BZK GRAIN ALLIANCE AB

Corporate identity number: 556754-1056

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

FOR THE FINANCIAL YEAR
1 OF JANUARY 2023 - 31 OF DECEMBER 2023

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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

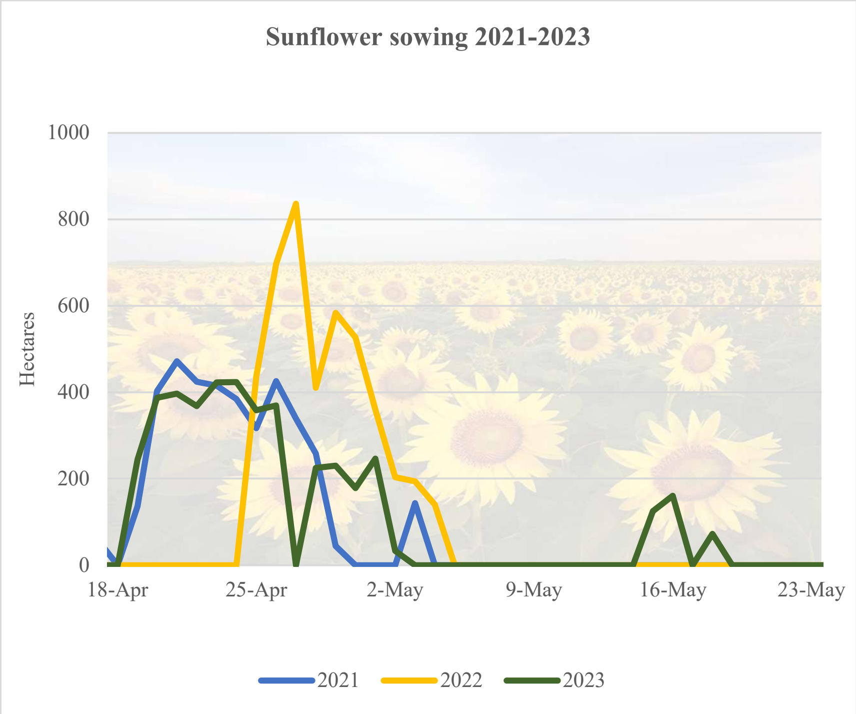
Grain Alliance lands are located in the center of the Ukrainian black earth belt. The company operates in four districts in Ukraine: Kyiv, Poltava, Cherkasy and Chernihiv districts. The agricultural operations are divided into three regions (clusters), where each region cultivates between 17,000 and 24,000 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.

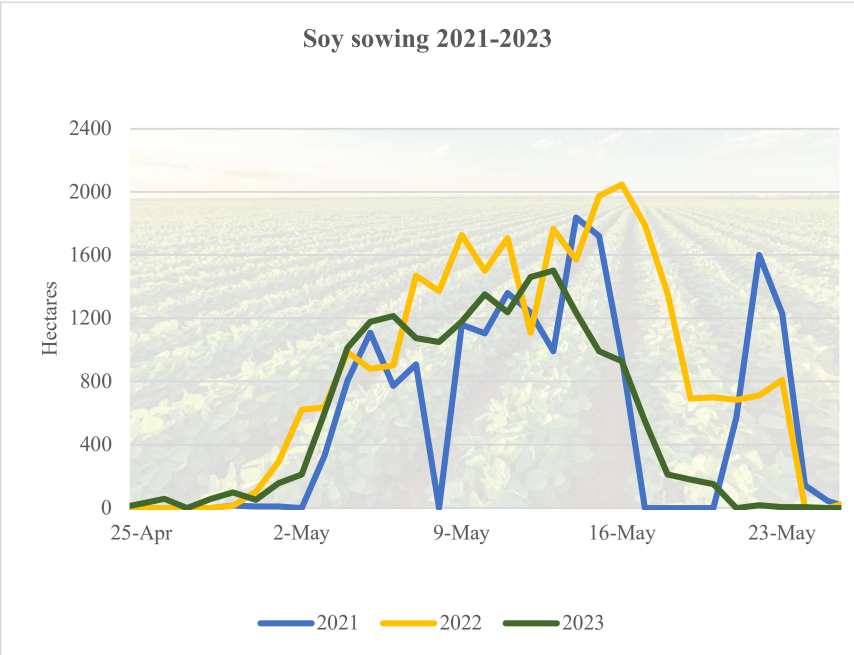
SOWING CAMPAIGN 2023

The 2023 sowing campaign went confidently and quickly for soy and corn, with delays in sowing sunflowers in the Chernihiv cluster due to waterlogged soil. Delays in sowing in Chernihiv did not have a significant impact on the achieved yield.

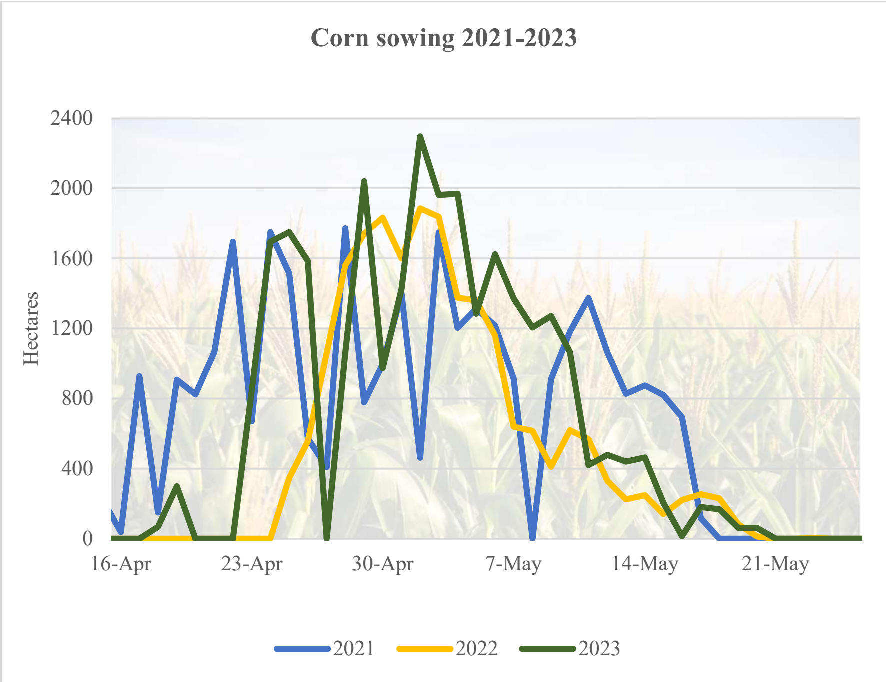
Sunflower sowing started on April 19 and ended 13 days later – on May 01, 2023.



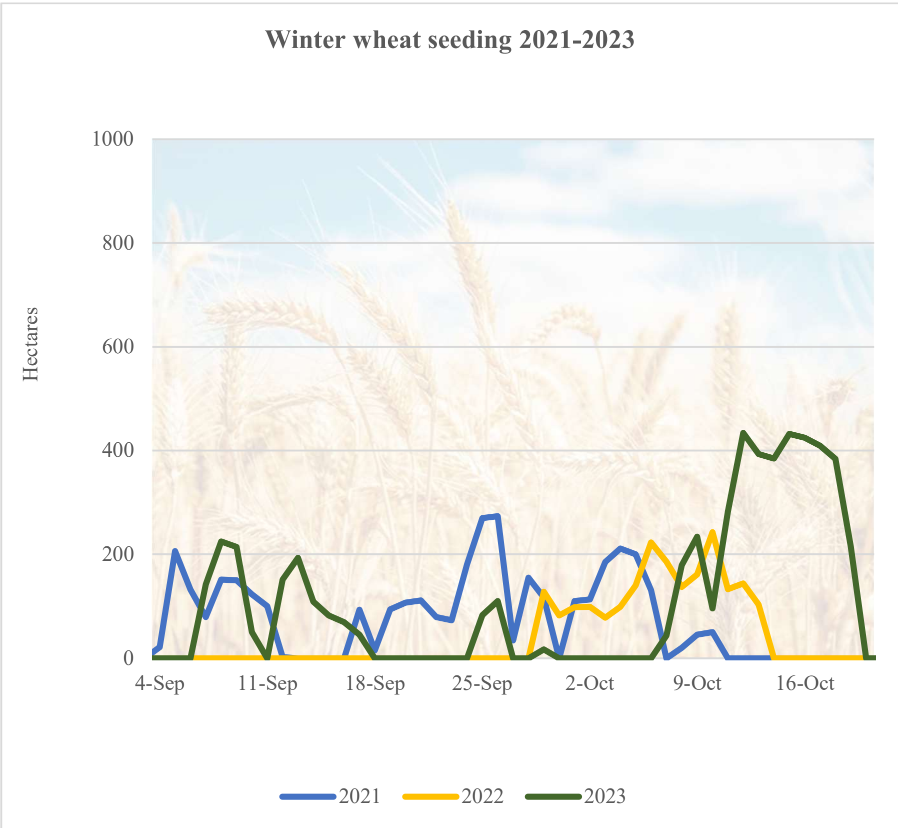
Soy sowing began on April 25 and was completed on May 20, 2023, in most of the fields, that is acceptable for soybeans. A small part of the fields was sown later, till May 27th, but this did not significantly affect the productivity of the fields. It took 27 days in total to plant soybeans.



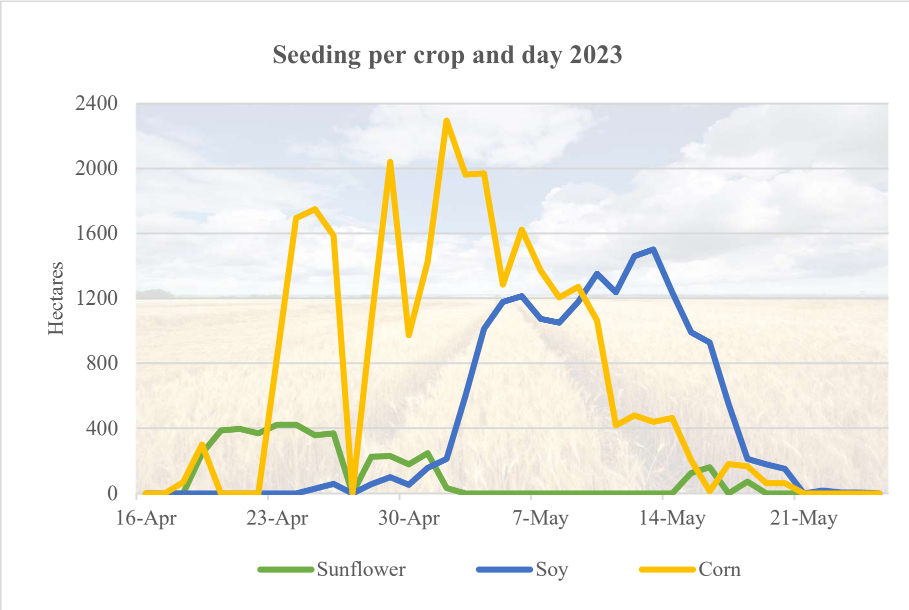
Corn sowing started on April 19 and finished on May 19, 2023, 31 days after the start.



Sowing of winter wheat for the 2023-2024 season began on September 14 and ended on October 1, 2023, with a total duration of 18 days.

