BZK GRAIN ALLIANCE AB

Corporate identity number: 556754-1056

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

FOR THE FINANCIAL YEAR
1 OF JANUARY 2022 - 31 OF DECEMBER 2022

CONTENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT:

NOTES TO THE PARENT COMPANY'S ANNUAL REPORT:

REPORT ON OPERATION

ABOUT GRAIN ALLIANCE

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

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

OPERATIONS AND LOCATIONS

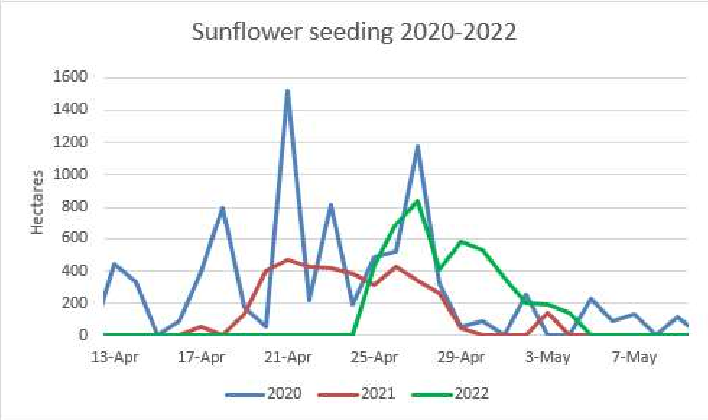
Grain Alliance lands are located in the center of the Ukrainian black earth belt. The company operates in four districts in Ukraine: Kyiv, Poltava, Cherkasy and Chernihiv districts. The agricultural operations are divided into three regions (clusters), where each region cultivates between 17,000 and 24,000 hectares. Each of the regions is fully equipped with modern agricultural equipment and the short distances between the regions enable the efficient utilization of machinery. In order to allow efficient handling and storage of the produced grain, the company has five drying facilities, four of which have a direct rail connection.

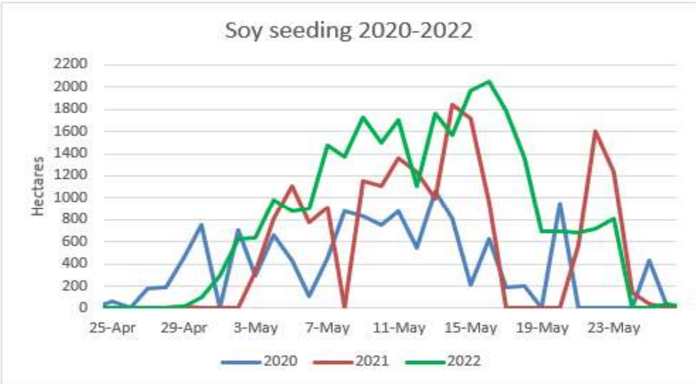
Efficiency and control are lead in Grain Alliance's strategy and therefore the company tends land within a limited geographical area. The radius of Grain Alliance's core area (the area farmed) is about 80 kilometers. During the past years, the company has gradually expanded and developed 16,000 ha in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

