



# **BZK GRAIN ALLIANCE AB**

**Corporate identity number: 556754-1056**

## **ANNUAL REPORT AND CONSOLIDATED ACCOUNTS**

**FOR THE FINANCIAL YEAR  
1 OF JANUARY 2024 - 31 OF DECEMBER 2024**

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## Report on operation

### REPORT ON OPERATION

#### ABOUT GRAIN ALLIANCE

Grain Alliance is one of the leading agricultural companies in Ukraine. The company cultivates around 57,000 hectares of arable land in central Ukraine. The foundation for BZK Grain Alliance AB was established 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. Over time, the cultivated area steadily expanded, reaching 27,000 hectares by 2008. 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

The lands of Grain Alliance are situated in the heart of Ukraine's black soil region. The company operates across four regions: Kyiv, Poltava, Cherkasy, and Chernihiv. Its agricultural activities are structured into three clusters, each cultivating between 17,000 and 24,000 hectares. Each cluster is fully equipped with modern agricultural machinery, and their close proximity allows for the efficient use of equipment. To ensure effective grain handling and storage, the company operates five drying facilities, four of which are directly connected to railway infrastructure.

Efficiency and operational control are fundamental pillars of Grain Alliance's business strategy, which is why the company concentrates its operations within a limited geographical area. The core farming zone spans approximately 80 kilometers in radius. Over recent years, the company has gradually expanded its operations in the Chernihiv region, developing 16,000 hectares north of Kyiv. By focusing on a compact area, Grain Alliance optimizes resource utilization, reducing transportation distances for both machinery and harvested crops. The proximity of the fields—within an hour's drive from the main office – enhances operational oversight. Given the labor-intensive nature of farming, maintaining close control over operations is crucial to ensuring high efficiency and productivity.

Grain Alliance further supports its operations with five key grain-handling facilities, which have been either newly constructed or renovated. The availability of in-house storage and drying infrastructure accelerates the harvesting process, minimizes logistical risks, and provides the flexibility to sell crops at the most advantageous time rather than under price pressure during peak harvest periods.

As part of its expansion strategy in Chernihiv and the increased cultivation of corn in other regions, Grain Alliance has launched further development of drying and storage facilities in Nizhyn and Pyriatyn. This initiative, incorporating alternative fuel sources and energy efficiency measures, has been secured by a loan from the European Bank for Reconstruction and Development (EBRD), which the Group successfully repaid at the beginning of 2025.





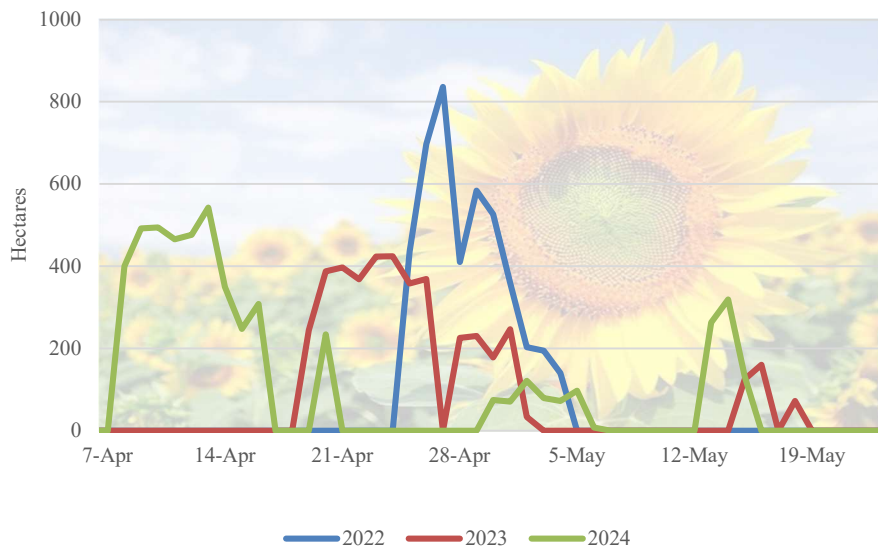
## Report on operation

### SOWING CAMPAIGN 2024

The 2024 sowing season was smooth and productive across all crops. Favorable weather conditions allowed for efficient fieldwork, but early in the season, higher-than-usual temperatures in April created pressure to start sowing earlier than usual. However, the Group made a strategic decision to mitigate risks and adhere to the usual sowing schedule, rather than advancing the campaign. This approach proved beneficial, as low temperatures persisted for up to ten days in May, leading to cold stress in early-sown crops. As a result, Grain Alliance fields were significantly less affected compared to those where early sowing had taken place.

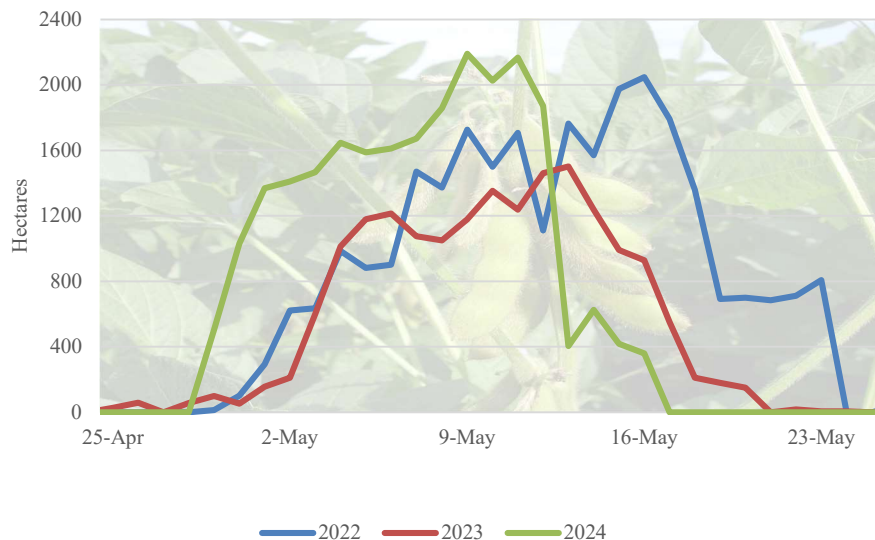
The sunflower sowing campaign commenced on April 8 and concluded on May 15, with a total duration of 38 days.

Sunflower seeding 2022-2024



Soy sowing started on April 29 and finished on May 16, 2024, lasting a total of 18 days.

Soy seeding 2022-2024

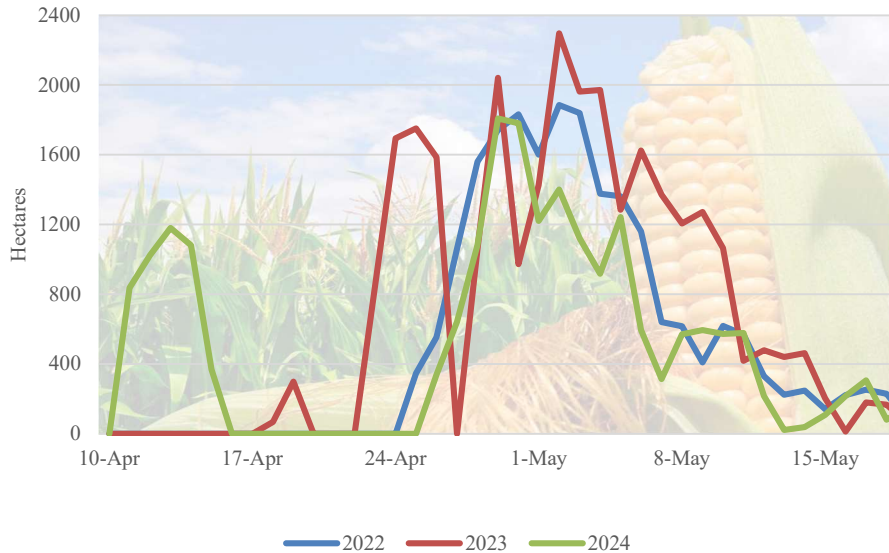




## Report on operation

Corn sowing started 9 days earlier than in 2023, on April 11. The main industrial areas were sown by mid-May.

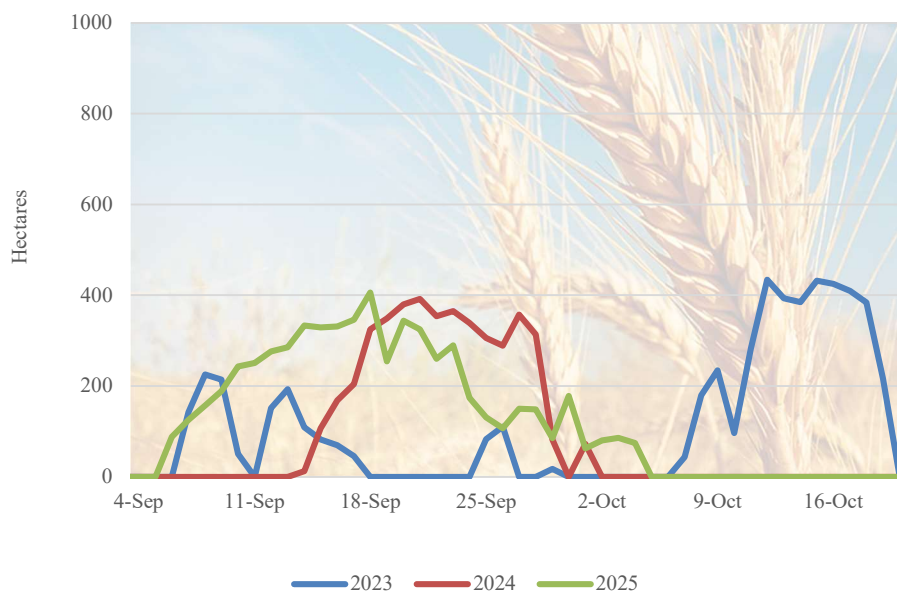
### Corn seeding 2022-2024



The dry conditions of the summer and autumn 2024 did not allow for the optimal sowing of winter wheat. The lack of precipitation during the sowing campaign posed challenges for establishing a strong crop. The main concern was related to the very short vegetation period of late-sown wheat. The company changed its sowing plans and completely abandoned sowing of winter rapeseed (OSR) on 900 ha to minimize the risk of poor germination. This strategic move was later validated, as subsequent weather patterns confirmed the unfavorable conditions for OSR establishment.

Sowing of winter wheat for the 2024-2025 season began on September 6 and ended on October 4, 2024, with a total duration of 29 days.

### Winter wheat seeding 2023-2025





## Report on operation

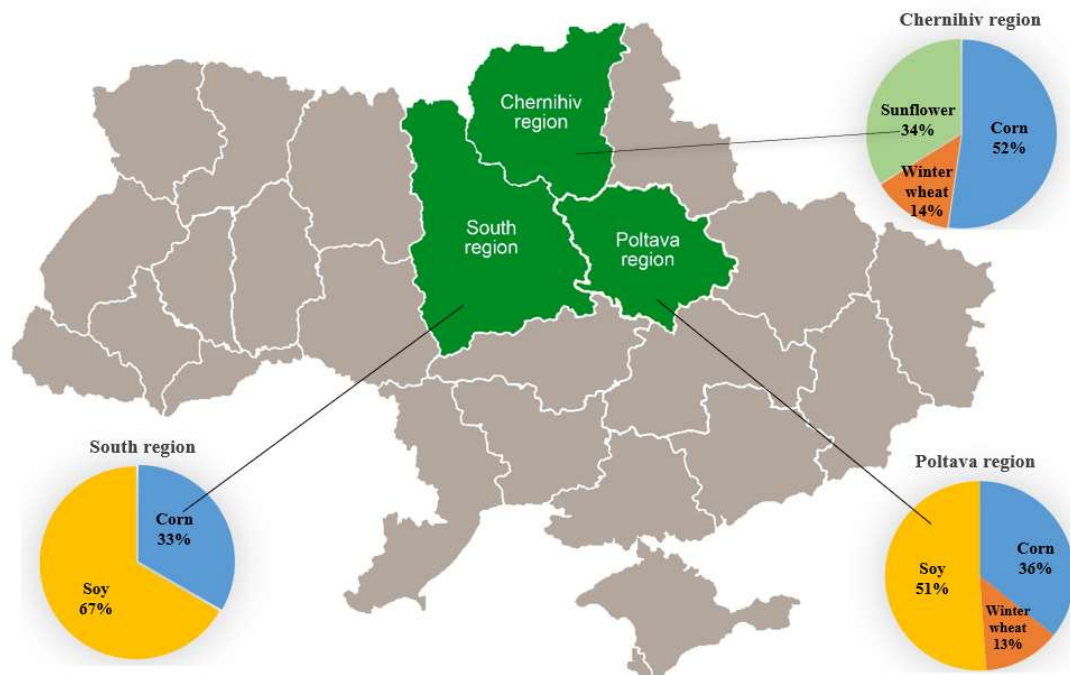
Observations of winter wheat development during winter 2024 indicated mostly normal crop conditions, suggesting that the crop has successfully established itself despite the challenging sowing conditions in autumn.