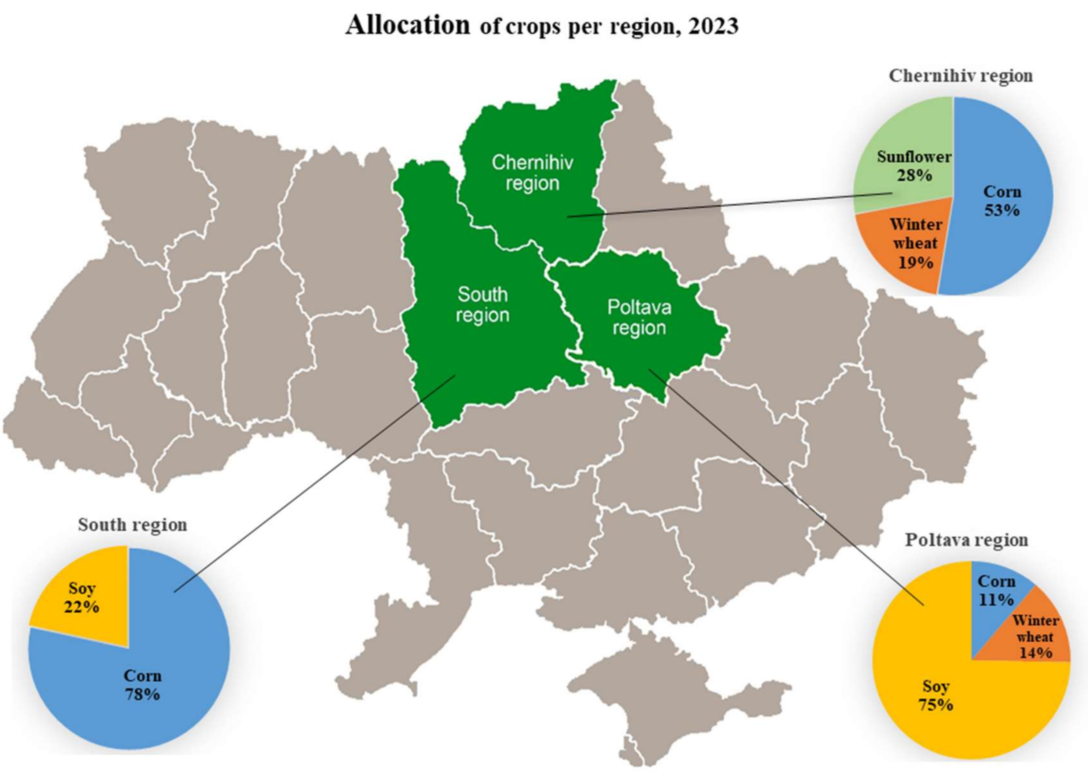


Yields of crops mainly depended on weather conditions. The weather condition for the vegetation of all the winter and spring crops were favourable until early September. Then long-continued rains during the late maturing period and gathering season resulted in substantially later harvesting of sunflowers, soybeans, and corn.

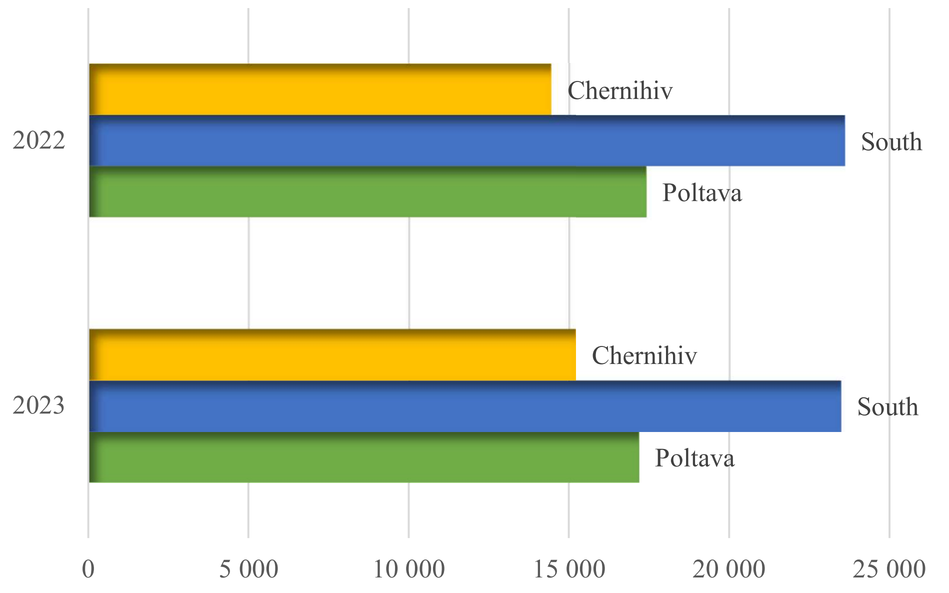


Allocation of crops

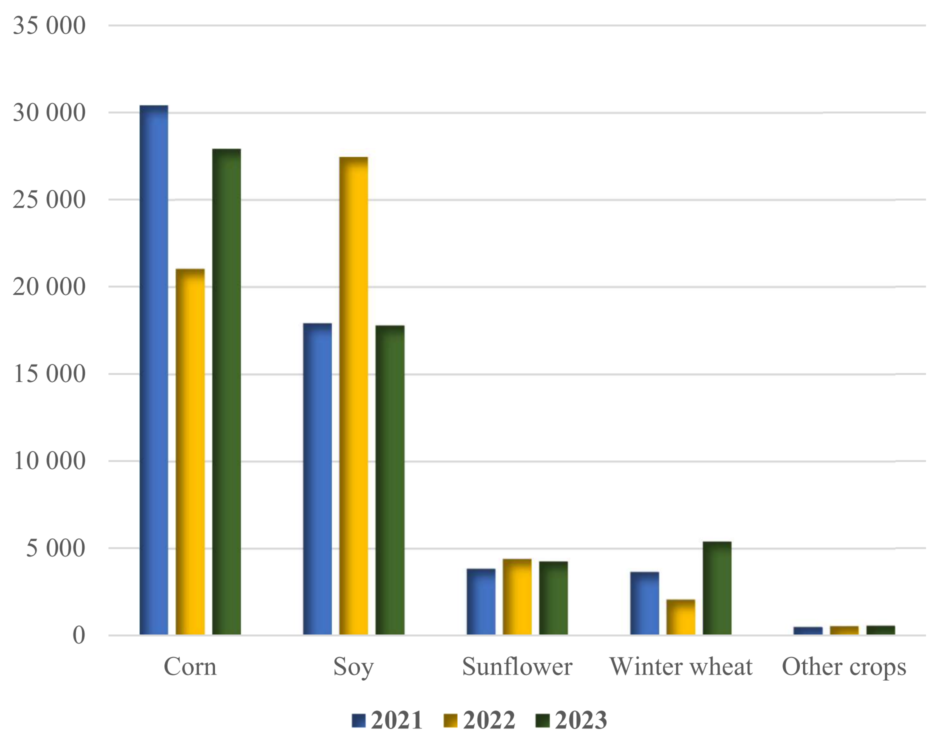
Main crops for the BZK Grain Alliance Group are Soybeans and Corn. Their share in 2023 crop rotation was 82%. Winter wheat and Sunflower took 10 and 8% respectively as auxiliary crops. A growth of Wheat and Sunflower's share is possible next years if market conditions would change. Total arable land for the season was 55 thousand ha. The fallow land was 1,6 thousand ha as the decision not to cultivate low productive lands was made. Forage crops of 0.5 thousand ha were cultivated to cover animal husbandry business.



Seeded hectares per region 2023 and 2022



Dynamic of harvested ha 2021-2023



HARVEST 2023

Winter wheat harvesting started on 17 July and finished in 20 days on 5 August 2023. Net yield was 6.5 tons/ha that is the record for the company for the last few years.

Soy harvesting started early September in two clusters – South and Poltava. Clusters worked around a month to clear the fields. Net yield was 2.9 tons/ha for the company and seen as the successful for the season.

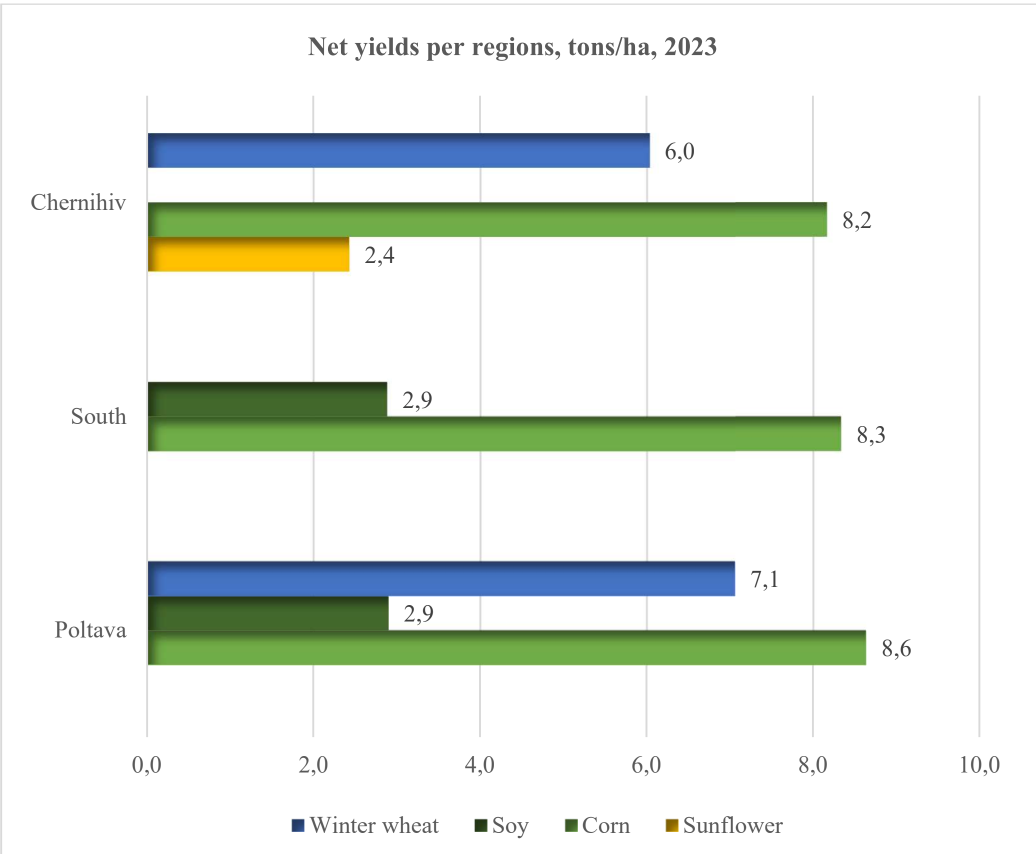
Sunflower harvesting started timely on 10 September. Net yield of 2.4 tons/ha is average for the company. All sunflower harvest demonstrated a good quality.

September 8, 2023 was the day of Corn harvesting in South Cluster. It wasn't finished in 2023 due to the prolonged period of rains and snow 3 thousand ha of Corn remained unharvested as of 1 January 2024. Net yield for the harvested corn was 8.3 tons/ha. There were no major quality issues for Corn during winter harvesting in 2023.

Harvesting period 2023 by months and weeks

Crops	July 2023				August 2023				September 2023				October 2023					November 2023				December 2023			
	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
Corn									97 days																
Soy									38 days																
Sunflower										21 days															
Wheat			20 days																						

The results of harvesting campaign per regions are following:



Crop prices and Sales 2023

In 2023, the Ukrainian agriculture sector faced unprecedented challenges amidst the ongoing Russian full-scale war against Ukraine. Despite the tumultuous environment, Ukrainian agricultural operations persevered, adapting to the new realities brought about by the conflict.

The signing of "The Black Sea Grain Initiative" in Istanbul on July 22, 2022, facilitated the export of Ukrainian agricultural products, providing a much-needed influx of liquidity into the market. Despite the downward trend in commodity prices, export activities continued, buoyed by the advantageous infrastructure and streamlined processes at traditional Black Sea ports, which offered reduced train logistics costs compared to routes through EU borders.

This conducive environment, coupled with the remarkable efficiency of Ukrainian agriculture, resulted in an unexpected increase in the sowing area in 2023, despite initial setbacks caused by the war.

Prior to the Russian invasion, the combined areas dedicated to grains and oilseeds in Ukraine stood at approximately 25 million hectares. However, in 2022, this figure plummeted to around 20 million hectares. By 2023, there sown area decreased further, with the area reaching approximately 19.5 million hectares.

Despite the ongoing conflict, Ukraine's retail, food processing, and food service sectors managed to sustain their operations. The retail sector made efforts to maintain a diverse range of imported products, with imports of fish, seafood, beef, nuts, food ingredients, whiskey, beer, snacks, and pet food witnessing growth.

Following a contraction in the economy and imports in 2022, there was a gradual recovery in 2023. Ukraine's alignment with EU import regulations as part of accession negotiations contributed to this recovery, albeit amidst ongoing logistic challenges posed by the conflict.

