grain.

The Group excepts to deliver grain by own and rent wagons. The wagon park consists of 88 units today. And it will increase to 108 units during 2022, according to the conducting contracts.

For the period after the reporting date, the Group sold more than 86 000 tons of grain. It remains to sell less than 30% of corn and 49% of soybeans from the 2021 harvest. The Group's gross profit for the period January 2022 – March 2022 amounted to SEK 8 375 thousand.

Since grain is critical to global food security, the EU plans to support logistics in and out of Ukraine.

The European Commission has proposed a plan to help Ukraine with the export of grain and other agricultural products. It provides:

— urgent measures to increase cargo capacity for sending Ukrainian goods abroad,

— increase the throughput of transport networks and transshipment terminals,

— prioritize grain export supplies from Ukraine,

— simplify customs operations and other checks,

— organize temporary storage of grain in the EU.

In the beginning of 2022, the Group has not fully complied with the agreed covenants with the Group's creditors, giving the bank the formal right to terminate the credit. However, this has not affected the lenders' willingness to continue lending.

The situation above means that there is a significant uncertainty in the Group's ability to continue its operations as going concern. The management assesses, after having drawn up forecasts of financial position, statement of comprehensive income and cash-flow up to June 2023, despite the ongoing Russian military invasion and difficulties in exporting grain, that the possibility of conducting business further is good enough to consider that conditions for preparing the annual accounts, taking the conditions for going concern into account, exists.

Parent Company's statement of comprehensive income
In thousands of SEK

	Notes	The Parent Company 2021	2020
Revenue from sales	2	236 282	258 599
Cost of sales		-236 400	-247 115
Gross profit		**-118**	**11 484**
General and administrative expenses	3	-2 976	-3 062
Operating profit / (loss)		**-3 094**	**8 422**
Finance costs	4	-749	-709
Finance income	5	1 479	1 586
Foreign exchange gain	6	5 318	-8 057
Profit / (loss) before tax		**2 954**	**1 242**
Income tax expense	19	-	-
Profit / (loss) for the year		**2 954**	**1 242**
Other comprehensive income:		-	-
Total comprehensive income for the year		**2 954**	**1 242**

The accompanying notes form an integral part of these consolidated and parent company's financial statements

Parent Company's statement of financial position
In thousands of SEK

	Notes	The Parent Company 2021	2020
Non-current assets			
Shares in subsidiaries	7	256 426	256 426
Other non-current assets		10 258	5 380
		266 684	**261 806**
Current assets			
Receivable subsidiary	8	53 302	31 588
Receivables	8	-	445
Other current assets	8	28 017	10 624
Cash and cash equivalents	9	28 464	27 584
		109 783	**70 241**
		376 467	**332 048**
Total assets			
Equity	10		
Issued capital	11	11 556	11 556
Other contributed capital		278 295	278 295
Retained earnings		-11 518	-14 472
		278 333	**275 379**
Non-current liabilities			
Loans and borrowings relative parties	12	32 810	32 064
		32 810	**32 064**
Current liabilities			
Loans and borrowings relative parties	12	-	-
Trade and other liabilities relative parties	13	23 863	13 493
Trade and other liabilities	13	-	8
Other current liabilities	13	41 461	11 105
		65 324	**24 606**
Total liabilities		**98 134**	**56 670**
Total equity and liabilities		**376 467**	**332 048**

The accompanying notes form an integral part of these consolidated and parent company's financial statements

Parent Company's statement of changes in equity
In thousands of SEK

The Parent Company	Issued capital (restricted equity)	Other contributed capital (non-restricted equity)	Retained earnings (non-restricted equity)	Total Equity
Balance at 31 December 2019	**11 556**	**278 295**	**-15 714**	**274 136**
Profit for the year			1 242	1 242
Total comprehensive income			*1 242*	*1 242*
Transactions with owners				
Balance at 31 December 2020	**11 556**	**278 295**	**-14 472**	**275 379**
Profit for the year			2 954	2 954
Total comprehensive income			*2 954*	*2 954*
Transactions with owners				
Balance at 31 December 2021	**11 556**	**278 295**	**-11 518**	**278 333**