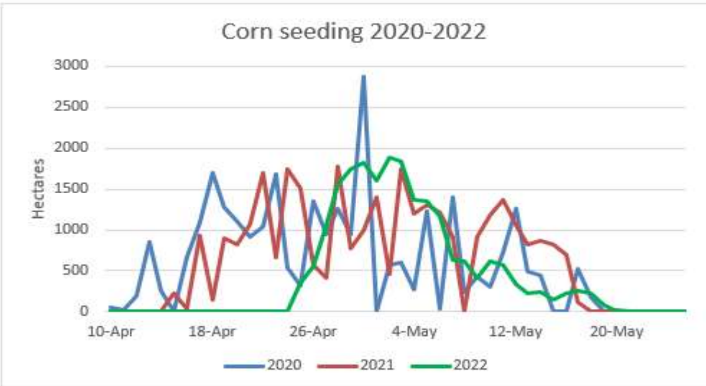
SEEDING 2022

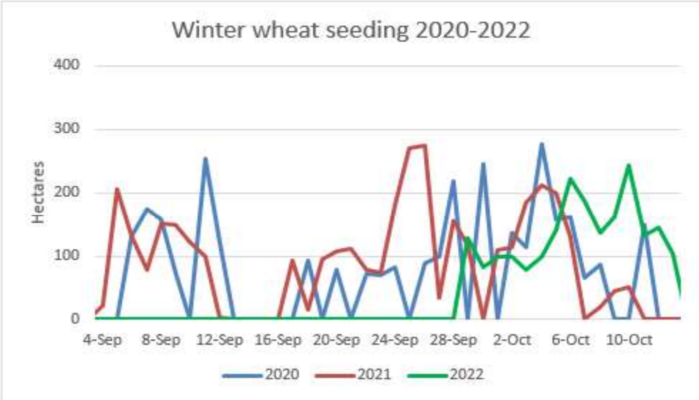
Before the war, the 2022 seeding campaign was well prepared to provide excellent operating results. Due to the military invasion of the territory of Ukraine, the Group was unable to sow 2300 hectares in the Chernihiv cluster and had to amend the structure of the sowing area. Nevertheless, the Group has timely completed the spring crops sowing campaign. On the opposite side, a part of the winter wheat sowings was not timely fertilized in the Chernihiv cluster due to active war actions nearby.

The fields affected by explosive ordnance in the Chernihiv region were surveyed and cleared by the pyrotechnic units of the State Emergency Service of Ukraine. These lands have been prepared during the autumn-time for the next season's sowing campaign.

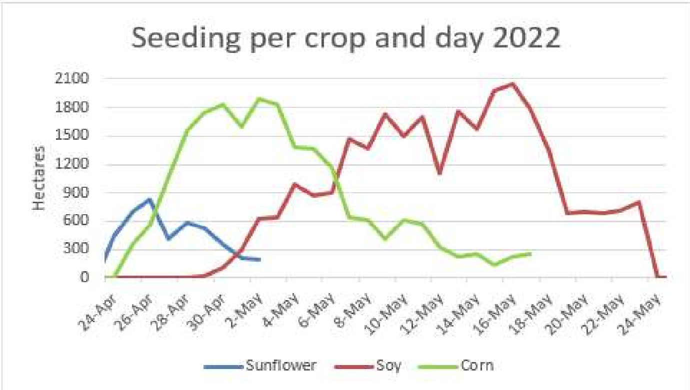








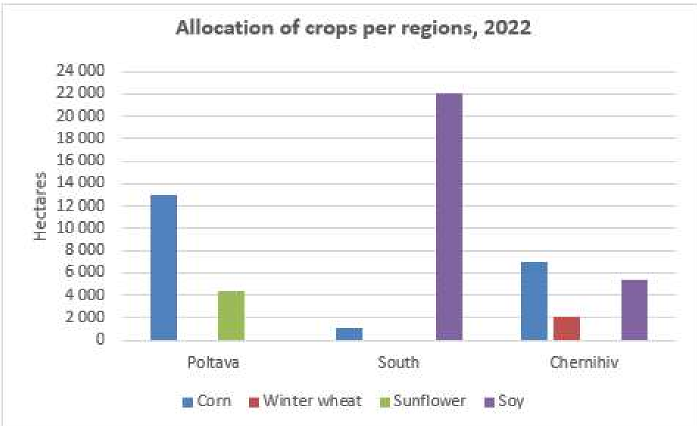
Yields of crops mainly depended on weather conditions. The weather condition for the vegetation of all the winter and spring crops were favourable until early September. Then long-continued rains during the late maturing period and gathering season resulted in substantially later harvesting of sunflowers,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



ALLOCATION OF CROPS

Four main crops of GA: Corn, Soybeans, Sunflower and Winter Wheat were cultivated on 55 000 ha in 2022.