In April 2023, neighboring countries such as Poland, Slovakia, Hungary, Romania, and Bulgaria initiated blockades on Ukrainian agri-exports. While the EU Commission intervened to manage and limit these blockades, disruptions persisted, affecting companies exporting via trucks, with train logistics experiencing disruptions primarily in Poland.

By the end of 2023, Bulgaria rescinded its unilateral ban on the export of certain products from Ukraine due to feedstock shortages in its processing industry. Romania invested in enhancing infrastructural bottlenecks to facilitate the transit of Ukrainian grain smoothly, particularly through the port of Constanta, which emerged as the second-largest destination for Ukrainian grain transit and export after Ukrainian Black Sea ports.

Officially terminated on July 17th, 2023, "The Black Sea Grain Initiative" ceased to function due to Russia's withdrawal from the agreement aimed at ensuring safe maritime trade logistics. Subsequently, the Ukrainian government announced its unilateral grain corridor, with the Ukrainian Navy taking on the responsibility of protecting civilian vessels from potential Russian threats.

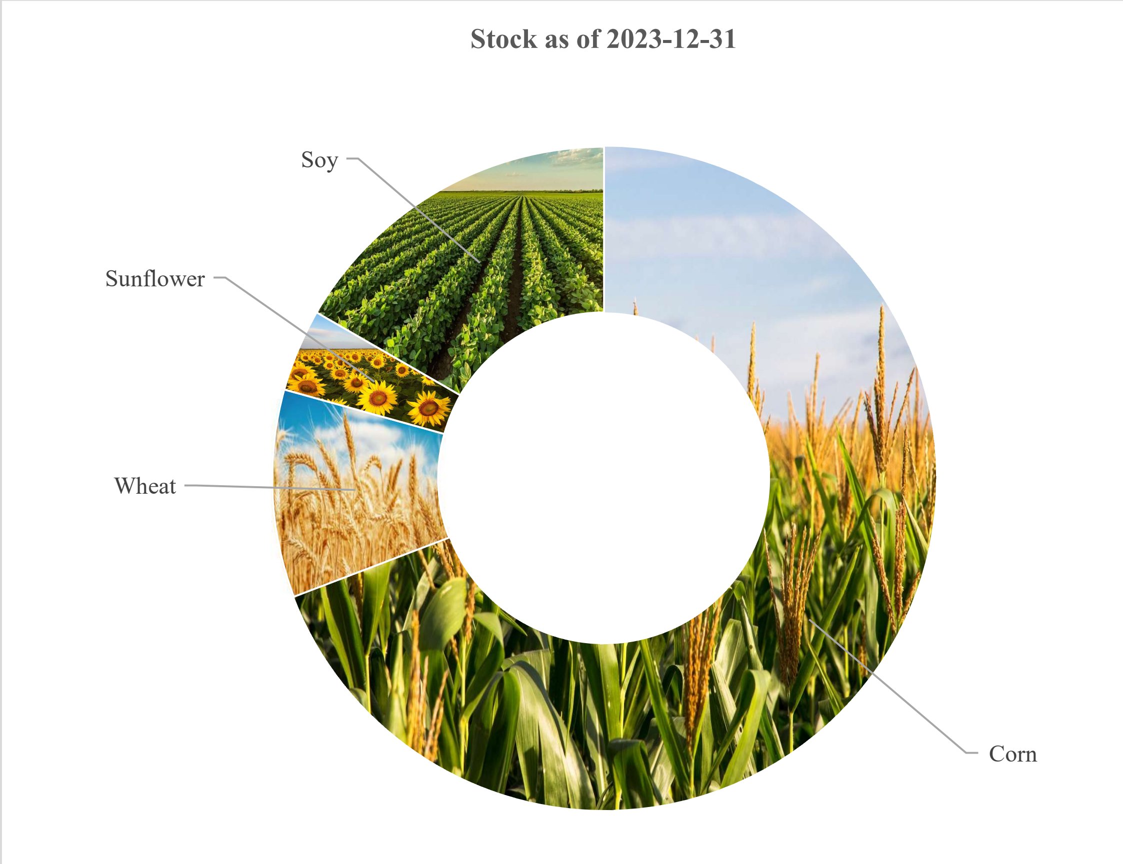
Despite sporadic attempts to disrupt civilian vessels using drones, missiles, and sea mines, the impact remained minimal. From August 2023 until the end of the year, approximately 13 million tons of cargo were exported through Ukrainian ports by 400 vessels, reaching 24 different countries.

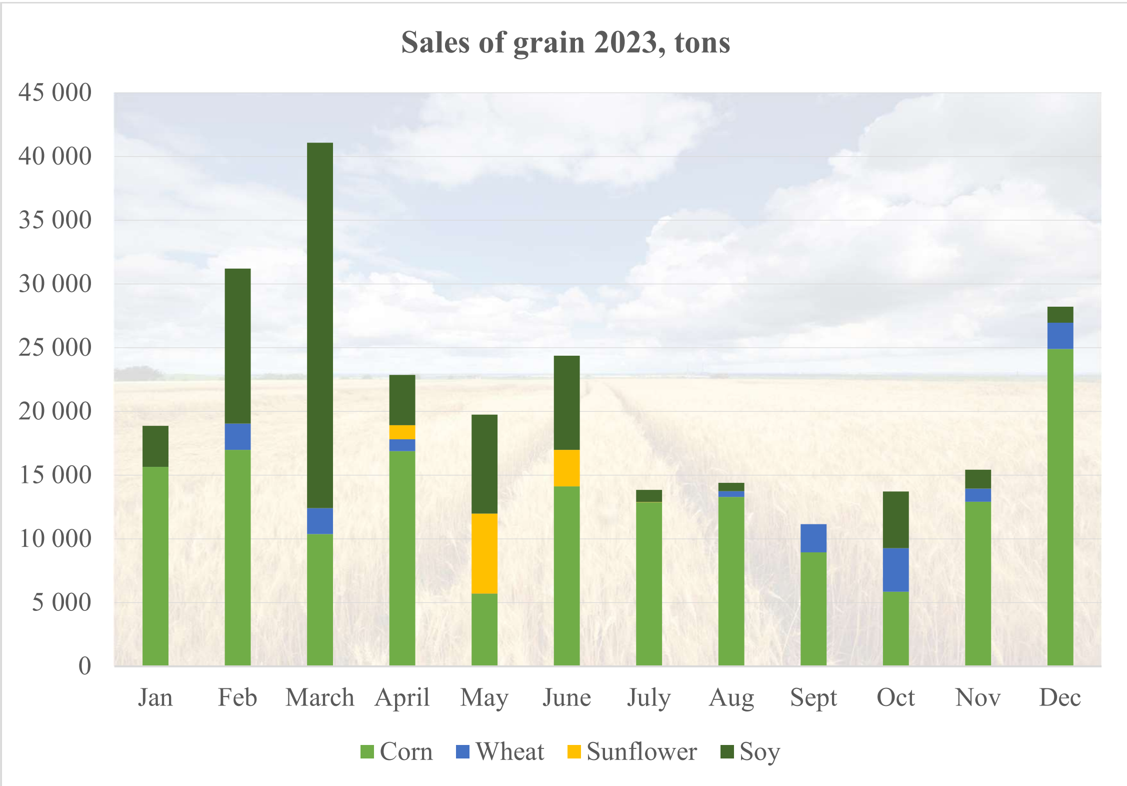
Logistically, BZK GA AB Group maintained flexibility in exporting goods through conventional Black Sea ports in Ukraine and via its terminal in Slovakia using railways. On top of regular sales routes, BZK Grain Alliance made a trial shipment of whole vessel of grains to the final recipient in Italy adding value to its sales through maritime routes. The trial proved to be successful, and will be continued on larger scale during year 2024.

During 2023, the Group has managed to sell more than 250 thousand tons of grain out of which 80% went for export.

Grain Alliance continues sales in EUR and USD DAP Čierna nad Tisou (Slovakia) and CPT seaport and managed to ensure timely deliveries.

As of December 31, 2023, the Company had approximately 263 thousand tons of grain in stock.


Stock as of 2023-12-31
Soy
Sunflower
Wheat
Corn


Sales of grain 2023, tons
45 000
40 000
35 000
30 000
25 000
20 000
15 000
10 000
5 000
0
Jan
Feb
March
April
May
June
July
Aug
Sept
Oct
Nov
Dec
Corn
Wheat
Sunflower
Soy

Directors' report

Result/Sales

Ukraine's export-dependent economy in 2023 continues to struggle with the consequences of reduced supplies of Ukrainian goods abroad due to a full-scale Russian invasion. Despite this, the Group increased the sale of grain in 2023 to 255 thousand tons compared to 202 thousand tons in 2022. As of 31 December 2023, the Group sold 159 thousand tons of corn, 72 thousand tons of soy, 10 thousand tons of sunflower, and 14 thousand tons of wheat. In 2023, the Group fully sold the grain of OY'2021 and OY'2022. The grain of harvest 2023 was sold in quantity 49 thousand tons which is equal to 16% of the harvest.

The Group had three main sales routes in 2023, such as sales at elevators (EXW) in the quantity of 52 thousand tons, via Black Sea ports in the quantity of 78 thousand tons, and on railways to Slovak elevator with subsequent transportation to customers by wagons or trucks in the quantity of 125 thousand tons. In December 2023, Ukraine had one of the best indicators of agricultural exports through the Black Sea during the entire period of war. Expected, that this route of export will expand.

Currency

The Company's accounting currency is Swedish kronor but the operating currency is Hryvnia in Ukraine and Euro in Slovakia.

From February 24, 2022, the official exchange rate of the dollar was set by the directive of the National Bank in accordance with the resolution of the NBU Board No. 18 of February 24, 2022.

In fact, the exchange rate was frozen at one level and changed only once in seventeen and a half months - on July 21, 2022, when it was immediately raised by 25% – from 29.2549 to 36.5686 hryvnias per US dollar.

On October 2, 2023, the National Bank announced the transition to a regime of exchange rate flexibility. The official exchange rate will be determined on the basis of the exchange rate for operations on the interbank foreign exchange market. As of December 1, 2023, all restrictions for banks and non-bank financial institutions regarding the volume of their possible sale of cash foreign currency to the public have been abolished. The process of convergence of the official and real (market) dollar exchange rate has begun.

During the year ended 31 December 2023, the Ukrainian Hryvnia depreciated against EUR by 8%, the US dollar – by 4%; and Swedish Krona – by 0%.

Further financial sustainability of the Ukrainian Hryvnia will be much dependent on the multilateral international financial assistance provided by the USA, the EU and its bodies (European Investment Bank), and the international financial institutions (International Monetary Fund, World Bank Group, and European Bank for Reconstruction and Development).

Since the beginning of the full-scale invasion of Russia, Ukraine has received international aid in the amount of almost 170 billion euros. Donors of Ukraine were 42 countries, as well as European financial institutions, the International Monetary Fund and the World Bank.

The report of the National Bank for December 2023 states that GDP growth in year significantly exceeded expectations, and inflation slowed down rapidly during the war. The inflation index was 5.1%. The economy of Ukraine demonstrates stability this year, GDP growth is more than 5% after a drop of 29.1% last year. In 2023, the NBU has decreased its key policy rate from 25% to 15% at the end of year. This decision is consistent with the slowdown in inflation and improvement in inflationary expectations, which will contribute to maintaining the attractiveness of hryvnia instruments for savings.

INVESTMENTS DURING 2023

To meet the challenges of the full-scale war in Ukraine, the Group has continued on investments in logistics, elevators and agricultural machinery. The vast investments were made in the purchase of the brand-new railroad wagons for the transportation of grain. Nowadays, the Group owns 236 railway wagons (including 216 wagons produced within last 2 years and 20 used wagons produced in 2013) that ensures non-stop operation of export sales.

The Group has continued investments in the Slovak elevator reconstruction, included prepayment for the steel silos and related expenses; aspiration system; administrative building renovation; grain loading/handling and automation equipment.

In 2023, the Group purchased five brand new tractors JD 8R340 and continued a program of replacement of old and depreciated machinery. The Group has invested into improvement of the logistic chain in the EU (DAF trucks and semi-trailers Bodex) to transport grain from the elevator in Slovakia to the final customers.