Parent Company's statement of cash flows
In thousands of SEK

	The Parent Company	
	2021	**2020**
Operating activities		
Profit / (loss) before tax	2 954	1 242
Non cash adjustments:		
Finance income	-1 479	-1 586
Finance costs	749	709
Working capital adjustments:		
Change in trade receivables and other current assets	-38 660	-1 198
Increase in trade and other payables and other current liabilities	40 718	10 536
	4 282	**9 703**
Interest received	1 479	1 586
Income tax paid	-	-
Net cash flows from operating activities	**5 761**	**11 289**
Investing activities		
Purchase of non current assets	-4 878	-5 380
Net cash flows used in investing activities	**-4 878**	**-5 380**
Financing activity		
Proceeds from loans and borrowings	746	725
Repayment of borrowings	-	-
Interest paid	-749	-709
Net cash flows from financing activities	**-3**	**16**
Net change in cash and cash equivalents	880	5 925
Foreign exchange difference cash	-	-
Cash and cash equivalents at 1 January	27 584	21 659
Cash and cash equivalents at 31 December	**28 464**	**27 584**

In thousands of SEK

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting principles of the parent company

The parent company, BZK Grain Alliance AB, financial statements have been prepared according to the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for legal entities issued by the Swedish Financial Reporting Board. RFR 2, implies that the parent company, as the legal entity shall apply all EU-approved IFRS and statements as far as possible within the framework of the Annual Accounts Act and considering the relationship between accounting and taxation. The recommendation specifies the exceptions and additions that shall be made in accordance with IFRS

Investments in subsidiaries (Parent Company's separate financial statements)

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The investments in subsidiaries are initially recognised at cost. The carrying value of the investments is reviewed when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the investments are written down to their recoverable amount in accordance with IAS 36. Impairment losses are recognised in the statement of comprehensive income. An assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the investments. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the investment's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the investment does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years. Such reversal is recognised in the statement of comprehensive income

2. REVENUE FROM SALES

	The Parent Company	
	2021	***2020***
Sales of agricultural produce	236 282	258 599
Sales of services rendered	-	-
	236 282	**258 599**

Revenues from three major customers, each individually exceeding 10% of total revenue, amounted to SEK 211 328 SEK (2020: four customers – SEK 173 179).

	The Parent Company	
	2021	
Bunge	117 913	50%
Inerco	29 922	13%
Louis Dreyfus	63 493	27%
Others	24 954	10%
	236 282	**100%**

In thousands of SEK

3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	The Parent Company	
General and administrative expenses	***2021***	***2020***
Professional services (i)	2 976	3 062
	2 976	**3 062**

Audit fees for the parent company and the Group in year 2021 and 2020 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	The Parent Company	
	2021	***2020***
Audit assignment fees	632	693
Other	67	205
	699	**898**

Audit assignments include review of the annual report and the accounting, as well as the administration of the board and the managing director, other tasks that is assigned to the company's auditor, as well as advice or other assistance that is caused by observations during such examination or the implementation of such other tasks.

4. FINANCE COSTS

	The Parent Company	
	2021	***2020***
Interest on loans and borrowings to related parties	746	705
Interest others	-	-
Bank fees	3	4
Other	-	-
	749	**709**

5. FINANCE INCOME

	The Parent Company	
	2021	***2020***
Interest Income related parties	1 479	1 586
Other	-	-
	1 479	**1 586**

In thousands of SEK

6. Foreign exchange gain/loss

	The Parent Company	
	2021	***2020***
Foreign exchange difference within the group	2 668	-3 461
Foreign exchange difference cash	2 650	-4 596
	5 318	**-8 057**

7. Shares in subsidiaries

	The Parent Company
As at 1 January 2020	**256 426**
Investments in subsidiaries	-
Liquidation subsidiaries	-
As at 31 December 2020 (i)	**256 426**
Investments in subsidiaries	-
Liquidation subsidiaries	-
As at 31 December 2021 (i)	**256 426**

(i)