The yield of agricultural crops in 2024 was primarily influenced by weather conditions. Summer-autumn period in central Ukraine was marked by abnormally high temperatures and a precipitation deficit, which had a significant impact on both crop vegetation and harvesting.

### ALLOCATION OF CROPS

Traditionally, corn and soybeans have been the main crops cultivated by the Group, as both are highly liquid commodities with stable demand, broad market access, and diverse pricing opportunities. In 2024, these two crops accounted for 83% of the company's total crop portfolio, a figure closely aligned with the 2023 share. Corn portfolio share was 39%; and soybeans – 43%. While winter wheat and sunflower occupy smaller sowing areas compared to corn and soybeans, they remain an important part of the Group's crop rotation and receive no less attention in terms of management and agronomic care. Their share in 2024 crop rotation were 8 and 10% respectively.

Allocation of crops per region, 2024





## Report on operation

### HARVESTING CAMPAIGN 2024

The harvesting campaign started with winter wheat and finished with corn.

#### Harvesting period 2024 by months and weeks

Crops	July 2024				August 2024					September 2024					October 2024					November 2024				December 2024			
	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																											
Soy																											
Sunflower																											
Wheat																											

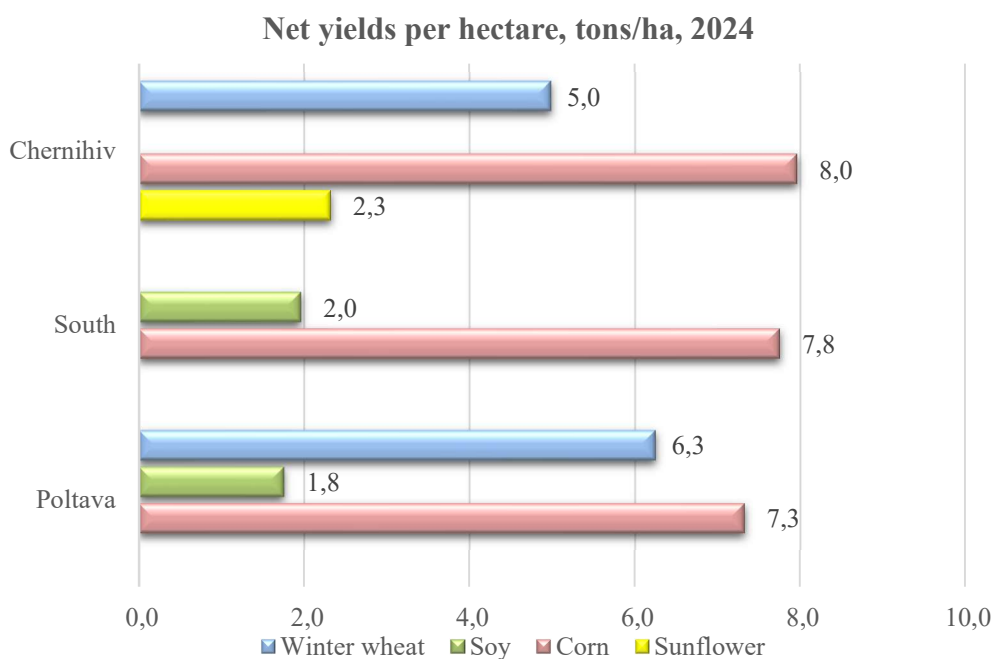
Winter Wheat harvesting campaign began on July 03, lasting 19 days. Yields varied by region, with Poltava achieving 6.3 t/ha and Chernihiv 5.0 t/ha, bringing the company-wide average to 5.6 t/ha.

Sunflower harvesting commenced on September 5, with a final net yield of 2.3 t/ha, lower than expected due to challenging weather conditions.

Soybean harvesting, which lasted 34 days, began on August 28. The campaign ended on September 30, with yields of 1.9 t/ha, significantly below expectations due to extreme summer drought and high temperatures in left-bank Ukraine.

Corn harvesting started on September 03. South region was the first, then Chernihiv in two weeks, and Poltava 9 days later. The net yield was 7.7 t/ha, with Chernihiv leading at 8.0 t/ha, followed by South at 7.8 t/ha and Poltava at 7.3 t/ha. The overall yield fell short of expectations due to prolonged dry conditions from July to September. The corn harvesting campaign lasted 71 days, concluding on November 12.

The results of harvesting campaign per regions are following:





## Report on operation

### CROP PRICES AND SALES 2024

In 2024, Ukraine's agricultural sector faced ongoing challenges, but remained resilient despite the difficult environment shaped by the prolonged war. This year, one of the key challenges for Ukraine's agricultural sector was unpredictable weather conditions. Severe drought conditions in Ukraine during the summer of 2024 have significantly impacted crop yields, with results falling below the 5-year average. Although spring weather was initially favorable, prolonged dry spells from June to early September, combined with above-average temperatures, caused considerable crop stress, especially in the central and southern regions.

As a result, there was a general trend of decreasing yields across most crops. Corn showed a 2.4% decrease in acreage and a 16.5% decrease in yield, resulting in an 18.6% drop in production, falling to 26.5 million tons, compared to 32.5 million tons in 2023. Wheat had a 3.8% increase in planted acreage, but yields decreased by 4.1%, resulting in almost unchanged production compared to last year – 22.9 million tons. Soybeans production increased to 6.6 million tons, from 5.2 million tons in 2023, despite 12.3% decrease in yields, which happened due to 45% increase in acreage. Sunflowers suffered declines in both acreage (down 3.1%) and yield (down 14%), resulting in a 16.8% decrease in production, down to 12.8 million tons. In general, corn and sunflower suffered the most, while soybeans showed an increase in production due to the expansion of plantings.

Another change involves adjustments in trade regulations between the EU and Ukraine. As expected, the EU has agreed to prolong duty-free trade arrangement with Ukraine for one more year, lasting until June 5, 2025, but with specific conditions. The updated version changes the quota calculation system and expands the list of goods that could be subject to protective measures. If corn imports exceed average levels recorded in the second half of 2021 and during 2022 and 2023, tariffs may be reintroduced. The methodology for determining the threshold for restrictions has also been updated to include the second half of 2022, a period before the EU market opened, when Ukrainian exports were lower. Another key change is reducing the period for activating the protective mechanism from 21 to 14 days. However, since European tariffs apply only to imports priced below around 157 euros per ton, all Ukrainian imports still enjoy duty-free access to the EU market. Although there hasn't been a major impact yet, it remains necessary to continue monitoring the situation.

Since the beginning of the war, prices on the Ukrainian market were significantly lower compared to global prices due to expensive logistics and the inability to export. However, in 2024, prices slightly balanced due to the continuous functioning of Ukraine's grain corridor.

Logistically, Grain Alliance Group maintained flexibility in exporting goods through conventional Black Sea ports in Ukraine and via its terminal in Slovakia using railways. Grain Alliance continues sales in EUR and USD DAP Čierna nad Tisou (Slovakia) and CPT seaport and managed to ensure timely deliveries.

During 2024, the Group has managed to sell more than 389 thousand tons of grain, which is 53% higher than was sold in 2023.

As of December 31, 2024, the Company had approximately 136 thousand tons of grain in stock.



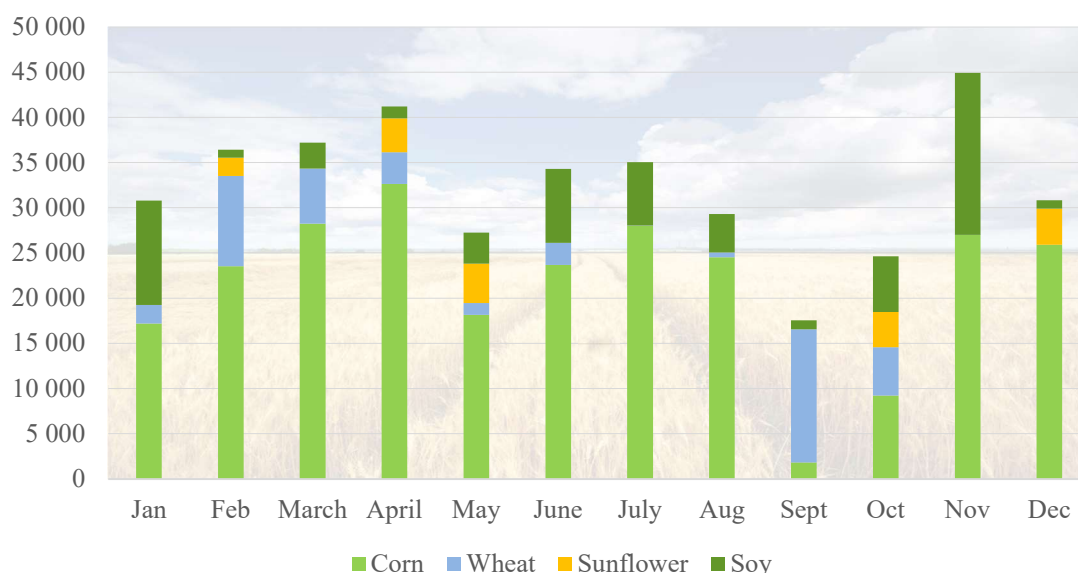
## DIRECTORS' REPORT

### RESULT/SALES

In 2024, despite ongoing economic challenges in Ukraine, including military actions and adverse weather conditions, the volumes and security of maritime transportation improved significantly. The Group increased the sale of grain in 2024 to 390 thousand tons compared to 251 thousand tons in 2023. During 2024, the Group sold 260 thousand tons of corn, 65 thousand tons of soy, 18 thousand tons of sunflower, and 46 thousand tons of wheat. In 2024, the Group fully sold the grain of OY'2023. The grain of harvest 2024 was sold in quantity 115 thousand tons which is equal to 46% of the total harvest.

The Group had three main sales routes in 2024, such as sales at elevators (EXW/ DAP) in the quantity of 24 thousand tons, via Black Sea ports in the quantity of 266 thousand tons, and on railways to Slovak elevator with subsequent transportation to customers by wagons or trucks in the quantity of 99 thousand tons.

Sales of grain 2024, tons



### CURRENCY

The Group'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.

In 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. 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 2024, the Ukrainian Hryvnia depreciated against EUR by 4%, the US dollar – by 10%; and Swedish Krona – by 0%.



## Directors' report

The National Bank of Ukraine (NBU) has assured that the cashless foreign exchange market remains stable and that the bank has all the necessary tools and resources to support it.

As of January 1, 2025, Ukraine's international reserves reached a record high of 43.8 billion USD, significantly exceeding the levels at the beginning of the full-scale invasion.

Market stability was well demonstrated in December 2024, when, despite high demand for cashless foreign currency, the hryvnia weakened by only 1% against the US dollar. The exchange rate against EUR remained almost unchanged as the dollar strengthened against the euro in international markets.

Regarding cash currency, the situation is also under control. There is no shortage of foreign currency or excessive demand. The financial system maintains sufficient foreign exchange liquidity, including in the cash segment.

Despite a temporary increase in the difference between the cash and official exchange rates, the NBU considers this as a short-term phenomenon, given that banks can meet currency demand at a rate close to the official one.

It is necessary to emphasize that moderate exchange rate fluctuations will not threaten the inflation trend or affect the goal of maintaining 5% inflation in the coming years. The NBU will continue working to make hryvnia savings instruments more attractive to the public.

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).

In 2024, Ukraine received almost 41.7 billion USD in international aid. This is about the same as last year. Donors of Ukraine were represented by more than 40 countries, as well as European financial institutions, the International Monetary Fund and the World Bank. International aid remains an important tool for maintaining macro-financial stability in Ukraine in the context of a full-scale war and allows the state to fulfill its social obligations to citizens.

It is also worth considering that international aid is inextricably linked to the effectiveness of reforms. Economic transparency, the fight against corruption, and the proper use of funds are key conditions for continued support.

Resolving domestic political conflicts, fighting corruption, unscrupulous officials, and good governance are key steps that will help maintain international support and ensure economic sustainability in 2025 and beyond.