In the frames of the USAID "Economic Resilience Activity" Technical Assistance Project, the Group has received six telescopic handlers Massey Ferguson 7038, two tractors Massey Ferguson 6713, grain loading/handling equipment and eight diesel generators. On a territory of the Nizhyn elevator there were constructed two flat warehouses.

The Group is permanently investing into the infrastructure development to improve the operational performance of the elevators, i.e., modernization of the heat generators, replacement of the grain transport equipment etcetera.

Grain Alliance considers soy as the most profitable crop. Grain Alliance continues investing in the improvement of the quality of seeding, protection, and timing.

STORAGE AND DRYING CAPACITY 2023-12-31

Elevators	Baryshivka	Berezan	Yahotyn	Pyriatyn	Nizhyn	Yarmolyntsi	Transped (Slovakia)
Max storage capacity	18 000 t	44 000 t	55 000 t	105 000 t	69 000 t	16 000 t	21 000 t
Type of storage	Flat bed	Flat bed + steel silos	Flat bed + steel silos	Steel silos	Steel silos	Flat bed + steel silos	Concrete silos
Drying capacity	650 t/day	1000 t/day	1000 t/day	2600 t/day	2300 t/day	600 t/day	N/A
Railroad	On site	On site	8 km	On site	On site	5,5 km	On site
Shipment capacity	800 t/day	1000 t/day	1750 t/day	2000 t/day	1750 t/day	800 t/day	1800 t/day

EMPLOYEES

The average number of employees in 2023 was 1 163, divided between 239 women and 924 men. There were 1 139 employees in Ukraine and 24 in Slovakia. 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 Group 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 analyses on the cultivated fields. Our up-to-date laboratory allows us 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 Group's long-term goal is to increase the share of renewable fuels in its production as well as in heating villages and towns around us. The investment in the thermal generators in Nizhyn, Pyriatyn, and Yahotyn allowed for a decrease in natural gas consumption.

The Group performs regular procedures in terms of environmental, health and safety (EHS). In order to improve the management of the EHS processes, the Group permanently improves its own ERP system to establish a unified approach to identify, control, analyse, and mitigate EHS assessment and risks - to manage chemicals safely; to monitor industrial hygiene; to reduce the environmental impact; to improve labour and working conditions and to improve cooperation with the stakeholders. The Group has incorporated the EHS assessment and risks, the measures which are taken to ensure reliability, safety, and security, as well as the engagement of the stakeholders.

The Group has ensured strict environmental and EHS terms framework contracts. Such requirement has become an integral part of contractor selection in the tender procedures.

The Group has all the necessary permissions to carry out high-risk jobs and has fulfilled the comprehensive monitoring of strict compliance with the EHS terms, rules, and requirements by the contractors.

Grain Alliance continues the implementation of its environmental and social action plan which aims to enhance the environmental, health, and safety programs and the employee-management relationship.

Grain Alliance complies with the requirements and conditions of the certification system International Sustainability and Carbon Certification; the requirements of the RED II; GMP+ B3 Trade, Collection and Storage & Transshipment; Europe Soya Guidelines and to the feed business in the EU.

HUMAN RESOURCE POLICY

People are the most valuable asset in the Grain Alliance HR policy. It centers around safety and support, personal development, and education. To fulfil its policy, the Group has taken all appropriate measures for the preservation and development of human resources.

Since the start of the full-scale war, the safety of the employees has become the priority for the Group.

Unfortunately, the war causes personnel shortages. The salary market has also changed. The average salary increased by 23% in 2023.

The Group responds to these changes as follows:

- training of personnel to improve their skills;
- internal recruiting for re-profiling personnel;
- maintaining competitive salaries;
- increasing awareness of the importance of the employee's work through the value of the product and service.

The Group is permanently updating its labour policy which meets the best business practices and acts according to the current legislation of the countries it operates in.

RISKS

The Group's agricultural operations are conducted entirely in Ukraine whose economy is run in accordance with martial law. The operations as such are associated with risks in the form of war-related risks (missile attacks on production facilities, blockade of grain export by sea, disruptions in the supply chains) and other risks such as volatile world prices, climate change, and other external influences on the soil and crops. The operating environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure the sustainability of the Group's operations.

Political risks

The political situation in Ukraine has remained unstable due to the Russian invasion. The country's economy and infrastructure have been heavily affected by the ongoing invasion.

Ukraine has preserved its independence and state sovereignty. Despite the colossal losses of human lives and the country's production potential, despite the enemy's attacks on the state system and institutions of power, the country's economy continues to function as an integrated system, and the Government retains full power and all opportunities for making and implementing political decisions.

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. For more detailed information about risks and risk management, see Note 30.

Macroeconomic risk

The completely dominant risks are the risks resulting from the Russian invasion of Ukraine. The Ukrainian economy has been forced to transition to a war economy.

It follows that there is a risk of a shortage of labour as the defence of Ukraine requires increased human resources. A shortage of labour risks affecting the business's ability to produce and deliver grain to a normal extent.

As Ukraine is continuously exposed to Russian attacks, there is a risk that the company's facilities and warehouses will be attacked with significant financial losses as a result. Russian attacks also risk affecting the business's logistical capacity and energy supply, which can lead to problems with both deliveries to customers and access to input goods. Access to energy supply is important and interruptions can be partly compensated for with backup power, but long-term disruptions can have serious consequences.

Climate risk

It is in the nature of the business that changing climate conditions pose a significant risk. Extreme weather in the form of high temperatures, prolonged drought and heavy rainfall pose risks that can have a major impact on the company's ability to produce grain of good quality.

To reduce climate risks, the company is taking a variety of measures:

- Use of crop rotation, which allows for crops turnover in clusters. We don't use mono-crop technology (one crop on fields for 3-5 years or even longer) in the company.
- Clusters set individual sowing start dates, which depend on the occurrence of optimal sowing conditions on their territory. Therefore, the sowing in clusters differs by several days. This distinction allows crops to pass through periods of possible hot or dry conditions more confidently.
- The selection of varieties and hybrids is carried out individually for each cluster, depending on the climatic characteristics of the region.

Land assets risk

Ukraine contains approximately a quarter of the world's high-quality black soils, and its location on the continent makes these lands very attractive for investment.

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.

In addition, on March 24, 2022, the Parliament of Ukraine approved the Law "On amendments to certain legislative acts of Ukraine concerning the creation of conditions for ensuring food security under martial law", which significantly simplifies the transfer of agricultural land plots into leases during martial law. The Law sets forth that all leases of agricultural land plots that expire during martial law are to be extended for a one-year period without an expression of will for such amendments by the parties.

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.

During 2023, the Group has continued to work with a network of customers from the EU developed in 2022 and continues cooperation with the major grain traders, which allowed it to sell grain at the most favourable prices of the export market. However, volume of sales through EU decreased in the second half of the year due to a combination of factors: increased liquidity and therefore higher sales prices of grain in the Black Sea ports. Moreover, it was the first year when the group did first vessel delivery at own expense to the buyer in Italy. The experience was successful, and we plan to continue further CIF/CFR sales in the following year.

Foreign exchange risk

The main functional currencies of the Group are the Ukrainian hryvnia, US dollar, and Euro. Fluctuations in the value of the Ukrainian Hryvna versus the US dollar and Euro 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

The 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 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 using and purchase of seeds, fertilizers, and crop protection materials more efficiently by the wholesale prices;
- to build long-term and mutually beneficial relationships with suppliers of qualitative seeds, fertilizers, and crop protection materials.

IMPORTANT EVENTS DURING THE REPORTING PERIOD

During 2023, the Group's assets and infrastructure remained intact, with no critical damages resulting from missile or artillery strikes. Therefore, no war-related losses were recognized.

Despite the high probability of Russian shelling targeting vital Ukrainian energy infrastructure, as experienced in the previous winter, there were no major power outages in 2023. The Group is better prepared to mitigate possible disruptions to its operations this year.

Bank lending was hit hard by the war. Many financial institutions reduced/phased out their programs due to the impact of the war.

However, during 2023, the Group actively interacted with banks and was able to obtain a loan from the EBRD for investment purposes in the amount of 10 million Euros.

The Group has managed to recover all the credit limits to the pre-war time and prolonged a term of the general agreements for the granting of loans for the next five years. The Group has continued participation in the State program "Affordable Loans 5%-7%-9%" by the year-end.

Due to the increase in the interest rate on loans in Hryvnia and considering the vast part of proceeds in the foreign currency, the Group decided to repay the outstanding principal loans in Hryvnia and to switch to foreign currency loans.

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

The Group is cooperating with USAID on different programs. During 2023, the Group received production equipment of almost 30 mln UAH. Also, the construction of flat warehouses which are located in the Nizhyn elevator will be financed by the USAID project for an additional 27 mln UAH in 2024.

During 2023, the Group has managed to refund 207 mln UAH (or 60 mln SEK) of the VAT from the state budget. The Group has paid 5.5 mln SEK of the income tax in Sweden and Slovakia for the fiscal year 2022.

In 2023, the Group has spent 100 mln SEK for capital expenditures. The vast share of these expenses was made to finance of purchase of the wagon fleet, which was financed by two-thirds by credit funds of EBRD. Read more information about the capital expenditures in chapter Investments during 2023 of this report.

The Group sold 254 thousand tons of grain and received revenue in the amount of 867 mln SEK (or 76 mln EUR) in 2023.

Proceeds from sales were used to ensure the sustainability of the sales distribution chain, to repay short-term debts in local currency, and to purchase agricultural inputs (seeds, herbicides, fertilizers, and fuel).

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 grain in Ukraine, to expand the cultivated area and to secure the land bank. The Group will continue to invest into improvement of the logistics and distribution infrastructure and develop the distribution network. The management of the Group expects to carry on with shipments of the goods to the local buyers and to the partners from the EU countries.

Key ratios

	2023	2022	2021	2020	2019
Turn over, KSEK	882 582	602 715	561 435	451 448	641 680
Operational result, KSEK	113 498	342 446	424 590	151 293	63 793
Result after financial costs, KSEK	36 177	284 908	362 550	47 494	(22 309)
Equity ratio %	53,66%	55,38%	60,00%	43,82%	45,89%
Cash flow, KSEK	135 854	83 180	(44 946)	42 351	8 437

Outline of the parent company results

The following earnings are at the disposal of the Annual General Meeting (SEK):	
Retained earnings	**284 877 193**
Net result of the period	13 971 648
	298 848 840
The Board proposes that the profit/loss be appropriated as follows:	
Dividend	0
to be carried forward	**298 848 840**
At the Extraordinary General Meeting on 2 of April 2024, SEK 47,311 was distributed.	

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.