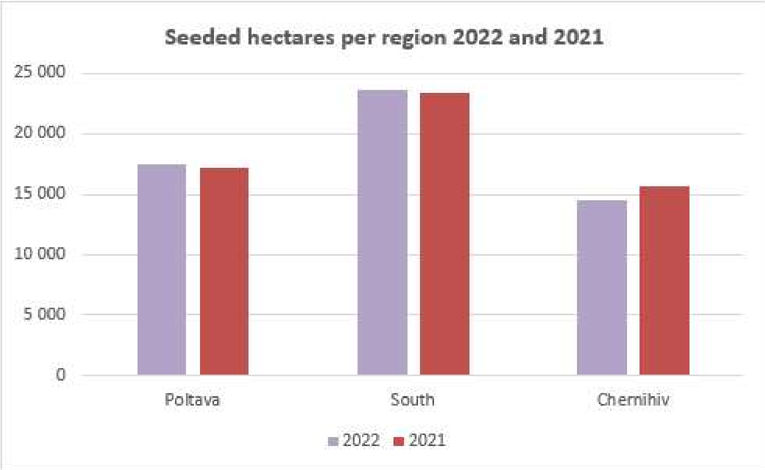
The biggest part of crop rotation takes soy – 27 500 ha or 50% of the Group's arable land. The South cluster brings 80% of soy cultivation land. The soy cultivation area was increased on 9 500 ha compared to 2021.

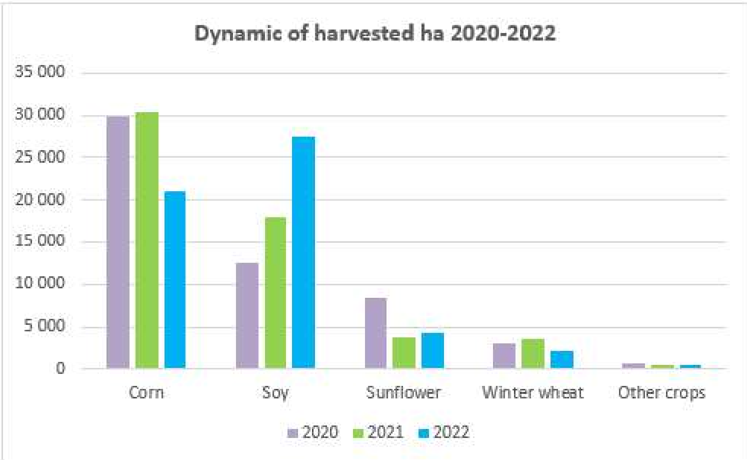


The corn area was cultivated on 21 000 ha in 2022. It is 9 400 ha less than the previous year due to war-related logistic issues. The Poltava cluster brings 62% of corn cultivation land.

The sunflower was cultivated on 4 400 ha in 2022, which is almost the same as in the previous year. Sunflower was concentrated only in the Poltava cluster. The sowing area of the winter wheat constituted 2000 ha (1 600 ha less compared to 2021).

The Group cares for small areas for forage corn and alfalfa for its two cattle farms in the South cluster.