The key factors holding back economic growth remain the war and damage to energy infrastructure.

At the moment, analysts expect that the rate of economic growth next year will be approximately the same as in 2024: expectations for an increase in Ukrainian GDP in 2025 are in the range of 2-4.9%.

Non-governmental analysts predict average annual inflation at 10% in 2025, and 7.1% by the end of the period.

On March 6, 2025, the Board of the National Bank of Ukraine decided to raise the key rate to 15.5%. The increase in the key rate from 14.5% to 15.5% was a reaction to inflation growth of 12% by the end of 2024.



## INVESTMENTS DURING 2024

To address the challenges of the full-scale war in Ukraine, the Group has continued investing in logistics, elevators, and agricultural machinery to enhance operational resilience and efficiency.

### Machinery Investments

In 2024, the Group expanded its fleet by acquiring new planters and additional combines, supporting the ongoing program for replacing outdated and depreciated machinery. These investments aim to improve efficiency, reduce maintenance costs, and ensure reliable field operations.

### Infrastructure Development in Slovakia

A significant portion of investments was directed toward the expansion and modernization of the Slovak elevator, including:

- ❖ Installation of steel silos to increase storage capacity.
- ❖ Upgrades to grain loading and handling equipment to enhance operational efficiency.
- ❖ Related construction services to support the expansion.

### Technical Assistance and USAID Support

As part of the USAID "Economic Resilience Activity" Technical Assistance Project, the Group received buckets for filling bags, contributing to improved grain handling processes. However, in 2025, the United States canceled 83% of USAID programs following a six-week review. The Group had no outstanding contracts under the USAID program, ensuring no disruption to planned operations.

### Ongoing Infrastructure Investments

The Group remains committed to continuous infrastructure development, particularly in elevator modernization, focusing on:

- ❖ Upgrading heat generators to enhance drying efficiency.
- ❖ Replacing grain transport equipment to improve logistics and handling capacity.

These strategic investments are aimed at optimizing operational performance, reducing costs, and ensuring long-term sustainability amid ongoing geopolitical and economic challenges.

## STORAGE AND DRYING CAPACITY 2024-12-31

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



## Directors' report

### EMPLOYEES

The average number of employees in 2024 was 1 165, divided between 234 women and 931 men. There were 1 144 employees in Ukraine and 21 in Slovakia. The Group 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 Group. 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

Grain Alliance places sustainability and environmental care at the core of its agricultural practices. The Group follows a balanced crop rotation plan, preventing soil depletion and minimizing negative environmental effects. Its approach to crop production is based on scientific soil assessments and modern farming methods. Since 2008, annual soil analyses have been conducted across cultivated fields, supported by an in-house laboratory for plant development monitoring and disease diagnostics. These insights form the foundation of the Group's long-term environmental strategy, ensuring responsible land use and preventing harmful soil compaction.

Modernization plays a key role in environmental management. Outdated equipment has been replaced with modern, fuel-efficient machinery, and new techniques for balanced fertilization have been introduced, optimizing the use of micro- and macro-nutrients throughout the growing season. A major focus is also placed on renewable energy integration, with investments in thermal generators in Nizhyn, Pyriatyn, and Yahotyn, reducing reliance on natural gas for both production and community heating.

The Group maintains strict Environmental, Health, and Safety (EHS) standards, incorporating risk assessment and compliance monitoring into its operational framework. Grain Alliance continuously improves its ERP system to unify and streamline EHS risk management, chemical safety, industrial hygiene, and stakeholder engagement. The Group has implemented a strict EHS framework for contractor selection, making compliance a key factor in tendering procedures.

To ensure regulatory compliance, Grain Alliance holds all necessary permits for high-risk operations and maintains comprehensive monitoring to enforce EHS rules among contractors. The Group continues the implementation of its Environmental and Social Action Plan, enhancing workplace safety, environmental initiatives, and employee-management relations.

Grain Alliance also meets the standards of internationally recognized **sustainability certification systems**, including:

- ❖ International Sustainability and Carbon Certification (ISCC)
- ❖ Renewable Energy Directive II (RED II)
- ❖ GMP+ B3 Trade, Collection, Storage & Transshipment
- ❖ Europe Soya Guidelines
- ❖ EU Feed Business Compliance

Through these initiatives, Grain Alliance demonstrates its commitment to responsible farming, environmental protection, and long-term sustainability.



## Directors' report

### HUMAN RESOURCE POLICY

At Grain Alliance, people are considered the most valuable asset, and the Group's HR policy is built around safety, support, personal development, and education. To uphold these principles, the Group continuously implements measures aimed at preserving and developing human resources.

Since the beginning of the full-scale war, ensuring the safety and well-being of employees has become the Group's top priority. The ongoing conflict has also led to workforce shortages, posing challenges in maintaining operational efficiency.

The war has impacted salary dynamics, with the average salary increasing by 10% in 2024 due to changing market conditions and heightened competition for skilled professionals.

Despite these challenges, Grain Alliance remains committed to supporting its employees, ensuring fair compensation, professional development, and a safe working environment.

In response to ongoing workforce challenges, the Group has implemented key measures to retain employees, enhance skills, and maintain competitive working conditions:

- ❖ Employee training programs to improve skills and qualifications.
- ❖ Internal recruitment and re-profiling to optimize workforce allocation.
- ❖ Competitive salary adjustments to reflect market conditions.
- ❖ Strengthening employee engagement by emphasizing the value and impact of their work on the Group's success.

The Group continuously updates its labor policy, aligning it with best business practices and the current legislation of the countries in which it operates.

The Group's Ukrainian subsidiary has been granted the status of a critically important enterprise, recognizing its decisive role in national security, economic stability, and citizens' well-being.

To qualify for this status, a company must:

- ❖ Have no outstanding tax debts.
- ❖ Maintain an average salary of at least 20,000 UAH.

This designation allows the Group to reserve employees from mobilization, ensuring business continuity. As a result, 50% of the male workforce in Ukraine has been successfully reserved.

### RISKS

The Group's agricultural operations are fully based in Ukraine, where the economy continues to function under martial law. This environment presents multiple risks, including war-related threats such as missile attacks on production and seaport infrastructure, supply chain disruptions, and logistical uncertainties. Additionally, the Group faces external challenges such as volatile global commodity prices, climate change, and environmental factors affecting soil and crop conditions.

The operating environment has a direct impact on the Group's activities and financial stability. In response, management continues to implement strategic measures to ensure operational resilience, business continuity, and financial sustainability despite the ongoing challenges.



## Directors' report

### Political risks

The political situation in Ukraine remains unstable due to the ongoing Russian invasion, which has had a severe impact on the country's economy and infrastructure.

Despite significant losses in human lives and production capacity, Ukraine has preserved its independence and state sovereignty. The country's economy continues to function as an integrated system, and the Government maintains full control over state institutions, retaining its ability to make and implement political decisions.

The Group's management remains committed to resilience by maintaining a strong business model, expanding export sales, and actively participating in industry associations.

The current situation is continuously monitored, and necessary measures are taken to minimize risks and mitigate potential negative impacts. For a detailed analysis of risks and risk management, refer to Note 31.

### Macroeconomic risk

The primary risks stem entirely from the Russian invasion of Ukraine, forcing the Ukrainian economy to adapt to wartime conditions.

As a result, there is a potential labor shortage, as Ukraine's defense efforts require a greater allocation of human resources. It could impact the business's ability to produce and distribute grain at normal levels.

Ongoing Russian attacks pose a threat to the Group's facilities and warehouses, potentially causing significant financial losses. Additionally, these attacks could disrupt logistics and energy supply, leading to challenges in delivering products to customers and securing necessary input goods.

While backup power can partially mitigate energy supply disruptions, prolonged outages could have severe consequences for operations.

### Climate risk

Climate risk presents a major challenge for agricultural producers, directly affecting crop yields, quality, and profitability. The increasing frequency of extreme weather events, prolonged droughts, and unpredictable rainfall patterns threatens agricultural productivity and contributes to soil degradation, pest infestations, and water scarcity.

To mitigate these risks and ensure long-term sustainability, Grain Alliance invests in climate-resilient crop varieties and leverages advanced agricultural technologies. Strategic planning and proactive adaptation measures are key to maintaining stable production and securing the future of the agricultural sector.

The Group's climate risk reduction strategies include:

- ❖ Utilizing different hybrids and varieties tailored to specific regional conditions.
- ❖ Diversifying seed maturity within clusters to enhance resilience against unpredictable weather.
- ❖ Avoiding monocropping in specific regions to reduce exposure to climate variability and weather-related risks.

By implementing these measures, Grain Alliance enhances climate adaptability, protects yields, and ensures greater stability in agricultural production.

### Land assets risk

Ukraine possesses approximately a quarter of the world's high-quality black soil reserves, making its agricultural land highly attractive for investment. As land remains a key resource in agricultural production, the Group operates on a long-term lease model, securing land from local landowners for its farming activities.



## Directors' report

The abolition of the land moratorium has created an incentive for some landowners to sell their land plots rather than renew lease agreements, which may pose a risk of reducing the leased land bank. To mitigate this risk, the Group actively engages with local communities through social initiatives and prioritizes the re-signing of lease agreements under mutually beneficial terms, ensuring a higher share of long-term land contracts. Given these measures, the Group assesses the risk level as stable and continues monitoring developments across its operating regions, with no expected significant impact on its land portfolio.

### Government and regulatory risk

The Group's operations are subject to regulatory developments, including potential changes in fiscal policies, taxation, and other regulatory mechanisms that may impact business activities. To mitigate these risks, the Group continuously monitors the regulatory environment and ensures that all business operations comply with current legislation. This proactive approach allows the Group to adapt swiftly to legal changes while maintaining operational stability.

### Market / Distribution risk

Market risk refers to the potential for fluctuations in the fair value of future cash flows from a financial instrument due to changes in market prices.

Throughout 2024, the Group continued to engage with its established network of customers in the EU, developed in previous years, while also adding new companies. Additionally, it maintained partnerships with major grain traders, which enabled the Group to sell grain at the most favorable prices on the export market.

However, volume of sales through EU decreased compared to last year due to a combination of factors: increased liquidity and therefore higher sales prices of grain in the Black Sea ports.

This year, the Group also had another successful experience of vessel delivery at own expense to the buyer in Italy.

### Foreign exchange risk

The Group operates with three main functional currencies: the Ukrainian hryvnia (UAH), US dollar (USD), and Euro (EUR). Fluctuations in the UAH exchange rate against USD and EUR can negatively impact financial performance, affecting revenue, costs, and overall business stability.

To mitigate currency risk, the Group follows an export-oriented sales strategy, ensuring a stable inflow of foreign currency proceeds. Additionally, management aligns the timing of export sales with the procurement of inputs in foreign currencies and utilizes price-locking mechanisms for both purchases and sales, reducing exposure to exchange rate volatility.

### Raw material and resources risk

The volatility of raw material prices can impact the Group's operating results and profitability, leading to increased production costs and financial strain. Key cost drivers include fuel, energy, seeds, fertilizers, and crop protection materials, where price fluctuations pose a significant risk to operational efficiency.

To mitigate these risks, the Group continues to:

- ❖ Optimize fuel consumption and machinery efficiency through the implementation of GPS trackers and fuel level sensors.
- ❖ Streamline crop selection, focusing on a limited number of key crops, which allows for bulk purchasing of seeds, fertilizers, and crop protection materials at wholesale prices.
- ❖ Establish long-term partnerships with reliable suppliers, ensuring stable access to high-quality agricultural inputs under favorable terms.

These measures enhance cost control, supply chain stability, and overall operational efficiency, allowing the Group to navigate price volatility effectively.



## Directors' report

### IMPORTANT EVENTS DURING THE REPORTING PERIOD

During 2024, 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.

Due to damage to power facilities during massive Russian attacks, power outages occurred throughout the fall and winter of 2024 throughout almost all of Ukraine.

However, 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 2024, the Group actively interacted with banks and was able to obtain beneficial loans for its operating activity. The Group has repaid the EBRD loan in Ukraine during 2024.

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.

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 has been cooperating with USAID on different programs. During 2024, the Group received production equipment, inventories and some constructions of flat warehouses on almost 33 mln UAH.

The subsidiary Baryshevska Grain Company LLC has announced the dividends of 700 mln UAH (or 183 mln SEK) for 2024 and paid 215 mln UAH (or 56 mln SEK).

The Group sold 390 thousand tons of grain and received revenue in the amount of 994 mln SEK (or 87 mln EUR) in 2024.