In thousands of SEK

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Group 2023	2022
Revenue from sales	5	882 582	602 715
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	19	224 079	416 626
Cost of sales	6, 12	(842 026)	(488 481)
Gross profit		**264 635**	**530 860**
Other operating income	7	8 248	2 039
General and administrative expenses	8	(48 347)	(50 861)
Selling expenses	8	(94 797)	(90 481)
Other operating expenses	9	(16 241)	(49 111)
Operating profit / (loss)		**113 498**	**342 446**
Finance costs	10	(84 732)	(81 325)
Finance income	11	8 357	836
Foreign exchange gain	13	(946)	22 951
Profit / (loss) before tax		**36 177**	**284 908**
Income tax expense	14	(2 014)	(5 528)
Profit / (loss) for the year		**34 163**	**279 380**
Whereof attributed to equity holders of the company		**34 163**	**279 380**
Other comprehensive income:			
Foreign exchange differences		(76 900)	(130 957)
Tax effect		-	-
Total other comprehensive income for the year		**(76 900)**	**(130 957)**
Total comprehensive income for the year		**(42 737)**	**148 423**
Whereof attributed to equity holders of the company		**(42 737)**	**148 423**

In thousands of SEK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	The Group	
Non-current assets		**2023**	**2022**
Property, plant and equipment	15	393 330	328 616
Intangible assets	16	1 725	2 104
Biological assets	18	3 153	2 726
Other non-current assets	17	46 020	46 540
Right of use assets - Land leases	19	278 684	315 797
		722 912	**695 783**
Current assets			
Inventories	20	550 441	674 468
Biological assets	18	26 678	128 108
Trade and other receivables	21	9 664	20 677
Other current assets	21	62 644	116 589
Cash and cash equivalents	22	258 972	123 118
		908 399	**1 062 960**
Total assets		**1 631 311**	**1 758 743**
Equity			
Issued capital	23	11 556	11 556
Other contributed capital		278 295	278 295
Foreign currency translation reserve		(351 494)	(274 594)
Retained earnings		937 074	958 709
		875 431	**973 966**
Non-current liabilities			
Loans and borrowings relative parties	24	38 124	36 937
Loans and borrowings	24	120 416	80 000
Long term lease obligation	19, 25	325 958	359 413
Other long-term liabilities		5 550	-
		490 048	**476 350**
Current liabilities			
Loans relative parties	24	55 800	-
Loans and borrowings bank	24,32	141 974	236 337
Short term lease obligation	19, 25	18 503	19 506
Trade and other liabilities	26	17 184	33 088
Other current liabilities	26	32 371	19 496
		265 832	**308 427**
Total liabilities		**755 880**	**784 777**
Total equity and liabilities		**1 631 311**	**1 758 743**

In thousands of SEK

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Group	Issued Capital	Other contributed capital	Foreign Exchange differences	Retained earnings	Total equity
Balance at 1 January 2022	**11 556**	**278 295**	**(143 638)**	**679 329**	**825 542**
Profit for the year	-	-	-	279 380	279 380
Foreign currency translation reserve	-	-	(130 956)	-	(130 956)
Total comprehensive income	-	-	*(130 956)*	*279 380*	*148 424*
Balance at 31 December 2022	**11 556**	**278 295**	**(274 594)**	**958 711**	**973 968**
Profit for the year	-	-	-	34 163	34 163
Foreign currency translation reserve	-	-	(76 900)	-	(76 900)
Total comprehensive income	-	-	*(76 900)*	*34 163*	*(42 737)*
Transactions with Group Owners					
Group contribution	-	-	-	(55 800)	(55 800)
Total transactions with Group Owners	-	-	-	*(55 800)*	*(50 800)*
Balance at 31 December 2023	**11 556**	**278 295**	**(351 494)**	**937 074**	**875 431**

In thousands of SEK

CONSOLIDATED STATEMENT OF CASH FLOW

	The Group	
	2023	**2022**
Operating activities		
Profit / (loss) before tax	**36 177**	**284 908**
Non-cash adjustments:		
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	(224 079)	(416 626)
Depreciation	78 609	78 556
Gain on sales of fixed assets	(1 347)	(648)
Finance income	(8 357)	(836)
Foreign exchange gain	946	(22 951)
Finance costs	84 732	81 325
Loss on impairment of property, plant and equipment	-	1 133
Loss on impairment of accounts receivable and prepayments	117	97
Loss on impairment of inventories to net realizable value	71	19 159
Write down of property, plant and equipment	239	-
Shortages and losses from damage of valuables	3 211	1 031
Gain / loss from sale of other inventories	(167)	(605)
Gain on accounts payable written off	(617)	(243)
Provision on damage assets	-	15 779
Gain from early termination of a lease (16 IFRS)	(4 563)	-
Working capital adjustments:		
Change in biological assets	105 852	(36 427)
Change in trade receivables and other current assets	53 953	8 099
Change in agricultural produce and other inventories	287 497	136 387
Change in trade and other payables and other current liabilities	19 087	(18 410)
	431 361	**129 728**
Interest received	8 357	836
Income tax paid	-	-
Cash flows from operating activities	**439 718**	**130 564**
Investing activities		
Purchase of property, plant and equipment	(128 998)	(146 874)
Sales of property, plant and equipment	1 786	1 269
Purchase of Intangibles assets	(4 456)	-
Purchase of other non-current assets	(2 916)	-
Loans granted to others	(11 672)	(3 424)
Repayments of previously granted loans	817	1 371
Net cash flows used in investing activities	**(145 439)**	**(147 658)**

In thousands of SEK

CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUATION)

	The Group	
	2023	**2022**
Financing activity (Note 30)		
Proceeds from loans and borrowings	192 436	306 885
Repayment of loans and borrowings	(243 214)	(118 488)
Interest paid	(22 772)	(18 274)
Payment of finance lease obligations	(79 231)	(66 831)
Revenue from government grants	-	49
Net cash flows from financing activities	**(152 781)**	**103 341**
Net change in cash and cash equivalents	141 498	86 246
Foreign exchange difference cash	(5 644)	(3 066)
Cash and cash equivalents at 1 January	123 118	39 938
Cash and cash equivalents at 31 December (Note 22)	**258 972**	**123 118**

In thousands of SEK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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 (Tengelinsgatan 12, 115 42, 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 Claesson & Anderzén AB (corporate id. number 556395-3701, with registered office in Kalmar) prepares its consolidated financial statements 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*	*2023*	*2022*
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%
Transped s.r.o	36216739	Slovakia, Čierna nad Tisou	Transhipment, transport	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.

2. BASIS OF PREPARATION

These consolidated financial statements are to present for approval by the annual general meeting on 28 of June 2024. The Board has presented the annual report for publication on 27 of June 2024.

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 2023.

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. In the Slovak subsidiary, the functional currency is Euro ("EUR"). 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 and EUR 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:

- ❖ asset purchase price
- ❖ 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:

- upon disposal of an asset or
- 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 2023, 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

There are not any temporary differences in any of the companies within the group. The Ukrainian subsidiaries 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 standards or changes in accounting principles of material importance to the group that have come into force for the financial year beginning on or after January 1, 2022. Standards, amendments to standards and interpretative statements that come into force only from and after the financial year 2023 or later and have not been applied in the preparation of these financial statements.

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 2023	2022
Corn	413 436	421 702
Sunflower	43 246	-
Soy	369 529	144 960
Wheat	31 262	7 045
Milk	13 087	12 146
Meat	2 724	2 343
Other	161	71
	873 445	**588 267**
Auxiliary agricultural services	8 907	13 808
Other	230	640
	882 582	**602 715**

Quantity	The Group 2023	2022
Corn	155 593	177 726
Sunflower	10 283	-
Soy	71 043	22 476
Wheat	14 213	2 155
Milk	3 898	3 952
Meat	226	232
Other	7	56
	255 263	**206 597**

Revenues from three major customer, which individually exceeding 10% of total revenue, amounted to SEK 343 342 thousand (2022: one customer – SEK 74 722 thousand).

	The Group 2023	
A.I.A. AGRICOLA ITALIANA ALIMENTARE S.P.A.	130 459	15%
GLOBINSKY PRODUCTION	109 715	12%
LOUIS DREYFUS COMPANY SA	103 168	12%
Other	539 240	61%
	882 582	**100 %**

The Group's income is recognized at each time when crops are sold. Revenue is recognized when the Group fullfills 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 2023	2022
Corn	392 744	346 453
Sunflower	39 351	-
Soy	363 133	118 805
Wheat	27 717	6 028
Milk	10 913	12 531
Meat	1 181	1 127
Other	2 328	20
	837 367	**484 962**
Auxiliary agricultural services	4 464	2 960
Other	195	559
	842 026	**488 481**

	The Group 2023	2022
Depreciation of intangible assets	16	17
Depreciation of property, plant and equipment	33 271	37 746
Depreciation Right-to-use assets	32 018	36 411
Depreciation of other non-current assets	2 308	1 844
Payroll expenses and related charges	32 093	59 541
Cost of auxiliary agricultural services	4 464	2 960
Cost of agricultural produce sold	737 661	349 403
Cost of other produce	195	559
	842 026	**488 481**

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 2023	2022
Gain on accounts payable written off	617	243
Government subsides recognized as income	882	49
Penalties received	51	7
Gain on disposal of inventories	73	554
Gain from early termination of a lease (16 IFRS)	4 563	-
Gain on disposal of PPE	1 347	648
Surplus of inventories	94	51
Rental Income	196	194
Other income	425	294
	8 248	**2 039**

In thousands of SEK

8. Selling, general and administrative expenses

General and administrative expenses	*The Group* 2023	2022
Payroll and related taxes	16 797	15 711
Professional services	16 228	21 649
Fuel and other materials used	3 560	3 249
Services provided by third parties	1 983	3 832
Depreciation expenses	3 602	1 995
Repair and maintenance expenses	3 435	2 310
Representative costs and business trips	1 458	749
Other expenses	1 284	1 366
	48 347	**50 861**

Selling expenses	*The Group* 2023	2022
Payroll and related taxes	10 191	6 409
Fuel and other materials used	5 784	4 481
Services provided by third parties	902	434
Depreciation	7 396	3 764
Transportation	69 531	74 975
Repair and maintenance expenses	1	117
Other expenses	992	301
	94 797	**90 481**

Audit fees for the parent company and the Group in year 2023 and 2022 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	The Group 2023	2022
Audit assignment fees	1 222	855
Other	123	97
	1 345	**952**

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 2023	2022
Shortages and losses from damage of valuables	3 211	1 031
Charity expenses (i)	3 059	1 743
Loss on impairment of accounts receivable and prepayments	117	97
Loss on disposal of PPE	239	1 133
Penalties	75	-
Provision on damage assets due to war	-	15 779
Impairment of inventories to net realizable value	71	19 159
Loss from early termination of lease	-	5 701
Other expenses	9 469	4 468
	16 241	**49 111**

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

10. Finance costs

	The Group 2023	2022
Interest on loans and borrowings related party	1 176	785
Interest on loans and borrowings bank	23 193	19 495
Bankavgifter	574	-
Financial costs of financial lease	59 293	60 523
Financial costs of discounting of financial aids	496	522
	84 732	**81 325**

11. Finance income

	The Group 2023	2022
Interest income	7 518	265
Financial income for financial assistance	839	571
	8 357	**836**

In thousands of SEK

12. Depreciation

	The Group	
	2023	***2022***
Depreciation property, plant and equipment (within cost of sales)	33 271	36 926
Depreciation property, plant and equipment (within G&A expense)	1 251	300
Depreciation property, plant and equipment (within distribution expense)	7 395	2 572
Depreciation of intangible assets (within cost of sales)	16	17
Depreciation of intangible assets (within G&A expenses)	2 350	486
Depreciation of other non-current assets (within cost of sales)	2 308	1 844
Depreciation of right-of-use assets (within cost of sales)	32 018	36 411
	78 609	**78 556**

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	
	2023	***2022***
Foreign exchange difference within the Group	380	11 304
Foreign exchange difference others	(1 326)	11 647
	(946)	**22 951**

14. Income tax

	The Group	
	2023	***2022***
Reconciliation of effective tax rate		
Profit/Loss before tax	36 177	284 909
Tax at the current rate for the parent company 20,6%	(7 452)	(58 691)
Revaluation of temporary differences	-	1 310
Deducts tax on profit foreign companies, not taxable	(7 205)	53 621
Deducts tax on group contributions made	11 495	-
Tax adjustment interest expense/interest income	1 277	141
Non-deductible expenses	(129)	(1 909)
	(2 014)	**(5 528)**

Read more about Taxation of agricultural activities in Ukraine on page 36, note 3 Summary of significant accounting policies (paragraph Taxation).