			2021		**2020**	
	Location	**Corporate id**	**Ownership SEK**	**Ownership %**	**Ownership SEK**	**Ownership %**
Baryshevska Grain Company LLC,	Baryshevka, Ukraina	2886518	256 367	100%	256 367	100%
Baryshevska Grain Trading Company LLC	Yarmolenci, Ukraina	39843554	59	100%	59	100%
			256 426		256 426	

In thousands of SEK

8. Trade and other receivables, other current assets

Trade and other receivables	The Parent Company 2021	2020
Trade receivables due from related party (Note 15)	53 302	31 588
Trade Receivables	-	445
	53 302	**32 033**
Other current assets		
Advances paid	27 988	10 609
Accrued income	-	-
VAT recoverable	29	15
	28 017	**10 624**

For detailed information about aging see note 16.

9. Cash and cash equivalents

	The Parent Company* *2021	***2020***
Cash:		
- on bank accounts	18 492	18 562
- escrow account	9 972	9 022
	28 464	**27 584**

10. Equity

Outline of the parent company result:

The following earnings are at the disposal of the Annual General Meeting, in SEK:

Retained earnings	263 822 660
Net result of the period	2 954 038
	266 776 698
to be carried forward	266 776 698

11. Share capital

The registered share capital amounts to SEK 11 556 (2020: SEK 11 556) and consists of 7 807 775 shares (2020: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.

In thousands of SEK

12. Loans and borrowings

As at 31 December 2021 loans and borrowings are as follows:

			Maturity -2022	2023-2025	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
The Parent Company					
Related party (Note 15)	SEK	1,5%-7%	-	32 810	32 810
			-	**32 810**	**32 810**

As at 31 December 2020 loans and borrowings are as follows:

			Maturity -2021	2022-2024	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
The Parent Company					
Related party (Note 15)	SEK	1,5%-7%	-	32 064	32 064
			-	**32 064**	**32 064**

13. Trade and other liabilities, other current liabilities

	The Parent Company	
	2021	***2020***
Trade and other liabilities		
Trade liabilities related parties	23 863	13 493
Trade liabilities	-	8
	23 863	**13 501**
Other current liabilities		
Advances received	40 981	10 625
Accrued expenses	480	480
	41 461	**11 105**

In thousands of SEK

14. Number of employees and employee benefits

Number of employees

	2021			***2020***		
	Women	***Men***	***Total***	***Women***	***Men***	***Total***
Sweden	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

Employee benefits

The Parent Company	***2021***	***2020***
Board and senior executives	-	-
Pension costs	-	-
Social security costs	-	-
	-	**-**

During the year no salaries, remuneration or pension expenses have been paid to the Board members.

15. Related party disclosures

Ultimate Controlling Party

As at 31 December 2021 the majority owner of the Parent Company is Agro Ukraina AB, which is a subsidiary of Claesson & Anderzén AB. A citizen of Sweden, Mr Johan Claesson, has the controlling interest in Claesson & Anderzén AB.

As at 31 December the Company's balances owed to and due from related parties are as follows:

	2021	***2020***
Entity under common control		
Loans and borrowings (Note 12)	-32 810	-32 064
Of which:		
CA Investment AB	*-16 930*	*-16 679*
CA Agroinvest AB	*-13 800*	*-13 390*
Ukrainian Investment AB	*-2 080*	*-1 995*
Subsidiary		

Trade and other receivables	53 302	31 588
- Baryshevski Grain Company LLC	*53 302*	*31 588*
Trade and other receivables	23 879	10 609
Baryshevski Grain Company LLC	*23 879*	*10 609*
Trade and other payables	-23 863	-10 625
Baryshevski Grain Company LLC	*-23 863*	*-10 625*

For the year ended 31 December the Company's transactions with the related parties under common control are as follows:

	2021	***2020***
Interest expenses	-745	-704
Of which:		
CA Investment AB	*-250*	*-210*
CA Agroinvest AB	*-410*	*-409*
Ukrainian Investment AB	*-85*	*-85*

	2021	***2020***
Sales of property, plant & Equipment	-	-
Baryshevski Grain Company LLC	-	-
Purchase of crops	-236 400	-247 115
Baryshevski Grain Company LLC	*-236 400*	*-247 115*

Compensation to key management personnel

For the year ended 31 December 2021, remuneration paid to key management personnel is SEK 0 (2020: 0). Compensation comprised the contractual salary and related taxes.