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 34 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.



## Directors' report

### KEY RATIOS

	2024	2023	2022	2021	2020
Turn over, KSEK	1 023 264	882 582	602 715	561 435	451 448
Operational result, KSEK	279 813	113 498	342 446	424 590	151 293
Result after financial costs, KSEK	239 776	36 177	284 908	362 550	47 494
Equity ratio %	65,93%	53,66%	55,38%	60,00%	43,82%
Cash flow, KSEK	69 260	135 854	83 180	(44 946)	42 351

### OUTLINE OF THE PARENT COMPANY RESULTS

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

Retained earnings	<b>298 801 529</b>
Net result of the period	223 760 284
	<b>522 561 813</b>

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

**522 561 813**

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.



**Consolidated statement of comprehensive income**  
*In thousands of SEK*

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	<b>The Group</b>	
		<b>2024</b>	<b>2023</b>
Revenue from sales	5	1 023 264	882 582
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	19	268 393	224 079
Cost of sales	6, 12	(816 163)	(842 026)
<b>Gross profit</b>		<b>475 494</b>	<b>264 635</b>
Other operating income	7	4 651	8 248
General and administrative expenses	8	(50 441)	(48 347)
Selling expenses	8	(136 331)	(94 797)
Other operating expenses	9	(13 560)	(16 241)
<b>Operating profit / (loss)</b>		<b>279 813</b>	<b>113 498</b>
Finance costs	10, 29	(76 408)	(84 732)
Finance income	11, 29	9 989	8 357
Foreign exchange gain	13	26 382	(946)
<b>Profit / (loss) before tax</b>		<b>239 776</b>	<b>36 177</b>
Income tax expense	14	(13 580)	(2 014)
<b>Profit / (loss) for the year</b>		<b>226 196</b>	<b>34 163</b>
Whereof attributed to equity holders of the company		<b>226 196</b>	<b>34 163</b>
<b>Other comprehensive income:</b>			
Foreign exchange differences		(2 466)	(76 900)
Tax effect		-	-
<b>Total other comprehensive income for the year</b>		<b>(2 466)</b>	<b>(76 900)</b>
<b>Total comprehensive income for the year</b>		<b>223 730</b>	<b>(42 737)</b>
Whereof attributed to equity holders of the company		<b>223 730</b>	<b>(42 737)</b>



**Consolidated statement of financial position**  
*In thousands of SEK*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	The Group	
		2024	2023
<b>Non-current assets</b>			
Property, plant and equipment	15, 33	378 006	379 321
Investment property	16	1 138	-
Intangible assets	17	1 604	1 725
Biological assets	19	3 891	3 153
Other non-current assets	18, 29	139 926	60 029
Right of use assets - Land leases	20	274 725	278 684
		<b>799 290</b>	<b>722 912</b>
<b>Current assets</b>			
Inventories	21	428 022	550 441
Biological assets	19	16 229	26 678
Trade and other receivables	22, 29, 31, 32	10 456	9 664
Other current assets	22, 29, 31	84 755	62 644
Cash and cash equivalents	23, 31, 32	328 232	258 972
		<b>867 694</b>	<b>908 399</b>
<b>Total assets</b>		<b>1 666 984</b>	<b>1 631 311</b>
<b>Equity</b>			
Issued capital	24	11 556	11 556
Other contributed capital		278 295	278 295
Foreign currency translation reserve		(353 960)	(351 494)
Retained earnings		1 163 223	937 074
		<b>1 099 114</b>	<b>875 431</b>
<b>Non-current liabilities</b>			
Loans and borrowings relative parties	25, 29, 32	42 317	38 124
Loans and borrowings	25, 32, 33	14 727	120 416
Long term lease obligation	20, 26	331 721	325 958
Other long-term liabilities		12 016	5 550
		<b>400 781</b>	<b>490 048</b>
<b>Current liabilities</b>			
Loans relative parties	25, 29	-	55 800
Loans and borrowings bank	25, 32, 33	93 566	141 974
Short term lease obligation	20, 26	22 662	18 503
Trade and other liabilities	27, 29, 32	22 471	17 184
Other current liabilities	27, 32	28 390	32 371
		<b>167 089</b>	<b>265 832</b>
<b>Total liabilities</b>		<b>567 870</b>	<b>755 880</b>
<b>Total equity and liabilities</b>		<b>1 666 984</b>	<b>1 631 311</b>



**Consolidated statement of changes in equity**  
In thousands of SEK

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>The Group</b>	<b>Issued Capital</b>	<b>Other contributed capital</b>	<b>Foreign Exchange differences</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 1 January 2023</b>	<b>11 556</b>	<b>278 295</b>	<b>(274 594)</b>	<b>958 711</b>	<b>973 968</b>
Profit for the year	-	-	-	34 163	34 163
Foreign currency translation reserve	-	-	(76 900)	-	(76 900)
<i>Total comprehensive income</i>	-	-	<i>(76 900)</i>	<i>34 163</i>	<i>(42 737)</i>
<b>Transactions with Group Owners</b>					
Group contribution	-	-	-	(55 800)	(55 800)
<i>Total transactions with Group Owners</i>	-	-	-	<i>(55 800)</i>	<i>(50 800)</i>
<b>Balance at 31 December 2023</b>	<b>11 556</b>	<b>278 295</b>	<b>(351 494)</b>	<b>937 074</b>	<b>875 431</b>
Profit for the year	-	-	-	226 196	226 196
Foreign currency translation reserve	-	-	(2 466)	-	(2 466)
<i>Total comprehensive income</i>	-	-	<i>(2 466)</i>	<i>226 196</i>	<i>223 730</i>
<b>Transactions with Group Owners</b>					
Dividend	-	-	-	(47)	(47)
<i>Total transactions with Group Owners</i>	-	-	-	<i>(47)</i>	<i>(47)</i>
<b>Balance at 31 December 2024</b>	<b>11 556</b>	<b>278 295</b>	<b>(353 960)</b>	<b>1 163 223</b>	<b>1 099 114</b>





**Consolidated statement of cash flow**  
*In thousands of SEK*

**CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Profit / (loss) before tax	239 776	36 177
<b>Non-cash adjustments:</b>		
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	(268 393)	(224 079)
Depreciation	75 861	78 609
Gain on sales of fixed assets	(189)	(1 347)
Finance income	(9 989)	(8 357)
Foreign exchange gain/loss	(26 382)	946
Finance costs	76 408	84 732
Loss on impairment of accounts receivable and prepayments	665	117
Loss on impairment of inventories to net realizable value	824	71
Write down of property, plant and equipment	10 971	239
Shortages and losses from damage of valuables	6 629	3 211
Gain / loss from sale of other inventories	(224)	(167)
Gain on accounts payable written off	(530)	(617)
Gain / loss from early termination of a lease (16 IFRS)	1 885	(4 563)
<b>Working capital adjustments:</b>		
Change in biological assets	9 228	105 852
Change in trade receivables and other current assets	(25 501)	53 953
Change in agricultural produce and other inventories	368 728	287 497
Change in trade and other payables and other current liabilities	(16 541)	19 087
	<b>443 226</b>	<b>431 361</b>
Interest received	9 989	8 357
Income tax paid	-5 854	-
<b>Cash flows from operating activities</b>	<b>447 361</b>	<b>439 718</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(64 258)	(128 998)
Sales of property, plant and equipment	-	1 786
Purchase of Intangibles assets	(305)	(4 456)
Purchase of other non-current assets	(600)	(2 916)
Loans granted to others	(48 040)	(11 672)
Repayments of previously granted loans	12 253	817
<b>Net cash flows used in investing activities</b>	<b>(100 951)</b>	<b>(145 439)</b>





**Consolidated statement of cash flow**  
*In thousands of SEK*

**CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUATION)**

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
<b>Financing activity (Note 31)</b>		
Proceeds from loans and borrowings	150 597	192 436
Repayment of loans and borrowings	(304 271)	(243 214)
Interest paid	(10 610)	(22 772)
Payment of finance lease obligations	(73 519)	(79 231)
Dividends paid	(55 847)	-
<b>Net cash flows from financing activities</b>	<b>(293 650)</b>	<b>(152 781)</b>
Net change in cash and cash equivalents	52 760	141 498
Foreign exchange difference cash	16 500	(5 644)
Cash and cash equivalents at 1 January	258 972	123 118
<b>Cash and cash equivalents at 31 December (Note 23)</b>	<b>328 232</b>	<b>258 972</b>





## 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 Fastighets AB Bremia (corporate id. number 556057-2744, 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”):

<i>Name</i>	<i>Corporate id.nr</i>	<i>Location</i>	<i>Function</i>	<i>2024</i>	<i>2023</i>
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	Transshipment, 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 34 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 27 of June 2025. The Board has presented the annual report for publication on 26 of June 2025.





## Notes to the consolidated financial statement

*In thousands of SEK*

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.





## Notes to the consolidated financial statement

*In thousands of SEK*

### ***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:

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





**Notes to the consolidated financial statement**  
*In thousands of SEK*

- ❖ 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 incurred 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.

<i>Asset category</i>	<i>Useful life (years)</i>
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.





## Notes to the consolidated financial statement

*In thousands of SEK*

### **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:

<i>Asset category</i>	<u><i>Useful life (years)</i></u>
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.





## Notes to the consolidated financial statement

*In thousands of SEK*

### ***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

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



## Notes to the consolidated financial statement

*In thousands of SEK*

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



## Notes to the consolidated financial statement

*In thousands of SEK*

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*

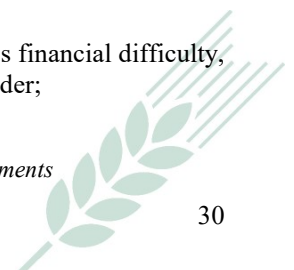
The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### *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;

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





## Notes to the consolidated financial statement

*In thousands of SEK*

- ❖ 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 22 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.

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



## Notes to the consolidated financial statement

*In thousands of SEK*

### ***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 transaction 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).





## Notes to the consolidated financial statement

*In thousands of SEK*

### **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 28.

### *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

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



## Notes to the consolidated financial statement

*In thousands of SEK*

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, 2024. Standards, amendments to standards and interpretative statements that come into force only from and after the financial year 2025 or later and have not been applied in the preparation of these financial statements. The upcoming standard IFRS 18 will affect the Group's financial statements. The effect will be investigated in the coming years.

## **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.

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



## Notes to the consolidated financial statement

*In thousands of SEK*

### ***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.





## Notes to the consolidated financial statement

*In thousands of SEK*

### ***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 22.

### ***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 32 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.





## Notes to the consolidated financial statement

In thousands of SEK

### 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.

### 5. REVENUE FROM SALES

	<i>The Group</i> <b>2024</b>	<b>2023</b>
Corn	483 372	413 436
Sunflower	93 263	43 246
Soy	335 940	369 529
Wheat	81 112	31 262
Milk	17 826	13 087
Meat	2 474	2 724
Other	845	161
	<b>1 014 832</b>	<b>873 445</b>
Auxiliary agricultural services	8 427	8 907
Other	5	230
	<b>1 023 264</b>	<b>882 582</b>

	<i>The Group</i> <b>2024</b>	<b>2023</b>
<i>Quantity</i>		
Corn	260 454	155 593
Sunflower	18 052	10 283
Soy	65 541	71 043
Wheat	46 016	14 213
Milk	4 567	3 898
Meat	204	226
Other	3 539	7
	<b>398 373</b>	<b>255 263</b>

Revenues from three major customer, which individually exceeding 10% of total revenue, amounted to SEK 416 978 thousand (2023: one customer – SEK 343 342 thousand).

	<i>The Group</i> <b>2024</b>	
Cargill	192 146	19%
BAG Ölmühle Betriebs GmbH	115 236	11%
Louis Dreyfus Company SA	109 596	11%
Oleificio San Giorgio S.P.A	61 234	6%
Agrolife	47 667	5%
Other	497 385	48%
	<b>1 023 264</b>	<b>100 %</b>

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



**Notes to the consolidated financial statement**  
*In thousands of SEK*

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.

**6. COST OF SALES**

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Corn	384 166	392 744
Sunflower	67 456	39 351
Soy	264 342	363 133
Wheat	78 126	27 717
Milk	17 768	10 913
Meat	1 238	1 181
Other	261	2 328
	<b>813 357</b>	<b>837 367</b>
Auxiliary agricultural services	2 806	4 464
Other	-	195
	<b>816 163</b>	<b>842 026</b>

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Depreciation of intangible assets	14	16
Depreciation of property, plant and equipment	33 318	33 271
Depreciation Right-to-use assets	30 573	32 018
Depreciation of other non-current assets	2 294	2 308
Payroll expenses and related charges	65 394	32 093
Cost of auxiliary agricultural services	2 806	4 464
Cost of agricultural produce sold	681 764	737 661
Cost of other produce	-	195
	<b>816 163</b>	<b>842 026</b>

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 is presented in note 12.