Harvest 2022

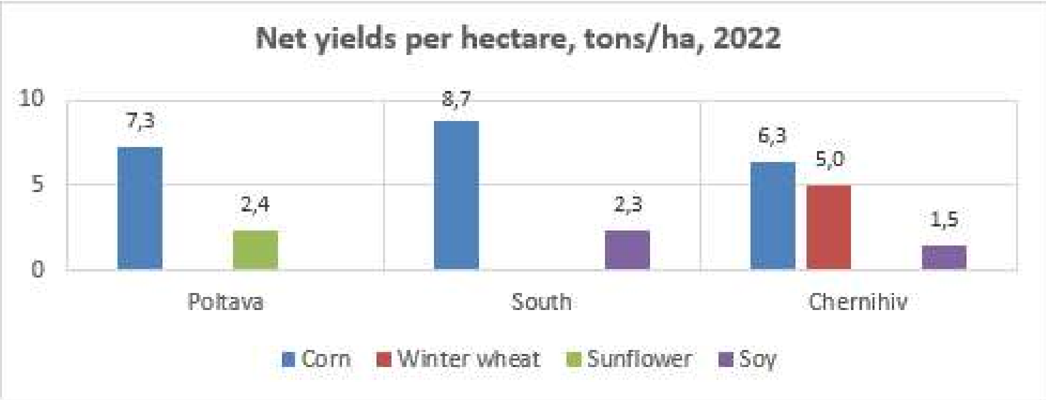
Wheat harvesting was started in the middle of July with the average net yield 5.5 tons/ha, which is lower than the budgeted yield.

At the end of September, the Group started harvesting spring crops. Due to prolonged rainy weather, the Group started harvesting later than planned. The first crop was sunflower (23 September), next – soybeans (26 September), and corn (09 October).

Harvesting period 2022 by months and weeks

<table>
<tr><th rowspan="2">Crops</th><th colspan="4">Jul 2022</th><th colspan="4">Aug 2022</th><th colspan="4">Sept 2022</th><th colspan="5">Oct 2022</th><th colspan="4">Nov 2022</th><th colspan="4">Dec 2022</th><th colspan="4">Jan 2023</th><th colspan="4">Feb 2023</th></tr>
<tr><th>28</th><th>29</th><th>30</th><th>31</th><th>32</th><th>33</th><th>34</th><th>35</th><th>36</th><th>37</th><th>38</th><th>39</th><th>40</th><th>41</th><th>42</th><th>43</th><th>44</th><th>45</th><th>46</th><th>47</th><th>48</th><th>49</th><th>50</th><th>51</th><th>52</th><th>1</th><th>2</th><th>3</th><th>4</th><th>1</th><th>2</th><th>3</th><th>4</th></tr>
<tr><td>Corn</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="17">119 days</td><td></td><td></td><td></td></tr>
<tr><td>Soy</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="11">83 days</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Sunflower</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="6">35 days</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Wheat</td><td></td><td></td><td></td><td colspan="3">27 days</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

The harvesting campaign lasted very long that season and was finished in early February 2023. 2 200 ha of soy and 8 000 ha of corn were harvested in 2023 with quality issues due to late gathering.



Crop prices and Sales 2022

The U.N.'s World Food Programme reported that global food prices had risen sharply since Russia launched its full-scale invasion of Ukraine and vulnerable communities in parts of East Africa were at risk. In the first month of the war, export prices for wheat and maize rose by 22% and 20%, respectively.

The Russian invasion of Ukraine on February 24, 2022, led to a complete halt of maritime grain shipments from Ukraine, previously a major exporter via the Black Sea. This resulted in a rise in world food prices and the threat of famine in lower-income countries. To address the issue, discussions began in April 2022, hosted by Turkey (which controls the maritime routes from the Black Sea) and supported by the UN. The resulting agreement "The Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian ports", also called "the Black Sea Grain Initiative", was signed in Istanbul on July 22, 2022. Since then, till December 31, 2022, more than 500 vessels full of grain and other foodstuffs have left Ukraine. While unblocking the sea export route has helped to address the global food security crisis and lower grain prices, the export backlogs remain significant. Both solidarity lanes (routes created by the EU to help Ukraine export its agricultural products, among other products) and the Black Sea Grain Initiative have notably contributed to lower prices.