There are no key management personnel as of 31 December 2021 (2020: 0).

In thousands of SEK

16. Financial risk management objectives and policies

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments exposed to market risk include loans and borrowings, deposits, accounts receivable, accounts payable and finance leases.

The sensitivity analyses in the following sections relate to the position as at 31 December 2021 and 2020. They have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant. In calculation of sensitivity analysis, the sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held on 31 December 2021 and 2020.

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates, all other variables equal, of the company's profit before tax.

		Effect on profit before tax
	Change in basis points	***The Parent Company***
2021		
Change in interest rate (LIBOR)	100	-272
Change in interest rate (LIBOR)	-100	272
2020		
Change in interest rate (LIBOR)	100	-269
Change in interest rate (LIBOR)	-100	269

Foreign currency risk

Currency risks as defined by IFRS 7 arise when financial instruments are denominated in a currency that is not the functional currency and are of a monetary nature; translation-related risks are not taken into consideration. Relevant risk variables are generally non-functional currencies in which the company has financial instruments. The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, all other variables equal, of the company's profit before tax.

In thousands of SEK

2021	*Change in foreign currency rate %*	*Effect on profit before tax* *The Parent Company*
Change in USD exchange rate	1	495
Change in USD exchange rate	-1	-495
Change in EUR exchange rate	1	3
Change in EUR exchange rate	-1	-3
2020		
Change in USD exchange rate	1	455
Change in USD exchange rate	-1	-455
Change in EUR exchange rate	1	5
Change in EUR exchange rate	-1	-5

Liquidity risk

The objective is to maintain continuity and flexibility of funding through the use of credit terms provided by suppliers as well as loans and borrowings. Management analyses the aging of assets and maturity of liabilities and plans the liquidity depending on expected repayment of various instruments. In the case of insufficient or excessive liquidity in individual entities, management relocates resources and funds to achieve optimal financing of business needs. The table below summarises the maturity profile of the financial liabilities at 31 December based on contractual undiscounted payments:

		The Parent Company			
31-dec-21	***Payable on demand***	***Less than 3 months***	***3 to 12 months***	***1 to 5 years***	***Total***
Loans and borrowings, principal amount	-	-	-	27 238	27 238
Interest payable	-	-	-	5 572	5 572
Trade and other liabilities (Note 13)	-	23 863	-	-	23 863
	-	**23 863**	**-**	**32 810**	**56 673**
31-dec-20					
Loans and borrowings, principal amount	-	-	-	26 927	26 927
Interest payable	-	-	-	5 137	5 137
Trade and other liabilities (Note 13)	-	13 501	-	-	13 501
	-	**13 501**	**-**	**32 064**	**45 565**

In thousands of SEK

Credit risk

Receivable balances are monitored on an ongoing basis and, therefore, the exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 8. The ageing analysis of the trade and other receivables is as follows:

		The Parent Company *Past due, but not impaired*						
31-dec-21	*Neither past due, nor impaired*	*<1 month*	*1-2 months*	*2- 3 months*	*3-4 months*	*4-12 months*	*More than 12 months*	*Total*
Receivables subsidiary	17 401		-	545	-	5 204	30 152	53 302
Trade and other receivables	-		-	-	-	-	-	-
	17 401		**-**	**545**	**-**	**5 204**	**30 152**	**53 302**
Receivables subsidiary	197		-	197	-	395	30 799	31 588
Trade and other receivables	445		-	-	-	-	-	445
	642		**-**	**197**	**-**	**395**	**30 799**	**32 033**

Capital management

Management considers debts and net assets attributable to majority participants as primary capital sources. The objective of capital management is to safeguard the ability to continue as a going concern in order to provide returns on investment for shareholders and benefits for other stakeholders as well as to provide financing of its operating requirements, capital expenditures and sustainability of the development strategy. The capital management policies aim to ensure and maintain an optimal capital structure to reduce the overall cost of capital, and flexibility relating to the access to capital markets.