**7. OTHER OPERATING INCOME**

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Gain on accounts payable written off	530	617
Government subsidies recognized as income	2 070	882
Penalties received	6	51
Gain on disposal of inventories	104	73
Gain from early termination of a lease (16 IFRS)	-	4 563
Gain on disposal of PPE	189	1 347
Surplus of inventories	120	94
Rental Income	512	196
Other income	1 120	425
	<b>4 651</b>	<b>8 248</b>





**Notes to the consolidated financial statement**  
*In thousands of SEK*

**8. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
<b>General and administrative expenses</b>		
Payroll and related taxes	18 735	16 797
Professional services	14 312	16 228
Fuel and other materials used	2 740	3 560
Services provided by third parties	4 843	1 983
Depreciation expenses	2 327	3 602
Repair and maintenance expenses	3 571	3 435
Representative costs and business trips	2 420	1 458
Other expenses	1 493	1 284
	<b>50 441</b>	<b>48 347</b>

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
<b>Selling expenses</b>		
Payroll and related taxes	9 559	10 191
Fuel and other materials used	7 196	5 784
Services provided by third parties	654	902
Depreciation	7 767	7 396
Transportation	102 957	69 531
Repair and maintenance expenses	1 672	1
Other expenses	6 526	992
	<b>136 331</b>	<b>94 797</b>

Audit fees for the parent company and the Group in year 2024 and 2023 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Audit assignment fees	1 856	1 222
Other	60	123
	<b>1 916</b>	<b>1 345</b>

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.





**Notes to the consolidated financial statement**  
*In thousands of SEK*

## 9. OTHER OPERATING EXPENSES

	<i>The Group</i>	
	<i>2024</i>	<i>2023</i>
Shortages and losses from damage of valuables	6 629	3 211
Charity expenses (i)	2 513	3 059
Loss on impairment of accounts receivable and prepayments	665	117
Loss on disposal of PPE	8	239
Penalties	182	75
Impairment of inventories to net realizable value	824	71
Loss from early termination of lease	1 885	-
Other expenses	854	9 469
	<b>13 560</b>	<b>16 241</b>

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

## 10. FINANCE COSTS

	<i>The Group</i>	
	<i>2024</i>	<i>2023</i>
Interest on loans and borrowings related party	1 430	1 176
Interest on loans and borrowings bank	8 012	23 193
Bank fees	370	574
Financial costs of financial lease	55 879	59 293
Financial costs of discounting of financial aids	1 657	496
Tax on dividend	9 060	-
	<b>76 408</b>	<b>84 732</b>

## 11. FINANCE INCOME

	<i>The Group</i>	
	<i>2024</i>	<i>2023</i>
Interest income	8 233	7 518
Financial income for financial assistance	1 756	839
	<b>9 989</b>	<b>8 357</b>





**Notes to the consolidated financial statement**  
In thousands of SEK

## 12. DEPRECIATION

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Depreciation property, plant and equipment (within cost of sales)	32 038	33 271
Depreciation property, plant and equipment (within G&A expense)	1 903	1 251
Depreciation property, plant and equipment (within distribution expense)	7 767	7 395
Depreciation investment property (within cost of sales)	2	-
Depreciation investment property (within G&A expenses)	11	-
Depreciation of intangible assets (within cost of sales)	14	16
Depreciation of intangible assets (within G&A expenses)	413	2 350
Depreciation of other non-current assets (within cost of sales)	2 294	2 308
Depreciation of right-of-use assets (within cost of sales)	31 419	32 018
	<b>75 861</b>	<b>78 609</b>

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

## 13. FOREIGN EXCHANGE GAIN/LOSS

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Foreign exchange difference within the Group	(383)	380
Foreign exchange difference others	26 765	(1 326)
	<b>26 382</b>	<b>(946)</b>

## 14. INCOME TAX

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
<b>Reconciliation of effective tax rate</b>		
Profit/Loss before tax	239 776	36 177
Tax at the current rate for the parent company 20,6%	(49 394)	(7 452)
Revaluation of temporary differences	-	-
Deducts tax on profit foreign companies, not taxable	36 197	(7 205)
Deducts tax on group contributions made	-	11 495
Tax adjustment interest expense/interest income	1 386	1 277
Non-deductible expenses	(1 769)	(129)
	<b>(13 580)</b>	<b>(2 014)</b>

Read more about Taxation of agricultural activities in Ukraine on page 34, note 3 Summary of significant accounting policies (paragraph Taxation).





**Notes to the consolidated financial statement**  
*In thousands of SEK*

**15. PROPERTY, PLANT AND EQUIPMENT**

	<i>Land</i>	<i>Building &amp; constructions</i>	<i>Plant &amp; Equipment</i>	<i>Vehicles</i>	<i>Furnitue</i>	<i>Constuction in progress</i>	<i>Total</i>
<i>Cost</i>							
<b>As at 1 January 2023</b>	<b>4 437</b>	<b>154 493</b>	<b>233 631</b>	<b>97 204</b>	<b>8 733</b>	<b>30 540</b>	<b>529 038</b>
Additions	-	13 099	37 302	100 088	1 066	37 787	189 342
Reclassification	-	-	-	-	-	(12 221)	(12 221)
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)
<b>As at 31 December 2023</b>	<b>4 268</b>	<b>153 829</b>	<b>247 816</b>	<b>179 895</b>	<b>8 667</b>	<b>4 809</b>	<b>599 284</b>
Additions	386	6 168	22 181	7 297	807	29 601	66 440
Transfer, adjustments	-	(1 025)	1 025	-	-	-	-
Disposals	-	(2 230)	(2 371)	(13 798)	(165)	(14 212)	(32 776)
Foreign currency translation differences	86	484	415	373	3	610	1 970
<b>As at 31 December 2024</b>	<b>4 740</b>	<b>157 226</b>	<b>269 066</b>	<b>173 767</b>	<b>9 312</b>	<b>20 807</b>	<b>634 918</b>
<i>Depreciation</i>							
<b>As at 1 January 2023</b>	-	<b>(31 289)</b>	<b>(142 894)</b>	<b>(20 719)</b>	<b>(5 520)</b>	-	<b>(200 422)</b>
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
<b>As at 31 December 2023</b>	-	<b>(33 390)</b>	<b>(153 435)</b>	<b>(27 405)</b>	<b>(5 733)</b>	-	<b>(219 963)</b>
Depreciation for the year	-	(5 089)	(25 123)	(10 893)	(603)	-	(41 708)
Transfer, adjustments	-	795	(795)	-	-	-	-
Disposals	-	161	998	3 701	166	-	5 026
Foreign currency translation differences	-	(173)	(58)	(33)	(3)	-	(267)
<b>As at 31 December 2024</b>	-	<b>(37 696)</b>	<b>(178 413)</b>	<b>(34 630)</b>	<b>(6 173)</b>	-	<b>(256 912)</b>
<b>Net book value</b>							
As at 31 December 2023	<b>4 268</b>	<b>120 439</b>	<b>94 381</b>	<b>152 490</b>	<b>2 934</b>	<b>4 809</b>	<b>379 321</b>
As at 31 December 2024	<b>4 740</b>	<b>119 530</b>	<b>90 653</b>	<b>139 137</b>	<b>3 139</b>	<b>20 807</b>	<b>378 006</b>

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





**Notes to the consolidated financial statement**  
In thousands of SEK

As at 31 December 2024, a value of 217 833 regarding property, plant and equipment was pledged as a security for the bank loans (2023: SEK 255 311 - note 33).

## 16. INVESTMENT PROPERTY

	<u><i>Building &amp; constructions</i></u>
<i>Cost</i>	
<b>As at 1 January 2024</b>	-
Movement	111
Additions	1 059
Foreign currency translation reserve	(6)
<b>As at 31 December 2024</b>	<b>1 164</b>
<i>Depreciation and impairment</i>	
<b>As at 1 January 2024</b>	-
Movement	(14)
Depreciation charge for the year	(13)
Foreign currency translation reserve	1
<b>As at 31 December 2024</b>	<b>(26)</b>
<b>Net book value</b>	
as at 1 January 2024	-
as at 31 December 2024	<b>1 138</b>

## 17. INTANGIBLE ASSETS

	<i>The right to use land in the form of emphyteusis</i>	<i>Royalty</i>	<i>Software</i>	<i>Total</i>
<i>Cost</i>				
<b>As at 1 January 2023</b>	<b>765</b>	-	<b>2 515</b>	<b>3 280</b>
Additions	-	1 872	275	2 147
Foreign currency translation differences	(66)	(182)	(244)	(492)
<b>As at 31 December 2023</b>	<b>699</b>	<b>1 690</b>	<b>2 546</b>	<b>4 935</b>
Additions	-	-	305	305
Disposals	-	(1 699)	-	(1 699)
Foreign currency translation differences	-	9	1	10
<b>As at 31 December 2024</b>	<b>699</b>	-	<b>2 852</b>	<b>3 551</b>
<i>Depreciation</i>				
<b>As at 1 January 2023</b>	<b>(49)</b>	-	<b>(1 127)</b>	<b>(1 176)</b>
Depreciation for the year	(16)	(1 872)	(478)	(2 366)
Foreign currency translation differences	6	182	144	332
<b>As at 31 December 2023</b>	<b>(59)</b>	<b>(1 690)</b>	<b>(1 461)</b>	<b>(3 210)</b>
Depreciation for the year	(14)	-	(413)	(427)
Disposals	-	1 699	-	1 699
Foreign currency translation differences	-	(9)	-	(9)
<b>As at 31 December 2024</b>	<b>(73)</b>	-	<b>(1 874)</b>	<b>(1 947)</b>
<b>Net book value</b>				
As at 31 December 2023	<b>640</b>	-	<b>1 085</b>	<b>1 725</b>
As at 31 December 2024	<b>626</b>	-	<b>978</b>	<b>1 604</b>

## 18. OTHER NON-CURRENT ASSETS

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Long-term receivables	179	263
Prepaid lease expenses	67 261	38 924
Prepaid ongoing new construction	62 132	14 009
Other non-current assets	10 354	6 833
	<b>139 926</b>	<b>60 029</b>

## 19. BIOLOGICAL ASSETS

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

	<i>Note</i>	<i>The Group</i>		
		<b>Plants</b>	<b>Animal-breeding</b>	<b>Total</b>
<b>Carrying amount at 1 January 2023</b>		<b>127 423</b>	<b>3 411</b>	<b>130 834</b>
Increase due to purchases and subsequent expenditures		855 312	15 343	870 655
Decrease due to crop 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)
<b>Carrying amount at 31 December 2023</b>	(iii)	<b>25 704</b>	<b>4 127</b>	<b>29 831</b>
Increase due to purchases and subsequent expenditures		1 057 319	16 073	1 073 392
Decrease due to crop harvest	(i)	(623 038)	(18 652)	(641 690)
Decrease due to sales		(708 618)	(1 238)	(709 856)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	263 498	4 895	268 393
Livestock losses		-	(17)	(17)
Currency translation differences		67	-	67
<b>Carrying amount at 31 December 2024</b>	(iii)	<b>14 932</b>	<b>5 188</b>	<b>20 120</b>

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 2024 and 2023 was as follows:

	<i>The Group</i>			
	<b>2024</b>		<b>2023</b>	
	<i>Tons harvested</i>	<i>FV less cost to sell at the time of harvest</i>	<i>Tons harvested</i>	<i>FV less cost to sell at the time of harvest</i>
Corn	195 637	347 618	262 269	328 298
Wheat	25 552	39 757	35 385	46 947
Sunflower	12 226	56 655	10 142	31 465
Soybean	46 058	178 539	52 904	200 883
Other	10 107	469	6 335	20
	<b>289 580</b>	<b>623 038</b>	<b>367 035</b>	<b>607 613</b>

(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

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



## Notes to the consolidated financial statement

*In thousands of SEK*

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:

	<i>The Group</i>			
	<i>2024</i>		<i>2023</i>	
	<i>Yield in tons per hectare</i>	<i>Price per ton less cost to sell</i>	<i>Yield in tons per hectare</i>	<i>Price per ton less cost to sell</i>
Winter wheat	5,8	1 556	6,6	1 327
Corn	7,8	1 777	8,3	1 252
Soybean	1,9	3 876	2,9	3 797
Sunflower	2,3	4 634	2,4	3 102