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 2022	**2 070**	**164 123**	**216 635**	**46 401**	**8 930**	**21 017**	**459 175**
Addition by acquisition	2 493	7 085	18 217	798	-	-	28 593
Additions	122	13 785	32 926	61 222	1 174	26 108	135 337
Disposals	-	(7 958)	(2 018)	(254)	(60)	(13 318)	(23 608)
Foreign currency translation differences	(248)	(22 542)	(32 129)	(10 963)	(1 311)	(3 267)	(70 460)
As at 31 December 2022	**4 437**	**154 493**	**233 631**	**97 204**	**8 733**	**30 540**	**529 038**
Additions	-	13 099	37 302	100 088	1 066	39 575	191 130
Disposals	-	(73)	(1 231)	(486)	(304)	(50 836)	(52 930)
Foreign currency translation differences	(169)	(13 690)	(21 886)	(16 911)	(828)	(461)	(53 945)
As at 31 December 2023	**4 268**	**153 829**	**247 816**	**179 895**	**8 667**	**18 818**	**613 293**
Depreciation							
As at 1 January 2022	-	**(27 667)**	**(135 498)**	**(17 813)**	**(5 590)**	**-**	**(186 568)**
Depreciation by acquisition	-	(3 838)	-	(645)	-	-	(4 483)
Depreciation for the year	-	(3 838)	(29 801)	(5 640)	(810)	-	(40 089)
Disposals	-	75	1 605	242	54	-	1 976
Foreign currency translation differences	-	3 979	20 800	3 137	826	-	28 742
As at 31 December 2022	-	**(31 289)**	**(142 894)**	**(20 719)**	**(5 520)**	**-**	**(200 422)**
Depreciation for the year	**-**	(4 823)	(26 529)	(9 503)	(1 065)	-	(41 920)
Disposals	-	4	1 216	334	300	-	1 854
Foreign currency translation differences	-	2 718	14 772	2 483	552	-	20 525
As at 31 December 2023	-	**(33 390)**	**(153 435)**	**(27 405)**	**(5 733)**	**-**	**(219 963)**
Net book value							
As at 31 December 2022	**4 436**	**123 205**	**90 737**	**76 486**	**3 213**	**30 539**	**328 616**
As at 31 December 2023	**4 268**	**120 439**	**94 381**	**152 490**	**2 934**	**18 818**	**393 330**

In thousands of SEK

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

	2023	2022
Property, plant and equipment	379 321	316 394
Prepayments for property, plant and equipment	14 009	12 222
Total property, plant and equipment	**393 330**	**328 616**

As at 31 December 2023, a value of 255 307 regarding property, plant and equipment was pledged as a security for the bank loans (2022: SEK 172 170 - note 32).

16. INTANGIBLE ASSETS

	The right to use land in the form of emphyteusis	*Royalty*	*Software*	*Total*
Cost				
As at 1 January 2022	**885**	**-**	**2 613**	**3 498**
Additions	-	-	282	282
Disposals	-	-	-	-
Foreign currency translation differences	(120)	-	(380)	(500)
As at 31 December 2022	**765**	**-**	**2 515**	**3 280**
Additions	-	1 872	275	2 147
Disposals	-	-	-	-
Foreign currency translation differences	(66)	(182)	(244)	(492)
As at 31 December 2023	**699**	**1 690**	**2 546**	**4 935**
Depreciation				
As at 1 January 2022	**(39)**	**-**	**(790)**	**(829)**
Depreciation for the year	(17)	-	(486)	(503)
Disposals	-	-	-	-
Foreign currency translation differences	7	-	149	156
As at 31 December 2022	**(49)**	**-**	**(1 127)**	**(1 176)**
Depreciation for the year	(16)	(1 872)	(478)	(2 366)
Disposals	-	-	-	-
Foreign currency translation differences	6	182	144	332
As at 31 December 2023	**(59)**	**(1 690)**	**(1 461)**	**(3 210)**
Net book value				
As at 31 December 2022	**716**	**-**	**1 388**	**2 104**
As at 31 December 2023	**640**	**-**	**1 085**	**1 725**

In thousands of SEK

17. Other non-current assets

	The Group	
	2023	***2022***
Long-term receivables	263	1 358
Prepaid lease expenses	38 924	38 596
Other non-current assets	6 833	6 586
	46 020	**46 540**

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 2022		**11 225**	**5 334**	**16 559**
Increase due to purchases and subsequent expenditures		921 868	15 810	937 678
Decrease due to crops harvest	(i)	(675 140)	(6 336)	(681 476)
Decrease due to sales		(544 499)	(1 126)	(545 625)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	426 575	(9 949)	416 626
Livestock losses		-	(3)	(3)
Currency translation differences		(12 306)	(619)	(12 925)
Carrying amount at 31 December 2022	(iii)	**127 423**	**3 411**	**130 834**
Increase due to purchases and subsequent expenditures		855 312	15 343	870 655
Decrease due to crops harvest	(i)	(607 613)	(12 268)	(619 881)
Decrease due to sales		(573 087)	(1 181)	(574 268)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	224 847	(768)	224 079
Livestock losses		-	(6)	(6)
Currency translation differences		(1 178)	(404)	(1 582)
Carrying amount at 31 December 2023	(iii)	**25 704**	**4 127**	**29 831**

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 2023 and 2022 was as follows:

In thousands of SEK

	The Group			
	2023		***2022***	
	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	262 269	328 298	94 171	269 636
Wheat	35 385	46 947	10 151	25 979
Sunflower	10 142	31 465	10 470	55 499
Soybean	52 904	200 883	57 969	324 012
Other	6 335	20	3 227	14
	367 035	**607 613**	**175 988**	**675 140**

(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			
	2023		***2022***	
	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	6,6	1 327	4,9	2 559
Corn	8,3	1 252	7,2	2 863
Soybean	2,9	3 797	2,3	5 589
Sunflower	2,4	3 102	2,4	5 301

(iii) Biological assets as at 31 December comprised:

Livestock

	The Group			
	2023		***2022***	
	Number, heads	*Carrying value*	*Number, heads*	*Carrying value*
Cattle	1 290	4 127	1 282	3 411
	1 290	**4 127**	**1 282**	**3 411**

Plants

	The Group			
	2023		***2022***	
	Hectares	*Carrying amount*	*Hectares*	*Carrying amount*
Winter wheat	4 413	3 674	5 413	14 360
Corn	2 967	22 030	7 949	109 734
Others	-	-	2 165	3 329
	7 380	**25 704**	**15 527**	**127 423**

In thousands of SEK

19. Right of use assets

Right of use assets	**Land**
Cost	
As at January 2022	**327 586**
Additions	348 865
Transfer	(3 076)
Disposals	(193 821)
Foreign currency translation differences	(57 407)
As at 31 December 2022	**422 147**
Additions	43 496
Transfer	(1)
Disposals	(31 947)
Foreign currency translation differences	(37 544)
As at 31 December 2023	**396 151**
Depreciation	
As at 1 January 2022	**(78 460)**
Depreciation for the year	(36 411)
Reclassification	(6 337)
Disposals	628
Foreign currency translation differences	14 230
As at 31 December 2022	**(106 350)**
Depreciation for the year	(32 018)
Reclassification	(1)
Disposals	9 533
Foreign currency translation differences	11 369
As at 31 December 2023	**(117 467)**
Net book value	
As at 31 December 2022	**315 797**
As at 31 December 2023	**278 684**

Lease liabilities	**Land**
As at January 2022	**298 333**
Additions	349 566
Disposal	(194 926)
Accretion of interests	60 523
Other movement	(2 301)
Payments	(80 567)
Foreign currency translation differences	(51 697)
As at 31 December 2022	**378 919**
Additions	44 414
Disposal	(26 978)
Accretion of interests	59 236
Other movement	1 142
Payments	(79 862)
Foreign currency translation differences	(32 410)
As at 31 December 2023	**344 461**

In thousands of SEK

	The Group 2023	2022
Non-current lease liabilities	325 958	359 413
Current lease liabilities	18 503	19 506
	344 461	**378 919**

The average discount rate used is 18,13% (2022: 14,0%).

The following are the amounts recognized in profit or loss:

	The Group 2023	2022
Depreciation expense of right-of-use assets	32 018	36 411
Interest expense on lease liabilities	59 293	60 523
Gain (loss) from early termination of a lease	(4 563)	(5 701)
Total amount recognized in profit (loss)	**86 748**	**91 233**

20. Inventories

	The Group 2023	2022
Agricultural produce *(at fair value less costs to sell or net realisable value)* (i)	462 460	591 816
Work in progress *(at cost)* (ii)	34 560	28 388
Raw materials *(at cost)* (iii)	26 865	25 161
Fertilizer, herbicide and pesticide *(at cost)*	26 455	28 619
Other inventories *(at cost)*	101	484
	550 441	**674 468**

(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.

	The Group			
Agricultural produce and finished goods	***31 December 2023***		***31 December 2022***	
	Quantity, ton	***Carrying amount***	***Quantity, ton***	***Carrying amount***
Corn	177 816	235 971	80 711	208 069
Soy	42 802	161 502	67 119	330 103
Sunflower	10 320	25 576	10 470	39 442
Wheat	26 013	37 868	5 730	14 052
Milk	10	24	4	6
Other agriproducts	5 790	1 519	1 364	144
	262 751	**462 460**	**165 398**	**591 816**

On 31 December 2023 the inventory did not provide security for bank loans (on 31 December 2022 the inventory provided to the amount of UAH 147 072 thousand).

In thousands of SEK

21. TRADE AND OTHER RECEIVABLES, OTHER CURRENT ASSETS

	The Group 2023	2022
Trade and other receivables		
Trade receivables	9 974	21 107
Less: bad debt allowance	(310)	(430)
	9 664	**20 677**
Other current assets		
Deferred expenses	5 508	4 941
Advances paid	12 040	22 869
VAT recoverable	16 827	73 479
Loans issued	11 867	3 221
Other prepaid taxes	4 796	1 242
Other	11 606	10 837
	62 644	**116 589**

The movement in allowance for expected credit losses during the year is presented in the table below:

	The Group Provision for bad debts
As at 1 January 2022	**0**
Charge for the year	430
Foreign exchange translation difference	-
As at 31 December 2022	**430**
Charge for the year	(92)
Foreign exchange translation difference	(28)
As at 31 December 2023	**310**

For detailed information about aging see note 30.

The probability of default rates used in the calculation of allowance for expected credit losses were as follows:

	Total	Neither past due nor impaired	Up to 30 days	31-60 days	61-90 days	91-180 days	181-365 days	More than 365 days
31 December 2023		0%	0%	0%	1%	1%	2%	100%
31 December 2022		0%	0%	0%	3%	3%	3%	100%
31 December 2023	310	-	17	63	-	43	71	116
31 December 2022	430	-	53	1	-	2	69	305

22. CASH AND CASH EQUIVALENTS

	The Group 2023	*2022*
Cash:		
- on bank accounts	258 898	123 064
- on hand	74	54
	258 972	**123 118**

As at 31 December 2023, there is no escrow account (2022: SEK 11 544, see note 32).

In thousands of SEK

23. Share capital

The registered share capital amounts to SEK 11 556 (2022: SEK 11 556) and consists of 7 807 775 shares (2022: 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 2023 loans and borrowings are as follows:

		Maturity	*2024*	*2024-2027*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
Ukrainian bank	USD	3,99–5,06%	78 686	11 421	90 107
European bank	EUR	5,00-6,38%	39 537	108 995	148 532
Ukrainian bank	UAH	3,52–16,68%	23 751	-	23 751
Related party (Note 28)	SEK	3,00-7,00%	55 800	38 124	93 924
			197 774	**158 540**	**356 314**

As at 31 December 2022 loans and borrowings are as follows:

		Maturity	*2023*	*2023-2026*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
Ukrainian bank	USD	4,50–4,90%	116 430	-	116 430
European bank	EUR	5,00–6,38%	20 559	80 000	100 559
Ukrainian bank	UAH	0,00–22,00%	92 166	-	92 166
Ukrainian bank	USD	6,00-8,00%	7 182	-	7 182
Related party (Note 28)	SEK	4,00-7,00%	-	36 937	36 937
			236 337	**116 937**	**353 274**

25. Leasing liability

	The group	
	2023	**2022**
Within one year	18 503	19 506
In the second to the fifth year inclusive	130 969	127 991
After fifth year	194 989	231 422
	344 461	**378 919**

In thousands of SEK

26. Trade and other liabilities, other current liabilities

	The Group	
	2023	*2022*
Trade and other liabilities		
Trade liabilities	6 455	19 366
Other payables	1 567	3 800
Payroll and related taxes	3 391	3 826
Unused vacations accrual	5 771	6 096
	17 184	**33 088**
Other current liabilities		
Value added tax	-	-
Advances received	20 977	3 660
Income tax payable	4 929	5 528
Other taxes	1 531	4 091
Lease payable	2 201	4 231
Other	2 733	1 986
	32 371	**19 496**

27. Number of employees and employee benefits

Number of employees

	The Group					
	2023			2022		
	Women	*Men*	*Total*	*Women*	*Men*	*Total*
Sweden	-	-	-	-	-	-
Ukraine	235	904	1 139	240	846	1 086
Slovak Republic	4	20	24	4	24	28
	239	**924**	**1 163**	**244**	**870**	**1 114**

The management of the Group consists of 100% male.