Management monitors capital using a gearing ratio, which is net debt divided by total net assets attributable to majority shareholders plus net debt, including in the net debt loans and borrowings, finance lease liability, trade and other liabilities, less cash and cash equivalents.

	The Parent Company	
	2021	***2020***
Loans and borrowings	32 810	32 064
Trade and other liabilities and other current liabilities	65 324	24 606
Less cash and cash equivalents	- 28 464	- 27 584
Net debt	69 670	29 086
Equity	278 333	275 379
Total equity and net debt	348 003	304 465
Gearing ratio	**20%**	**10%**

In thousands of SEK

Management monitors the capital structure on a regular basis and may adjust its capital management policies and targets following changes in the operating environment, market sentiment or its development strategy. The policy is to maintain a gearing ratio below 50%.

17. Fair value of financial instruments

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodologies as considered appropriate. However considerable judgement is required in interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation. All financial assets and liabilities are valued at amortised cost. Set out below is the comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated statement of financial position:

	The Parent Company			
	Carrying amount		***Fair value***	
	2021	***2020***	***2021***	***2020***
Financial assets valued at amortized cost				
Cash and short-term deposits	28 464	27 584	28 464	27 584
Trade and other receivables	81 319	42 657	81 319	42 657
Financial liabilities valued at amortized cost				
Trade and other payables	65 324	24 606	65 324	24 606
Loans and borrowings	32 810	32 064	32 810	32 064

18. Pledged assets and surety

	The Parent Company	
Pledged assets	**2021**	**2020**
Escrow account	9 972	9 022
	9 972	**9 022**

	The Parent Company	
Surety	**2021**	**2020**
Surety for subsidiaries (for debt to JSC UkrSibbank)	113 046	94 169
Surety for subsidiaries (for debt to Credit Agricole Bank)	77 776	70 422
Surety for subsidiaries (for debt to EBRD)	102 269	100 375
Summa	**293 091**	**264 966**

19. Income tax

The Parent Company

As at 31 December 2021, the tax loss carried forward 6 100 (2020: SEK 8 582). The Company has not reported a deferred tax assets as deficit in the balance sheet.

20. Events after the reporting date

On February 24, Russia launched a military invasion of Ukraine, which affected both the parent company and the Group extremely hard. For more information about this, see page 58 Important events after the end of the reporting period.

Regarding the company's continued operation, there may be uncertainty about the value of shares in subsidiaries. However, the management believes that the Group has all factors for provision the going concern in the future. Read more about this on page 60, Going concern.

21. Signatures & statement of assurance

The board of directors hereby assure that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) to the extent they have been adopted by the EU, and that the consolidated account provide a fair and true view of the Group´s financial position and result. The annual accounts have been prepared in accordance with generally accepted accounting standards and provide a fair and true view of the Parent company´s financial position and result.

The report of the directors of the Group and the Parent Company provides a fair and true view of the development of the Group´s and the Parent company´s operations, financial position and results, and describes significant risks and uncertainties to which the Parent Company and the companies in the Group are exposed.

………………………….	……………………………	……………………………
Johan Damne	Johan Claesson	Yevgeniy Radovenyuk
Board member, Chairman	*Board member*	*Board member*

Our audit report was presented on

Ernst & Young AB
Franz Lindström
Authorized public accountant

Auditor's report

To the general meeting of the shareholders of BZK Grain Alliance AB, corporate identity number 556754-1056

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of BZK Grain Alliance AB for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 11-78 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Material Uncertainty Related to Going Concern

We draw attention to the information provided in Directors' report and note 33 to the consolidated financial statements and note 20 in the parent company regarding "Events after the balance sheet date" and going concern. The Company describes in those notes the existence of uncertainty as a result of Russia's military invasion of Ukraine and its impact on uncertainty in distribution, financing and currently unknown effects of the ongoing war, which indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-10. The Board of Directors and the Managing Director are responsible for this other information. The other information comprises report on operations (but does not include the annual accounts, consolidated accounts and our auditor's report thereon).

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BZK Grain Alliance AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Kalmar 30 June 2022

Ernst & Young AB

Franz Lindström
Authorized Public Accountant