(iii) Biological assets as at 31 December comprised:

### *Livestock*

	<i>The Group</i>			
	<i>2024</i>		<i>2023</i>	
	<i>Number, heads</i>	<i>Carrying value</i>	<i>Number, heads</i>	<i>Carrying value</i>
Cattle	1 370	5 188	1 290	4 127
	<b>1 370</b>	<b>5 188</b>	<b>1 290</b>	<b>4 127</b>

### *Plants*

	<i>The Group</i>			
	<i>2024</i>		<i>2023</i>	
	<i>Hectares</i>	<i>Carrying amount</i>	<i>Hectares</i>	<i>Carrying amount</i>
Winter wheat	5 892	14 624	4 413	3 674
Corn	-	-	2 967	22 030
Others	64	308	-	-
	<b>5 956</b>	<b>14 932</b>	<b>7 380</b>	<b>25 704</b>





**Notes to the consolidated financial statement**  
In thousands of SEK

**20. RIGHT OF USE ASSETS**

<i>Right of use assets</i>	<b>Land</b>
<i>Cost</i>	
<b>As at January 2023</b>	<b>422 147</b>
Additions	43 496
Transfer	(1)
Disposals	(31 947)
Foreign currency translation differences	(37 544)
<b>As at 31 December 2023</b>	<b>396 151</b>
Additions	33 401
Transfer	67
Disposals	(12 572)
Foreign currency translation differences	221
<b>As at 31 December 2024</b>	<b>417 268</b>
<i>Depreciation</i>	
<b>As at 1 January 2023</b>	<b>(106 350)</b>
Depreciation for the year	(32 018)
Reclassification	(1)
Disposals	9 533
Foreign currency translation differences	11 369
<b>As at 31 December 2023</b>	<b>(117 467)</b>
Depreciation for the year	(31 419)
Reclassification	-
Disposals	6 325
Foreign currency translation differences	18
<b>As at 31 December 2024</b>	<b>(142 543)</b>
<b>Net book value</b>	
As at 31 December 2023	<b>278 684</b>
As at 31 December 2024	<b>274 725</b>
<i>Lease liabilities</i>	
<b>As at January 2023</b>	<b>378 919</b>
Additions	44 414
Disposal	(26 978)
Accretion of interests	59 236
Other movement	1 142
Payments	(79 862)
Foreign currency translation differences	(32 410)
<b>As at 31 December 2023</b>	<b>344 461</b>
Additions	35 397
Disposal	(10 634)
Accretion of interests	55 833
Other movement	2 598
Payments	(73 519)
Foreign currency translation differences	247
<b>As at 31 December 2024</b>	<b>354 383</b>



	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Non-current lease liabilities	331 721	325 958
Current lease liabilities	22 662	18 503
	<b>354 383</b>	<b>344 461</b>

The average discount rate used is 16,0% (2023: 18,13%).

The following are the amounts recognized in profit or loss:

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Depreciation expense of right-of-use assets	31 419	32 018
Interest expense on lease liabilities	55 879	59 293
Gain (loss) from early termination of a lease	1 885	(4 563)
<b>Total amount recognized in profit (loss)</b>	<b>89 183</b>	<b>86 748</b>

## 21. INVENTORIES

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Agricultural produce ( <i>at fair value less costs to sell or net realisable value</i> ) (i)	311 814	462 460
Work in progress ( <i>at cost</i> ) (ii)	53 880	34 560
Raw materials ( <i>at cost</i> ) (iii)	36 229	26 865
Fertilizer, herbicide and pesticide ( <i>at cost</i> )	26 007	26 455
Other inventories ( <i>at cost</i> )	92	101
	<b>428 022</b>	<b>550 441</b>

- (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.

<i>Agricultural produce and finished goods</i>	<i>The Group</i>			
	<b>31 December 2024</b>		<b>31 December 2023</b>	
	<b>Quantity, ton</b>	<b>Carrying amount</b>	<b>Quantity, ton</b>	<b>Carrying amount</b>
Corn	108 371	204 377	177 816	235 971
Soy	19 826	77 154	42 802	161 502
Sunflower	4 290	22 721	10 320	25 576
Wheat	3 189	5 875	26 013	37 868
Milk	16	23	10	24
Other agriproducts	7 539	1 664	5 790	1 519
	<b>143 231</b>	<b>311 814</b>	<b>262 751</b>	<b>462 460</b>

On 31 December 2024 the inventory did not provide security for bank loans (on 31 December 2023 the inventory did not provide security for bank loans).

## 22. TRADE AND OTHER RECEIVABLES, OTHER CURRENT ASSETS

	<b>The Group</b>	
	<b>2024</b>	<b>2023</b>
<i>Trade and other receivables</i>		
Trade receivables	11 121	9 974
Less: bad debt allowance	(665)	(310)
	<b>10 456</b>	<b>9 664</b>
<i>Other current assets</i>		
Deferred expenses	6 549	5 508
Advances paid	42 867	12 040
VAT recoverable	11 961	16 827
Loans issued	-	11 867
Other prepaid taxes	833	4 796
Other	22 545	11 606
	<b>84 755</b>	<b>62 644</b>

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

	<i>The Group</i> <i>Provision for bad debts</i>
<b>As at 1 January 2023</b>	<b>430</b>
Charge for the year	(92)
Foreign exchange translation difference	(28)
<b>As at 31 December 2023</b>	<b>310</b>
Charge for the year	353
Foreign exchange translation difference	2
<b>As at 31 December 2024</b>	<b>665</b>

For detailed information about aging see note 31.

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

	<b>Total</b>	<b>Neither past due nor impaired</b>	<b>Up to 30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91-180 days</b>	<b>181-365 days</b>	<b>More than 365 days</b>
31 December 2024		0%	0%	0%	0%	86%	100%	100%
31 December 2023		0%	0%	0%	1%	1%	2%	100%
31 December 2024	665	-	-	-	-	-	-	665
31 December 2023	310	-	17	63	-	43	71	116

## 23. CASH AND CASH EQUIVALENTS

	<i>The Group</i>	
	<b>2024</b>	<b>2023</b>
Cash:		
- on bank accounts	328 177	258 898
- on hand	55	74
	<b>328 232</b>	<b>258 972</b>

As at 31 December 2024, there is no escrow account (2023: SEK 0, see note 33).



## Notes to the consolidated financial statement

In thousands of SEK

### 24. SHARE CAPITAL

The registered share capital amounts to SEK 11 556 (2023: SEK 11 556) and consists of 7 807 775 shares (2023: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.

### 25. LOANS AND BORROWINGS

As at 31 December 2024 loans and borrowings are as follows:

	Currency	Maturity Interest	2025	2025-2028	Total
			Current portion	Non-current portion	
Ukrainian bank	USD	3,76-4,22%	88 054	14 727	102 781
European bank	EUR	5,00-8,47%	5 512	-	5 512
Related party (Note 29)	SEK	3,00-7,00%	-	42 317	42 317
			<b>93 566</b>	<b>57 044</b>	<b>150 610</b>

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

	Currency	Maturity Interest	2024	2024-2027	Total
			Current portion	Non-current portion	
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 29)	SEK	3,00-7,00%	55 800	38 124	93 924
			<b>197 774</b>	<b>158 540</b>	<b>356 314</b>

### 26. LEASING LIABILITY

	The Group	
	2024	2023
Within one year	22 662	18 503
In the second to the fifth year inclusive	41 714	130 969
After fifth year	290 007	194 989
	<b>354 383</b>	<b>344 461</b>

### 27. TRADE AND OTHER LIABILITIES, OTHER CURRENT LIABILITIES

	The Group	
	2024	2023
<i>Trade and other liabilities</i>		
Trade liabilities	11 483	6 455
Other payables	29	1 567
Payroll and related taxes	4 097	3 391
Unused vacations accrual	6 862	5 771
	<b>22 471</b>	<b>17 184</b>
<i>Other current liabilities</i>		
Value added tax	436	-
Advances received	527	20 977
Income tax payable	10 901	4 929
Other taxes	10 036	1 531
Lease payable	3 617	2 201
Deferred current income	1 056	1 166
Other	1 817	1 567
	<b>28 390</b>	<b>32 371</b>

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

## 28. NUMBER OF EMPLOYEES AND EMPLOYEE BENEFITS

### Number of employees

	<i>The Group</i>					
	2024		<i>Total</i>	2023		<i>Total</i>
	<i>Women</i>	<i>Men</i>		<i>Women</i>	<i>Men</i>	
Sweden	-	-	-	-	-	-
Ukraine	228	917	1 145	235	904	1 139
Slovak Republic	6	15	21	4	20	24
	<b>234</b>	<b>932</b>	<b>1 166</b>	<b>239</b>	<b>924</b>	<b>1 163</b>

The management of the Group consists of 100% male.

### Employee benefits

<i>The Group</i>	2024	2023
Board and senior executives	1 221	1 191
Other employees	74 864	76 460
Pension costs Board and senior executives	268	224
Pension costs other employees	14 676	12 767
Social security costs	-	2 182
	<b>91 029</b>	<b>92 824</b>

## 29. RELATED PARTY DISCLOSURES

### Ultimate Controlling Party

As at 31 December 2024 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:

<i>Entity under common control</i>	2024	2023
Trade and other receivables and other current assets	2 999	6 724
Other non-current assets	50 072	5 523
Trade and other payables	(6)	(10)
Loans and borrowings	(42 317)	(93 924)

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

	2024	2023
<i>Entities under common control</i>		
Interest expenses	(1 430)	(1 176)
<i>Related parties with significant influence</i>		
Interest income	764	525
Interest-free funding granted	30 848	2 177
Funding granted	3 097	-

### Compensation to key management personnel

For the year ended 31 December 2024, remuneration paid by the Group to key management personnel was SEK 2 907 thousand (2023: SEK 2 853 thousand). Key management personnel consist of six individuals as at 31 December 2024 (2023: six).

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



### **30. 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.

### **31. 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.





## Notes to the consolidated financial statement

In thousands of SEK

		<u>Effect on profit before tax</u>
<u>2024</u>	<u>Change in basis points</u>	<u>The Group</u>
Change in interest rate (LIBOR)	100	(1 245)
Change in interest rate (LIBOR)	-100	1 428
<u>2023</u>	<u>Change in basis points</u>	<u>The Group</u>
Change in interest rate (LIBOR)	100	(2 690)
Change in interest rate (LIBOR)	-100	2 563

### 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.

		<u>Effect on profit before tax</u>
<u>2024</u>	<u>Change in foreign currency rate</u>	<u>The Group</u>
Change in USD exchange rate	1%	2 614
Change in USD exchange rate	-1%	(2 614)
<u>2023</u>	<u>Change in foreign currency rate</u>	<u>The Group</u>
Change in USD exchange rate	1%	1 560
Change in USD exchange rate	-1%	(1 560)

		<u>Effect on profit before tax</u>
<u>2024</u>	<u>Change in foreign currency rate</u>	<u>The Group</u>
Change in EUR exchange rate	1%	179
Change in EUR exchange rate	-1%	(179)
<u>2023</u>	<u>Change in foreign currency rate</u>	<u>The Group</u>
Change in EUR exchange rate	1%	(301)
Change in EUR exchange rate	-1%	301

### 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:



## Notes to the consolidated financial statement

In thousands of SEK

	<i>Payable on demand</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>&gt;5 years</i>	<i>Total</i>
<b>31-dec-24</b>						
Loans and borrowings, principal amount	22 250	27 322	41 278	50 167	-	141 017
Interest payable	2 332	384	-	6 877	-	9 593
Future interest expenses	-	971	2 913	997	-	4 881
Trade and other liabilities (Note 27)	14 206	8 030	235	-	-	22 471
Lease obligation	-	5 665	16 997	41 714	290 007	354 383
Other current liabilities	-	10 976	3 732	-	-	14 708
	<b>38 788</b>	<b>53 348</b>	<b>65 155</b>	<b>99 755</b>	<b>290 007</b>	<b>547 053</b>
<b>31-dec-23</b>						
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 27)	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
	<b>7 965</b>	<b>115 194</b>	<b>136 868</b>	<b>310 333</b>	<b>194 989</b>	<b>765 349</b>