Employee benefits

The Group	*2023*	*2021*
Board and senior executives	1 191	1 142
Other employees	76 460	65 867
Pension costs Board and senior executives	224	215
Pension costs other employees	12 767	11 880
Social security costs	2 182	2 031
	92 824	**81 135**

In thousands of SEK

28. RELATED PARTY DISCLOSURES

Ultimate Controlling Party

As at 31 December 2023 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, through its majority ownership in Fastighets AB Bremia.

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

	2023	**2022**
Entity under common control		
Loans and borrowings	(93 924)	(36 937)
Of which:		
CA Investment AB	*(76 988)*	*(20 560)*
CA Agroinvest AB	*(14 686)*	*(14 212)*
Ukrainian Investment AB	*(2 250)*	*(2 165)*
Trade and other payables	(10)	(10)
Of which:		
Agrogolden LLC	*(9)*	*(9)*
Radoveniuk Bogdan	*(1)*	*(1)*
Trade and other receivables and other non- current assets	6 724	5
Of which:		
Agrogolden LLC	*6 724*	*5*
Other non-current assets	5 523	5 740
Of which:		
Agrogolden LLC	*5 523*	*5 740*

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

	2023	**2022**
Entities under common control		
Interest expenses	(1 177)	(777)
Of which:		
CA Investment AB	*(617)*	*(281)*
CA Agroinvest AB	*(475)*	*(411)*
Ukrainian Investment AB	*(85)*	*(85)*
Related parties with significant influence		
Interest income	525	706
Of which:		
Agrogolden LLC	*525*	*706*
Interest-free funding granted	*2 177*	719
Of which:		
Agrogolden LLC	*2 177*	*719*

Compensation to key management personnel

For the year ended 31 December 2023, remuneration paid by the Group to key management personnel was SEK 2 853 thousand (2022: SEK 3 332 thousand).

Key management personnel consist of six individuals as at 31 December 2023 (2022: 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 2023 and 2022. 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 2023 and 2022.

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.

In thousands of SEK

2023	*Change in basis points*	*Effect on profit before tax* *The Group*
Change in interest rate (LIBOR)	100	(2 690)
Change in interest rate (LIBOR)	-100	2 563

2022	*Change in basis points*	*The Group*
Change in interest rate (LIBOR)	100	(1 306)
Change in interest rate (LIBOR)	-100	1 343

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.

2023	*Change in foreign currency rate*	*Effect on profit before tax* *The Group*
Change in USD exchange rate	1%	1 560
Change in USD exchange rate	-1%	(1 560)

2022	*Change in foreign currency rate*	*The Group*
Change in USD exchange rate	1%	289
Change in USD exchange rate	-1%	(289)

2023	*Change in foreign currency rate*	*Effect on profit before tax* *The Group*
Change in EUR exchange rate	1%	(301)
Change in EUR exchange rate	-1%	301

2022	*Change in foreign currency rate*	*The Group*
Change in EUR exchange rate	1%	(1 632)
Change in EUR exchange rate	-1%	1 632

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:

In thousands of SEK

	Payable on demand	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*>5 years*	*Total*
31-dec-23						
Loans and borrowings, principal amount	-	90 544	102 846	152 101	-	345 491
Interest payable	522	2 994	865	6 442	-	10 823
Future interest expenses	-	4 811	15 293	20 821	-	40 925
Trade and other liabilities (Note 26)	7 443	9 741	-	-	-	17 184
Lease obligation	-	4 626	13 877	130 969	194 989	344 461
Other current liabilities	-	2 478	3 987	-	-	6 465
	7 965	**115 194**	**136 868**	**310 333**	**194 989**	**765 349**
31-dec-22						
Loans and borrowings, principal amount	24 429	52 305	156 913	110 930	-	344 577
Interest payable	453	2 237	-	6 007	-	8 697
Future interest expenses	-	6 180	18 542	12 246	-	36 968
Trade and other liabilities (Note 26)	9 985	23 103	-	-	-	33 088
Lease obligation	-	4 877	14 629	127 991	231 422	378 919
Other current liabilities	-	7 208	5 713	-	-	12 921
	34 867	**95 911**	**195 796**	**257 174**	**231 422**	**815 170**

Liabilities

	2023	**2022**
Ingoing balance	**353 274**	**171 088**
Cash flow impacting items		
Proceeds from loans and borrowings	192 436	306 885
Repayment of borrowings	(243 214)	(118 488)
Interest paid	(22 772)	(18 274)
Sub-total	**279 724**	**341 211**
Non-cash flow impacting items		
Koncernbidrag	55 800	-
Finansiella kostnader	24 369	20 280
Ökning övriga långfristiga skulder	5 550	-
Ökning övriga kortfristiga skulder	1 567	-
Exchange rate difference	15 776	28 916
Translation differences	(19 355)	(37 133)
Outgoing balance	**363 431**	**353 274**

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:

In thousands of SEK

	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-23								
Trade and other receivables	8 720	60	597	-	43	93	151	9 664
	8 720	**60**	**597**	**-**	**43**	**93**	**151**	**9 664**
31-dec-22								
Trade and other receivables	20 672	3	-	-	-	2	-	20 677
	20 672	**3**	**-**	**-**	**-**	**2**	**-**	**20 677**

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 (excluding translation reserve), including in the net debt loans and borrowings, finance lease liability, trade and other liabilities, less cash and cash equivalents.

	The Group	
	2023	***2022***
Loans and lease liabilities	706 325	732 193
Trade and other liabilities	49 555	52 584
Less cash and cash equivalents	(258 972)	(123 118)
Net debt	**496 908**	**661 659**
Equity	1 226 925	1 248 560
Total equity and net debt	1 723 833	1 910 219
Gearing ratio	**29%**	**35%**

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 goal 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.

In thousands of SEK

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.

	The Group			
	Carrying amount		***Fair value***	
	2023	***2022***	***2023***	***2022***
Financial assets valued at amortized cost				
Cash and cash equivalents	258 972	123 118	258 972	123 118
Trade and other receivables	9 664	20 677	9 664	20 677
Financial liabilities valued at amortized cost				
Trade and other liabilities	17 184	52 584	17 184	52 584
Loans and borrowings	356 314	353 274	356 314	353 274

32. Pledged assets

	The Group	
	2023	**2022**
Property, plant and equipment	255 311	172 170
Inventories	-	147 072
Escrow account	-	11 544
	255 311	**330 786**

33. Important events after the end of the reporting period

In 2024, the volume of deliveries via Black Sea ports has increased.

Going concern

Russia's full-scale military invasion of Ukraine continues, mercilessly destroying everything in its path.

This is a period of testing, resilience, and heroism for the Ukrainian people, who bear the burden of aggression and defend their freedom and independence. From the very beginning of the invasion, the Ukrainian military and civilians showed incredible heroism and determination in the fight against the occupier.

With the outbreak of a full-scale war, the Group's top priority was and remains the health and safety of its employees and their families, as well as the continuity of operations in war conditions.

The Group's geographic diversification of its asset allocation allows it to hold assets outside of regions where intense hostilities are taking place. The Group's assets are located in the Kyiv, Poltava, Cherkasy and Chernihiv regions.

However, these regions are subject to missile attacks. Fortunately, in 2023 and early 2024, the Group's assets were not damaged by missile attacks.

The Group is preparing for the spring sowing campaign for the 2024 harvest. This year it is planned to sow all available areas of the Group.

The Group exports grain in two ways – along the sea grain corridor and in transit through its own Slovak hub.

For the 1st quarter of 2024, the Group sold 81 thousand tons of grain worth 176 mln SEK, of which 85% was through the maritime grain corridor, 12% in transit through the Slovak grain elevator, and the rest within Ukraine. There were 55 thousand tons of corn, 12 thousand tons of soybeans, 2 thousand tons of sunflower, and 12 thousand tons of wheat.

Grain delivery is carried out using the Group's owned wagons. Thanks to its wagon fleet, which numbers almost a quarter of a thousand wagons, it is possible to significantly reduce grain delivery tariffs. The Group intends to further increase its logistics capacity.

The Group does not trade with organizations included in the sanctions lists of Ukraine, the EU, and the USA, as well as with organizations associated with persons subject to these sanctions.

As of 31 December 2023, the Group complied with covenants on its loans. The Group does not forecast covenant violations during 2024-2025. In January-March 2024, the Group repaid loans amounting to 64 mln SEK and received additional foreign currency financing amounting to almost 27 mln SEK.

For the year ended 31 December 2023, the Group's profit before tax was 36 mln SEK (year ended 31 December 2022: 285 mln SEK). At the same time, as of December 31, 2023, the Group's current assets exceeded its current liabilities by 643 mln SEK (as of December 31, 2022 –755 mln SEK), which indicates an adequate level of liquidity.

The Group has a positive operating cash flow of 440 mln SEK in 2023 (131 mln SEK in 2022), which means that the Group is in a better position to cover its current liabilities and expenses. In addition, the Group has a positive operating cash flow of 183 mln SEK in the 1st quarter of 2024.

At the date of these consolidated financial statements, the Group's operational and logistics processes have been re-evaluated to ensure that it remains a going concern as described above.

Management is taking appropriate actions to continually review its business processes and practices and has prepared an 18-month budget based on the assumption that the level of hostilities in the regions, where the Group's assets are located, and the extent of Ukrainian territory currently invaded by Russian forces, will not increase significantly. The Group can sow and harvest crops; the railway infrastructure fulfills its function and is used as a way to carry out export sales; elevators operate as usual.

The Group's current liquidity is estimated at approximately 16 mln EUR.

After developing forecasts of financial position, statement of comprehensive income, and cash flows through June 2025, despite the ongoing Russian military invasion, management assesses that the ability to continue operating the business is good enough to consider continuing to operate the business on a going concern basis.

Despite the above situation, there is a significant uncertainty in the Group's ability to continue its operations as going concern.

In thousands of SEK

PARENT COMPANY’S STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Parent Company 2023	2022
Revenue from sales	2	508 574	394 727
Cost of sales		(430 502)	(364 561)
Gross profit		**78 072**	**30 166**
General and administrative expenses	3	(11 057)	(17 297)
Selling expenses	3	(2 711)	-
Operating profit / (loss)		**64 304**	**12 869**
Finance costs	4	(1 187)	(785)
Finance income	5	7 386	1 463
Foreign exchange gain	6	1 283	7 468
Profit / (loss) after financial items		**71 786**	**21 015**
Appropriations		(55 800)	-
Profit / (loss) before tax		**15 986**	**21 015**
Income tax expense	7	(2 014)	(2 915)
Profit / (loss) for the year		**13 972**	**18 100**
Other comprehensive income:		-	-
Total comprehensive income for the year		**13 972**	**18 100**

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

In thousands of SEK

PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION

	Notes	The Parent Company 2023	2022
Non-current assets			
Shares in subsidiaries	8	272 645	272 645
Other non-current assets		5 523	5 740
Non-current asset subsidiary		21 495	21 558
		299 663	**299 943**
Current assets			
Receivable subsidiary		23 962	112 712
Other current assets	9	4 252	768
Cash and cash equivalents	10	223 273	85 691
		251 487	**199 175**
		551 150	**499 118**
Total assets			
Equity	11		
Issued capital	12	11 556	11 556
Other contributed capital		278 295	278 295
Retained earnings		20 554	6 582
		310 405	**296 433**
Non-current liabilities			
Loans and borrowings relative parties	13	38 124	36 937
		38 124	**36 937**
Current liabilities			
Liabilities relative parties	14	55 800	-
Trade and other liabilities	14	1	-
Tax liabilities	14	4 929	2 915
Other current liabilities	14	141 891	162 883
		202 621	**165 748**
Total liabilities		**240 745**	**202 685**
Total equity and liabilities		**551 150**	**499 118**

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

In thousands of SEK

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

The Parent Company	Issued capital (restricted equity)	Other contributed capital (non-restricted equity)	Retained earnings (non-restricted equity)	Total Equity
Balance at 31 December 2021	**11 556**	**278 295**	**(11 518)**	**278 333**
Profit for the year			18 100	18 100
Total comprehensive income			*18 100*	*18 100*
Transactions with owners				
Balance at 31 December 2022	**11 556**	**278 295**	**6 582**	**296 433**
Profit for the year			13 972	13 972
Total comprehensive income			*13 972*	*13 972*
Transactions with owners				
Balance at 31 December 2023	**11 556**	**278 295**	**20 554**	**310 405**

In thousands of SEK

Parent Company's statement of cash flows

	The Parent Company	
	2023	**2022**
Operating activities		
Profit / (loss) before tax	15 986	21 015
Non cash adjustments:		
Finance income	(7 386)	(1 463)
Foreign exchange gain/loss	(1 283)	-
Finance costs	1 187	785
Group contribution paid	55 800	-
Working capital adjustments:		
Change in trade receivables and other current assets	89 923	(32 165)
Increase in trade and other payables and other current liabilities	(20 941)	97 509
	133 286	**85 681**
Interest received	7 386	1 463
Income tax paid	-	-
Net cash flows from operating activities	**140 672**	**87 144**
Investing activities		
Acquisitions subsidiaries	-	(16 219)
Loans granted long-term receivables	-	(21 558)
Repayments long-term receivables	-	4 518
Net cash flows used in investing activities	**-**	**(33 259)**
Financing activity		
Proceeds from loans and borrowings	-	4 127
Repayment of borrowings	-	-
Interest paid	-	(785)
Net cash flows from financing activities	**-**	**3 342**
Net change in cash and cash equivalents	140 672	57 227
Foreign exchange difference cash	(3 090)	-
Cash and cash equivalents at 1 January	85 691	28 464
Cash and cash equivalents at 31 December	**223 273**	**85 691**

In thousands of SEK

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENT

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	
	2023	***2022***
Sales of agricultural produce	508 574	394 727
Sales of services rendered	-	-
	508 574	**394 727**

Revenues from three major customers, each individually exceeding 10% of total revenue, amounted to SEK 500 068 SEK (2022: two customers – SEK 341 169).