### Liabilities

	<b>2024</b>	<b>2023</b>
<b>Ingoing balance</b>	<b>363 431</b>	<b>353 274</b>
<b>Cash flow impacting items</b>		
Proceeds from loans and borrowings	150 597	192 436
Repayment of borrowings	(304 271)	(243 214)
Interest paid	(10 610)	(22 772)
<b>Sub-total</b>	<b>199 147</b>	<b>279 724</b>
<b>Non-cash flow impacting items</b>		
Non-cash movement of appropriations	(55 800)	55 800
Finance costs	9 442	24 369
Increasing of other long-term liabilities	6 491	5 550
Increasing of other short-term liabilities	249	1 567
Exchange rate difference	3 324	15 776
Translation differences	1 589	(19 355)
<b>Outgoing balance</b>	<b>164 442</b>	<b>363 431</b>

### 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 22.

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



## Notes to the consolidated financial statement

In thousands of SEK

	<i>The Group</i>							<i>Total</i>
	<i>Past due, but not impaired</i>							
	<i>Neither past due, nor impaired</i>	<i>&lt;1 month</i>	<i>1-2 months</i>	<i>2-3 months</i>	<i>3-6 months</i>	<i>6-12 months</i>	<i>More than 12 months</i>	
<b>31-dec-24</b>								
Trade and other receivables	4 880	4 844	253	11	230	115	123	10 456
Other current assets	84 755	-	-	-	-	-	-	84 755
Cash and cash equivalents	328 232	-	-	-	-	-	-	328 232
	<b>417 867</b>	<b>4 844</b>	<b>253</b>	<b>11</b>	<b>230</b>	<b>115</b>	<b>123</b>	<b>423 443</b>
<b>31-dec-23</b>								
Trade and other receivables	8 720	60	597	-	43	93	151	9 664
Other current assets	62 644	-	-	-	-	-	-	62 644
Cash and cash equivalents	258 972	-	-	-	-	-	-	258 972
	<b>330 336</b>	<b>60</b>	<b>597</b>	<b>-</b>	<b>43</b>	<b>93</b>	<b>151</b>	<b>331 280</b>

### 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.

	<i>The Group</i>	
	<i>2024</i>	<i>2023</i>
Loans and lease liabilities	517 009	706 325
Trade and other liabilities	50 861	49 555
Less cash and cash equivalents	(328 232)	(258 972)
<b>Net debt</b>	<b>239 638</b>	<b>496 908</b>
Equity	1 453 074	1 226 925
Total equity and net debt	1 692 712	1 723 833
<b>Gearing ratio</b>	<b>14%</b>	<b>29%</b>

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%.

### Compliance with Financial Covenants and Loan Terms

As of the reporting date, the Group continuously monitors compliance with all applicable financial covenants in order to ensure a stable and predictable financial position and avoid exposing lenders to unexpected credit risk arising from excessive leverage, inadequate capital structure, or financial deterioration.

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



## Notes to the consolidated financial statement

In thousands of SEK

In particular, the Group regularly assesses and maintains compliance with key covenants, including limitation on total indebtedness, capital adequacy ratio, debt-to-equity Ratio in relation to the **non-current portion of loans and borrowings**, which as of the reporting date amounts to **SEK 14,727 thousand**.

The Group has not experienced any **defaults** on principal or interest payments, **breaches of sinking fund provisions**, or **failures to meet redemption terms** during the reporting period. Accordingly:

- (a) There were **no defaults** or breaches during the reporting period;
- (b) The carrying amount of loans payable **in default is nil**;
- (c) No renegotiation or remedy actions were required prior to the authorisation of these financial statements.

### *Agricultural risk*

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

### *Tax Risk*

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

## 32. 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.

	<i>The Group</i>		<i>Fair value</i>	
	<i>Carrying amount</i>			
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<b><i>Financial assets valued at amortized cost</i></b>				
Cash and cash equivalents	328 232	258 972	328 232	258 972
Trade and other receivables	10 456	9 664	10 456	9 664
<b><i>Financial liabilities valued at amortized cost</i></b>				
Trade and other liabilities	50 861	17 184	50 861	17 184
Loans and borrowings	150 609	356 314	150 609	356 314

## 33. PLEDGED ASSETS

	<i>The Group</i>	
	<i>2024</i>	<i>2023</i>
Property, plant and equipment	217 833	255 311
	<b>217 833</b>	<b>255 311</b>



### **34. IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD**

In 2025, the volume of deliveries via Black Sea ports has increased.

#### ***Going concern***

Russia's full-scale military invasion of Ukraine continues unabated, causing widespread destruction across affected regions.

This period constitutes a profound test of resilience and fortitude for the Ukrainian people, who continue to bear the burden of aggression while steadfastly defending their freedom and sovereignty. From the outset of hostilities, both Ukrainian military personnel and civilians have exhibited exceptional courage and determination in resisting the occupying forces.

Since the commencement of the full-scale conflict, the Group's paramount priorities have been the health and safety of its employees and their families, as well as ensuring the continuity of its operations under wartime conditions.

The Group's strategy of geographic diversification has mitigated exposure to areas experiencing the most intense combat. Its assets are located in the Kyiv, Poltava, Cherkasy, and Chernihiv regions. While these regions remain vulnerable to missile strikes, it is noteworthy that, during 2024 and early 2025, the Group's assets sustained no physical damage.

The group completed the 2025 spring sowing campaign on all available agricultural land and has begun preparations for the 2025 wheat harvest campaign.

Grain exports are conducted via two primary channels: through the maritime corridor and via transit through the Group's Slovak hub.

In the period after the reporting date in 2025, as of the beginning of June, the Group sold 148 thousand tons of grain, generating revenue of 403 million SEK. Of this, 81% was exported via Black Sea port, 18% was transited through the Slovak hub, and the remainder was sold domestically within Ukraine. The sales volumes comprised 122 thousand tons of corn, 19 thousand tons of soybeans, 4 thousand tons of sunflower seeds, and 3 thousand tons of wheat.

Grain transportation is facilitated by the Group's own fleet of nearly 250 railway wagons, significantly reducing delivery costs.

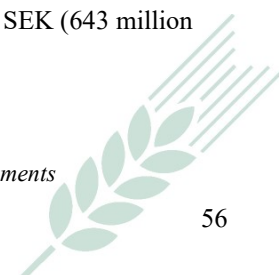
The Group strictly adheres to applicable sanctions regulations and does not engage in transactions with entities listed under the sanctions regimes of Ukraine, the European Union, or the United States, nor with organizations linked to sanctioned individuals.

As at 31 December 2024, the Group was in full compliance with the financial covenants associated with its loan agreements and does not anticipate any covenant breaches during the 2025–2026 period.

Between January and June 2025, the Group repaid loans amounting to 30 million SEK and obtained additional foreign currency financing of nearly 15 million SEK.

For the year ended 31 December 2024, the Group recorded a profit before tax of 240 million SEK (compared to 36 million SEK for the year ended 31 December 2023).

As of 31 December 2024, the Group's current assets exceeded current liabilities by 701 million SEK (643 million SEK as at 31 December 2023), reflecting a stable liquidity position.





## Notes to the consolidated financial statement

*In thousands of SEK*

During 2024, the Group generated a positive operating cash flow of 447 million SEK (compared to 440 million SEK in 2023), thereby enhancing its capacity to meet ongoing obligations and operational expenditures.

Additionally, the Group achieved a positive operating cash flow of 188 million SEK in the first quarter of 2025.

As at the date of approval of these consolidated financial statements, the Group has conducted a comprehensive reassessment of its operational and logistical frameworks to ensure continued viability as a going concern.

Management continues to monitor and refine its business processes and has developed an 18-month financial plan premised on the assumption that hostilities in the regions where the Group operates will not significantly escalate, and that the extent of russian-occupied territory will remain largely unchanged.

Under these assumptions, the Group expects to maintain its agricultural activities, utilize functional railway infrastructure for export logistics, and continue normal elevator operations.

Following the preparation of detailed financial forecasts through June 2026, management concludes that, notwithstanding the ongoing conflict, the Group's operations remain sufficiently robust to support the preparation of the financial statements 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.





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

**PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME**

	Notes	The Parent Company	
		2024	2023
Revenue from sales	2	759 008	508 574
Cost of sales		(704 187)	(430 502)
<b>Gross profit</b>		<b>54 821</b>	<b>78 072</b>
Other operating income		211	-
General and administrative expenses	3	(10 028)	(11 057)
Selling expenses	3	(8 139)	(2 711)
<b>Operating profit / (loss)</b>		<b>36 865</b>	<b>64 304</b>
Finance costs	4	(10 620)	(1 187)
Finance income	5	189 351	7 386
Foreign exchange gain	6	19 990	1 283
<b>Profit / (loss) after financial items</b>		<b>235 586</b>	<b>71 786</b>
Appropriations		-	(55 800)
<b>Profit / (loss) before tax</b>		<b>235 586</b>	<b>15 986</b>
Income tax expense	7	(11 826)	(2 014)
<b>Profit / (loss) for the year</b>		<b>223 760</b>	<b>13 972</b>
Other comprehensive income:		-	-
<b>Total comprehensive income for the year</b>		<b>223 760</b>	<b>13 972</b>





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

**PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION**

	Notes	The Parent Company	
		2024	2023
<b>Non-current assets</b>			
Shares in subsidiaries	8	272 645	272 645
Other non-current assets		9 348	5 523
Non-current asset subsidiary		22 252	21 495
		<b>304 245</b>	<b>299 663</b>
<b>Current assets</b>			
Receivable subsidiary	9	206 650	23 962
Other current assets	9	13 936	4 252
Cash and cash equivalents	10	268 235	223 273
		<b>488 821</b>	<b>251 487</b>
		<b>793 066</b>	<b>551 150</b>
<b>Total assets</b>			
<b>Equity</b>			
Issued capital	11		
Other contributed capital	12	11 556	11 556
Retained earnings		278 295	278 295
		244 267	20 554
		<b>534 118</b>	<b>310 405</b>
<b>Non-current liabilities</b>			
Loans and borrowings relative parties	13	42 317	38 124
		<b>42 317</b>	<b>38 124</b>
<b>Current liabilities</b>			
Liabilities relative parties	14	-	55 800
Trade and other liabilities	14	209	1
Tax liabilities	14	10 901	4 929
Other current liabilities	14	205 521	141 891
		<b>216 631</b>	<b>202 621</b>
<b>Total liabilities</b>		<b>258 948</b>	<b>240 745</b>
<b>Total equity and liabilities</b>		<b>793 066</b>	<b>551 150</b>

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





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

**PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY**

<b>The Parent Company</b>	<b>Issued capital</b> (restricted equity)	<b>Other contributed capital</b> (non-restricted equity)	<b>Retained earnings</b> (non-restricted equity)	<b>Total Equity</b>
<b>Balance at 31 December 2023</b>	<b>11 556</b>	<b>278 295</b>	<b>6 582</b>	<b>296 433</b>
Profit for the year			13 972	13 972
<i>Total comprehensive income</i>			<i>13 972</i>	<i>13 972</i>
<i>Transactions with owners</i>				
<b>Balance at 31 December 2023</b>	<b>11 556</b>	<b>278 295</b>	<b>20 554</b>	<b>310 405</b>
Profit for the year			223 760	223 760
<i>Total comprehensive income</i>			<i>223 760</i>	<i>223 760</i>
Dividend			(47)	(47)
<i>Transactions with owners</i>			<i>(47)</i>	<i>(47)</i>
<b>Balance at 31 December 2024</b>	<b>11 556</b>	<b>278 295</b>	<b>244 267</b>	<b>534 118</b>





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

**PARENT COMPANY'S STATEMENT OF CASH FLOWS**

	<b>The Parent Company</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Profit / (loss) before tax	235 586	15 986
Non cash adjustments:		
Finance income	(189 351)	(7 386)
Finance costs	10 620	1 187
Foreign exchange gain/loss	(19 990)	(1 283)
Group contribution paid	-	55 800
Loss on sales of fixed assets	(211)	-
Working capital adjustments:		
Change in trade receivables and other current assets	(65 059)	89 923
Change in trade and other payables and other current liabilities	64 549	(20 941)
	<b>36 144</b>	<b>133 286</b>
Interest received	6 497	7 386
Dividend received	45 739	-
Income tax paid	(5 854)	-
<b>Net cash flows from operating activities</b>	<b>82 526</b>	<b>140 672</b>
<b>Investing activities</b>		
Acquisitions subsidiaries	-	-
Loans granted long-term receivables	(3 097)	-
Repayments long-term receivables	-	-
<b>Net cash flows used in investing activities</b>	<b>(3 097)</b>	<b>-</b>
<b>Financing activity</b>		
Proceeds from loans and borrowings	2 763	-
Repayment of borrowings	-	-
Interest paid	-	-
Dividends paid	(55 847)	-
<b>Net cash flows from financing activities</b>	<b>(53 084)</b>	<b>-</b>
Net change in cash and cash equivalents	26 345	140 672
Foreign exchange difference cash	18 617	(3 090)
Cash and cash equivalents at 1 January	223 273	85 691
<b>Cash and cash equivalents at 31 December</b>	<b>268 235</b>	<b>223 273</b>



## 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

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
Sales of agricultural produce	759 008	508 574
Sales of services rendered	-	-
	<b>759 008</b>	<b>508 574</b>

Revenues from three major customers, each individually exceeding 10% of total revenue, amounted to SEK 545 908 SEK (2023: three customers – SEK 489 478).

	<i>The Parent Company</i>	
	<i>2024</i>	
Transped s.r.o.	244 166	32%
Cargill International S.A.	192 146	25%
Louis Dreyfus Compagnie Susse S.A.	109 596	15%
Others	213 100	28%
	<b>759 008</b>	<b>100%</b>



### 3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
<b>General and administrative expenses</b>		
Professional services	10 028	9 195
Contributions and gifts made	-	1 862
	<b>10 028</b>	<b>11 057</b>

Audit fees for the parent company and the Group in year 2024 and 2023 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
Audit assignment fees	1 856	1 222
Other	60	123
	<b>1 916</b>	<b>1 345</b>

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.

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
<b>Selling expenses</b>		
Transport costs	8 139	2 711
	<b>8 139</b>	<b>2 711</b>

### 4. FINANCE COSTS

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
Interest on loans and borrowings to related parties	1 430	1 177
Bank fees	48	10
Ukrainian tax of dividend	9 060	-
Other	82	-
	<b>10 620</b>	<b>1 187</b>

### 5. FINANCE INCOME

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
Interest income related parties	889	889
Interest income on long-term receivables	764	525
Dividend from subsidiary	181 201	-
Other	6 497	5 972
	<b>189 351</b>	<b>7 386</b>



## 6. FOREIGN EXCHANGE GAIN/LOSS

	<i>The Parent Company</i>	
	<b>2024</b>	<b>2023</b>
Foreign exchange difference within the group	459	4 646
Foreign exchange difference cash	18 617	(3 090)
Foreign exchange difference other	914	(273)
	<b>19 990</b>	<b>1 283</b>

## 7. INCOME TAX

	<i>The Parent Company</i>	
	<b>2024</b>	<b>2023</b>
<b>Reconciliation of effective tax rate</b>		
Profit/Loss before tax	235 586	15 986
Tax at the current rate for the parent company, 20,6%	(48 531)	(3 293)
Dividends from subsidiaries	35 461	-
Tax adjustment interest expense/interest income	1 386	1 277
Non-deductible incomes/expenses	(142)	2
	<b>(11 826)</b>	<b>(2 014)</b>

*The Parent Company*

As at 31 December 2024, the tax loss carried forward 0 (2023: SEK 0).

## 8. SHARES IN SUBSIDIARIES

	<i>The Parent Company</i>
<b>As at 1 January 2023</b>	<b>272 645</b>
Investments in subsidiaries	-
Liquidation subsidiaries	-
<b>As at 31 December 2023 (i)</b>	<b>272 645</b>
Investments in subsidiaries	-
Liquidation subsidiaries	-
<b>As at 31 December 2024 (i)</b>	<b>272 645</b>

(i)

<i>Location</i>	<i>Corporate id</i>	<b>2024</b>		<b>2023</b>		
		<i>Ownership SEK</i>	<i>Ownership %</i>	<i>Ownership SEK</i>	<i>Ownership %</i>	
Baryshevska Grain Company LLC, Baryshevska Grain Trading Company LLC	Baryshevka, Ukraina	32886518	256 367	100%	256 367	100%
	Yarmolenci, Ukraina	39843554	59	100%	59	100%
Transped s.r.o.	Čierna nad Tisou, Slovakia	36216739	16 219	100%	16 219	100%
		<b>272 645</b>			<b>272 645</b>	

## 9. TRADE AND OTHER RECEIVABLES, OTHER CURRENT ASSETS

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
<i>Trade and other receivables</i>		
Trade receivables due from related party (Note 16)	79 605	23 962
Other receivables from related party (Note 16)	127 045	-
	<b>206 650</b>	<b>23 962</b>
<i>Other current assets</i>		
Accrued income	13 740	1 197
VAT recoverable	147	12
Other	49	3 043
	<b>13 936</b>	<b>4 252</b>

For detailed information about aging see note 17.

## 10. CASH AND CASH EQUIVALENTS

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
Cash:		
- on bank accounts	268 235	223 273
	<b>268 235</b>	<b>223 273</b>

## 11. EQUITY

Outline of the parent company result:

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

Retained earnings	298 801 529
Net result of the period	223 760 284
	<b>522 561 813</b>
to be carried forward	522 561 813

## 12. SHARE CAPITAL

The registered share capital amounts to SEK 11 556 (2023: SEK 11 556) and consists of 7 807 775 shares (2023: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.



### 13. LOANS AND BORROWINGS

As at 31 December 2024 loans and borrowings are as follows:

	Currency	Interest	Maturity		Total
			2025	2026-2028	
			Current portion	Non-current portion	
<i>The Parent Company</i>					
Related party (Note 16)	SEK	3%-7%	-	42 317	42 317
			-	<b>42 317</b>	<b>42 317</b>

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

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

### 14. TRADE AND OTHER LIABILITIES, OTHER CURRENT LIABILITIES

	<i>The Parent Company</i>	
	2024	2023
<i>Trade and other liabilities</i>		
Trade liabilities	209	1
	<b>209</b>	<b>1</b>
<i>Other current liabilities</i>		
Liabilities of group companies	-	55 800
Advances received	-	20 576
Tax liability	10 901	4 929
Accrued expenses related parties	204 671	120 340
Accrued expenses	850	975
	<b>216 422</b>	<b>202 620</b>

### 15. NUMBER OF EMPLOYEES AND EMPLOYEE BENEFITS

#### Number of employees

	2024			2023		
	Women	Men	Total	Women	Men	Total
Sweden	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-
	-	-	-	-	-	-

#### Employee benefits

<i>The Parent Company</i>	2024	2023
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.

## 16. RELATED PARTY DISCLOSURES

### *Ultimate Controlling Party*

As at 31 December 2024 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:

	<u>2024</u>	<u>2023</u>
<i>Entity under common control</i>		
Loans and borrowings (Note 13)	(42 317)	(93 924)
Other non-current assets	11 455	6 720
<i>Subsidiary</i>		
Receivables	206 650	23 962
Non-current assets	22 252	21 495
Trade and other payables	(204 671)	(120 340)

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

	<u>2024</u>	<u>2023</u>
Interest expenses	(1 430)	(1 177)
Interest income subsidiary	889	889
Interest income equity under common control	764	525
Purchase of crops	(704 187)	(430 502)

The interest rate on loan equity under common control is 9% and the latest repayment date is 31 December 2035.

### *Compensation to key management personnel*

For the year ended 31 December 2024, remuneration paid to key management personnel is SEK 0 (2023: 0). Compensation comprised the contractual salary and related taxes.

There are no key management personnel as of 31 December 2024 (2023: 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 2024 and 2023. 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 2024 and 2023.



### 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.

<i>2024</i>	<i>Change in basis points</i>	<i>Effect on profit before tax</i> <i>The Parent Company</i>
Change in interest rate (LIBOR)	100	(354)
Change in interest rate (LIBOR)	(100)	354
<i>2023</i>	<i>Change in basis points</i>	<i>The Parent Company</i>
Change in interest rate (LIBOR)	100	(875)
Change in interest rate (LIBOR)	(100)	875

### 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.

<i>2024</i>	<i>Change in foreign currency rate</i>	<i>Effect on profit before tax</i> <i>The Parent Company</i>
Change in USD exchange rate	1%	1 250
Change in USD exchange rate	(1%)	(1 250)
Change in EUR exchange rate	1%	391
Change in EUR exchange rate	(1%)	(391)
<i>2023</i>	<i>Change in foreign currency rate</i>	<i>Effect on profit before tax</i> <i>The Parent Company</i>
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)

### 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:

	<i>The Parent Company</i>				<i>Total</i>
	<i>Payable on demand</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	
<i>31-dec-24</i>					
Loans and borrowings, principal amount	-	-	-	42 000	42 000
Interest payable	-	-	-	6 877	6 877
Trade and other liabilities related parties	-	204 671	-	-	204 671
	-	<b>204 671</b>	-	<b>48 877</b>	<b>253 548</b>



## Notes to the Parent Company's financial statement

In thousands of SEK

<i>31-dec-23</i>					
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
	-	<b>176 220</b>	-	<b>44 120</b>	<b>220 340</b>

### *Credit risk*

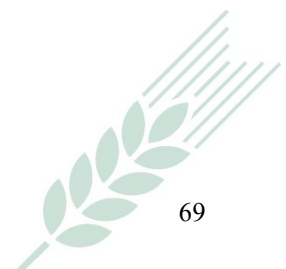
Receivable balances are monitored on an ongoing basis and, therefore, the exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 9. The ageing analysis of the trade and other receivables is as follows:

	<i>The Parent Company</i>							<i>Total</i>
	<i>Neither past due, nor impaired</i>	<i>&lt;1 month</i>	<i>1-2 months</i>	<i>2-3 months</i>	<i>3-6 months</i>	<i>6-12 months</i>	<i>More than 12 months</i>	
<i>31-dec-24</i>								
Receivables subsidiary	67 734	-	-	453	-	905	10 513	79 605
Other current assets	13 936	-	-	-	-	-	-	13 936
Cash and cash equivalents	268 235	-	-	-	-	-	-	268 235
	<b>349 905</b>	-	-	<b>453</b>	-	<b>905</b>	<b>10 513</b>	<b>361 776</b>
<i>31-dec-23</i>								
Receivables subsidiary	13 573	-	-	125	-	249	10 015	23 962
Other current assets	4 252	-	-	-	-	-	-	4 252
Cash and cash equivalents	223 273	-	-	-	-	-	-	223 273
	<b>241 098</b>	-	-	<b>125</b>	-	<b>249</b>	<b>10 015</b>	<b>251 487</b>

### *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.





## Notes to the Parent Company's financial statement

In thousands of SEK

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
Loans and borrowings	42 317	93 924
Trade and other liabilities and other current liabilities	216 631	146 820
Less cash and cash equivalents	(268 235)	(223 273)
<b>Net debt</b>	<b>(9 287)</b>	<b>17 471</b>
Equity	534 118	310 405
Total equity and net debt	524 831	327 876
<b>Gearing ratio</b>	<b>(2%)</b>	<b>5%</b>

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%.

### 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 Company 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 Parent Company's financial instruments that are carried in the consolidated statement of financial position:

	<i>The Parent Company</i>			
	<i>Carrying amount</i>		<i>Fair value</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
<b><i>Financial assets valued at amortized cost</i></b>				
Cash and short-term deposits	268 235	223 273	268 235	223 273
Trade and other receivables	220 586	28 214	220 586	28 214
Long-term receivables	31 600	27 018	31 600	27 018
<b><i>Financial liabilities valued at amortized cost</i></b>				
Trade and other payables	209	176 141	209	176 141
Loans and borrowings	42 317	38 124	42 317	38 124

### 19. PLEDGED ASSETS AND SURETY

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
<b>Pledged assets</b>		
Escrow account	-	-
	-	-

	<i>The Parent Company</i>	
	<i>2024</i>	<i>2023</i>
<b>Surety</b>		
Surety for subsidiaries (for debt to JSC UkrSibbank)	137 478	125 520
Surety for subsidiaries (for debt to Credit Agricole Bank)	131 978	86 358
Surety for subsidiaries (for debt to EBRD)	114 865	288 496
Surety for subsidiaries (for debt to Raiffeisen Bank)	114 865	110 960
	<b>499 186</b>	<b>611 334</b>



## 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 56 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 56, 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 26, 2025

\_\_\_\_\_  
Erik Rune  
*Board member, Chairman*

\_\_\_\_\_  
Johan Claesson  
*Board member*

\_\_\_\_\_  
Yevgeniy Radovenyuk  
*Board member*

\_\_\_\_\_  
Charlotte Claesson Ripoll  
*Board member*

Our audit report was presented on June 2025

\_\_\_\_\_  
Ernst & Young AB  
Peter von Knorring  
*Authorized public accountant*