	The Parent Company	
	2023	
Transped s.r.o.	324 393	64%
Louis Dreyfus Compane Susse S.A.	103 168	20%
Agroprosperis LLC	61 917	12%
Others	19 096	4%
	508 574	**100%**

In thousands of SEK

3. Selling, general and administrative expenses

General and administrative expenses	The Parent Company 2023	2022
Professional services	9 195	15 753
Contributions and gifts made	1 862	1 544
	11 057	**17 297**

Audit fees for the parent company and the Group in year 2023 and 2022 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	The Parent Company 2023	2022
Audit assignment fees	1 222	855
Other	123	97
	1 345	**952**

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.

Selling expenses	The Parent Company 2023	2022
Transport costs	2 711	-
	2 711	**-**

4. Finance costs

	The Parent Company 2023	2022
Interest on loans and borrowings to related parties	1 177	777
Bank fees	10	8
	1 187	**785**

5. Finance income

	The Parent Company 2023	2022
Interest income related parties	889	623
Interest income on long-term receivables	525	705
Other	5 972	135
	7 386	**1 463**

In thousands of SEK

6. Foreign exchange gain/loss

	The Parent Company 2023	2022
Foreign exchange difference within the group	4 646	(8 334)
Foreign exchange difference cash	(3 090)	14 918
Foreign exchange difference other	(273)	884
	1 283	**7 468**

7. Income tax

	The Parent Company 2023	2022
Reconciliation of effective tax rate		
Profit/Loss before tax	15 986	21 015
Tax at the current rate for the parent company, 20,6%	(3 293)	(4 329)
Revaluation of temporary differences	-	1 310
Tax adjustment interest expense/interest income	1 277	141
Non-deductible incomes/expenses	2	(37)
	(2 014)	**(2 915)**

The Parent Company

As at 31 December 2023, the tax loss carried forward 0 (2022: SEK 0).

8. Shares in subsidiaries

	The Parent Company
As at 1 January 2022	**256 426**
Investments in subsidiaries	16 219
Liquidation subsidiaries	-
As at 31 December 2022 (i)	**272 645**
Investments in subsidiaries	-
Liquidation subsidiaries	-
As at 31 December 2023 (i)	**272 645**

(i)

	Location	Corporate id	2023 Ownership SEK	2023 Ownership %	2022 Ownership SEK	2022 Ownership %
Baryshevska Grain Company LLC,	Baryshevka, Ukraina	32886518	256 367	100%	256 367	100%
Baryshevska Grain Trading Company LLC	Yarmolenci, Ukraina	39843554	59	100%	59	100%
Transped s.r.o.	Čierna nad Tisou, Slovakia	36216739	16 219	100%	16 219	100%
			272 645		272 645	

In thousands of SEK

9. Trade and other receivables, other current assets

	The Parent Company	
Trade and other receivables	**2023**	**2022**
Trade receivables due from related party (Note 15)	23 962	112 716
Trade Receivables	-	-
	23 962	**112 716**
Other current assets		
Accrued income	1 197	729
VAT recoverable	12	39
Other	3 043	-
	4 252	**768**

For detailed information about aging see note 16.

10. Cash and cash equivalents

	The Parent Company	
	2023	***2022***
Cash:		
- on bank accounts	223 273	74 147
- escrow account	-	11 544
	223 273	**85 691**

11. Equity

Outline of the parent company result:
The following earnings are at the disposal of the Annual General Meeting, in SEK:

Retained earnings	284 877 192
Net result of the period	13 971 648
	298 848 840
to be carried forward	298 848 840

At the Extraordinary General Meeting on 2 of April 2024, SEK 47,311 was distributed.

12. Share capital

The registered share capital amounts to SEK 11 556 (2022: SEK 11 556) and consists of 7 807 775 shares (2022: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.

In thousands of SEK

13. Loans and borrowings

As at 31 December 2023 loans and borrowings are as follows:

			Maturity		
			2024	*2025-2027*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
The Parent Company					
Related party (Note 16)	SEK	3%-7%	55 800	38 124	93 924
			55 800	**38 124**	**93 924**

As at 31 December 2022 loans and borrowings are as follows:

			Maturity		
			2023	*2024-2026*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
The Parent Company					
Related party (Note 16)	SEK	1,5%-7%	-	36 937	36 937
			-	**36 937**	**36 937**

14. Trade and other liabilities, other current liabilities

	The Parent Company	
	2023	***2022***
Trade and other liabilities		
Trade liabilities related parties	-	-
Trade liabilities	1	-
	1	**-**
Other current liabilities		
Liabilities of group companies	55 800	-
Advances received	20 576	-
Tax liability	4 929	2 915
Accrued expenses related parties	120 340	160 086
Accrued expenses	975	2 747
	202 620	**165 748**

15. Number of employees and employee benefits

Number of employees

		2023			**2022**	
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Sweden	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-
	-	-	-	-	-	-

Employee benefits

The Parent Company	***2023***	***2022***
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.

In thousands of SEK

16. Related party disclosures

Ultimate Controlling Party

As at 31 December 2023 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, through its majority ownership in Fastighets AB Bremia.

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

	2023	2022
Entity under common control		
Loans and borrowings (Note 12)	(93 924)	(36 937)
Of which:		
CA Investment AB	*(76 988)*	*(20 560)*
CA Agroinvest AB	*(14 686)*	*(14 212)*
Ukrainian Investment AB	*(2 250)*	*(2 165)*
Subsidiary		
Trade and other receivables	23 962	112 716
Of which:		
Baryshevski Grain Company LLC	*9 130*	*9 489*
Transped s.r.o	*14 832*	*103 227*
Trade and other receivables		
Of which:		
Baryshevski Grain Company LLC		
Other non-current assets	5 523	5 740
Of which:		
Agrogolden LLC	*5 523*	*5 740*
Trade and other payables	(120 340)	(160 086)
Of which:		
Baryshevski Grain Company LLC	*(120 340)*	*(160 086)*

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

	2023	2022
Interest expenses	(1 177)	(777)
Of which:		
CA Investment AB	*(617)*	*(281)*
CA Agroinvest AB	*(475)*	*(411)*
Ukrainian Investment AB	*(85)*	*(85)*
Interest income	1 414	1 329
Of which:		
Agrogolden LLC	*525*	*706*
Transped s.r.o.	*889*	*623*
Sales of property, plant & equipment	-	-
Of which:		
Baryshevski Grain Company LLC	-	-
Purchase of crops	(430 502)	(364 561)
Of which:		
Baryshevski Grain Company LLC	*(430 502)*	*(364 561)*

In thousands of SEK

Compensation to key management personnel

For the year ended 31 December 2023, remuneration paid to key management personnel is SEK 0 (2022: 0). Compensation comprised the contractual salary and related taxes.

There are no key management personnel as of 31 December 2023 (2022: 0).

17. 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 2023 and 2022. 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 2023 and 2022.

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
2023	***Change in basis points***	***The Parent Company***
Change in interest rate (LIBOR)	100	(875)
Change in interest rate (LIBOR)	(100)	875
2022	***Change in basis points***	***The Parent Company***
Change in interest rate (LIBOR)	100	(309)
Change in interest rate (LIBOR)	(100)	309

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.

		Effect on profit before tax
2023	***Change in foreign currency rate***	***The Parent Company***
Change in USD exchange rate	1%	449
Change in USD exchange rate	(1%)	(449)
Change in EUR exchange rate	1%	981
Change in EUR exchange rate	(1%)	(981)

In thousands of SEK

2022	*Change in foreign currency rate*	*Effect on profit before tax The Parent Company*
Change in USD exchange rate	1%	92
Change in USD exchange rate	(1%)	(92)
Change in EUR exchange rate	1%	448
Change in EUR exchange rate	(1%)	(448)

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				
	Payable on demand	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*Total*
31-dec-23					
Loans and borrowings, principal amount	-	-	-	37 678	37 678
Interest payable	-	-	-	6 442	6 442
Trade and other liabilities related parties	-	176 220	-	-	176 220
	-	**176 220**	**-**	**44 120**	**220 340**
31-dec-22					
Loans and borrowings, principal amount	-	-	-	30 930	30 930
Interest payable	-	-	-	6 007	6 007
Trade and other liabilities related parties	-	160 086	-	-	160 086
	-	**160 086**	**-**	**36 937**	**197 023**

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:

In thousands of SEK

	The Parent Company *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-23								
Receivables subsidiary	13 573	-	-	125	-	249	10 015	23 962
Trade and other receivables	-	-	-	-	-	-	-	-
	103 180	**-**	**-**	**478**	**-**	**249**	**10 015**	**23 962**
31-dec-22								
Receivables subsidiary	103 180	-	-	478	-	956	8 102	112 716
Trade and other receivables	-	-	-	-	-	-	-	-
	103 180	**-**	**-**	**478**	**-**	**956**	**8 102**	**112 716**

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 ***2023***	***2022***
Loans and borrowings	93 924	36 937
Trade and other liabilities and other current liabilities	146 820	165 748
Less cash and cash equivalents	(223 273)	(85 691)
Net debt	**17 471**	**116 994**
Equity	310 405	296 433
Total equity and net debt	327 876	413 427
Gearing ratio	**5%**	**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%.

In thousands of SEK

18. 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***	
	2023	***2022***	***2023***	***2022***
Financial assets valued at amortized cost				
Cash and short-term deposits	223 273	85 691	223 273	85 691
Trade and other receivables	28 214	113 484	28 214	113 484
Long-term receivables	27 018	27 298	27 018	27 298
Financial liabilities valued at amortized cost				
Trade and other payables	176 141	162 833	176 141	162 833
Loans and borrowings	38 124	36 937	38 124	36 937

19. Pledged assets and surety

	The Parent Company	
Pledged assets	**2023**	**2022**
Escrow account	-	11 544
	-	**11 544**

	The Parent Company	
Surety	**2023**	**2022**
Surety for subsidiaries (for debt to JSC UkrSibbank)	125 520	130 464
Surety for subsidiaries (for debt to Credit Agricole Bank)	86 358	89 759
Surety for subsidiaries (for debt to EBRD)	288 496	222 566
Surety for subsidiaries (for debt to Raiffeisen Bank)	110 960	111 283
	611 334	**554 072**

20. Events after the reporting date

The Russian aggression against Ukraine, which has been ongoing since February 24, 2022, has significantly changed life in the country. 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 58, 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.

The Annual Report was signed by all on June 27, 2024

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

Our audit report was presented on June 2024

Ernst & Young AB
Peter von Knorring
Authorized public accountant