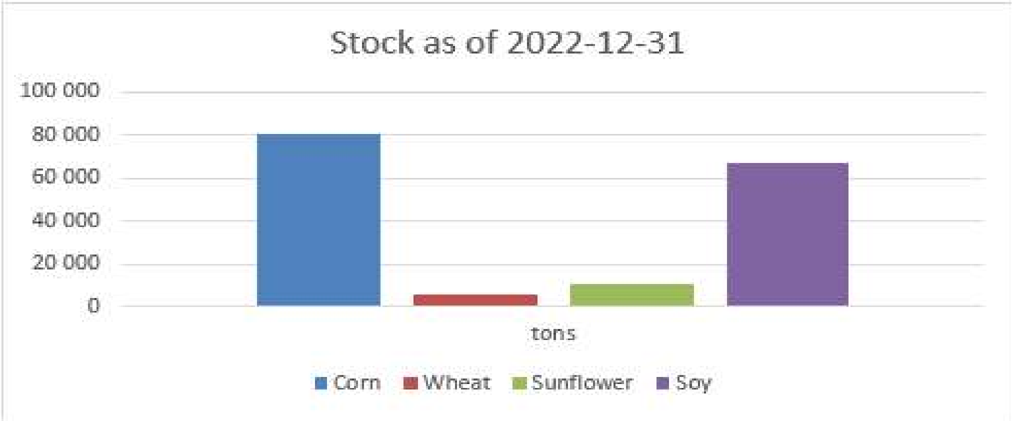
As a response to the maritime blockade, imposed by Russia in the Black Sea, the management of the Group made efforts to seek alternative routes for grain sales. While assessing opportunities and doing trial sales through Danube ports, and existing third-party trans-loading facilities on the western border of Ukraine, management came to the conclusion to have its own transloading from the Ukrainian railway gauge to the European gauge. Thus, utilizing its own wagon fleet potential and showing consistency in delivery terms to customers.

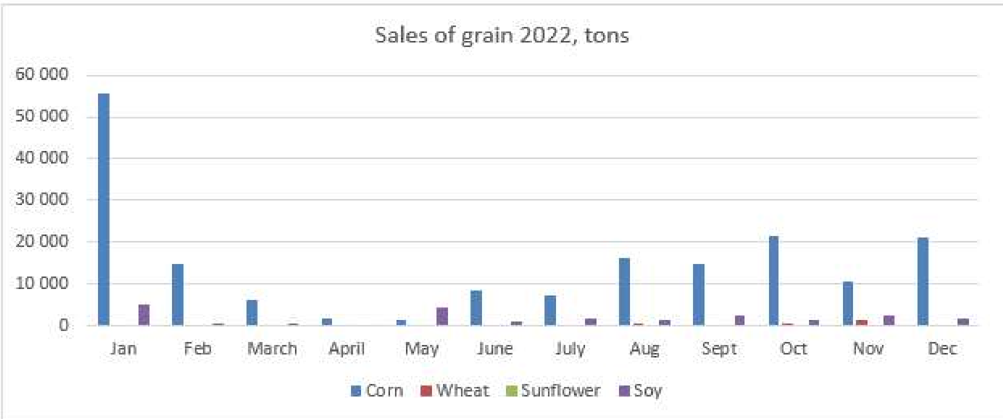
As a result, in April 2022, Grain Alliance secured the Čierna nad Tisou transhipment facility in Slovakia to provide an uninterrupted route for Ukrainian producers to transport grain by rail. After the first successful shipment in June, by end-December already 100,000 tons of grain have been shipped. The expansion of the facility will allow Grain Alliance to increase export volumes by more than 500,000 tons annually along this overland corridor.

During 2022, the Group has managed to sell more than 200,000 tons of grain out of which 99% went for export.

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

As of December 31, 2022, the Company had approximately 164 thousand tons of grain in stock.





DIRECTORS' REPORT

RESULT/SALES

The Russian invasion in February 2022 meant, among other things, that the previously largest export route for grain, shipping via Ukrainian ports on the Black Sea, was effectively cut off. In order to be able to deliver to the customer at all, both the mode of transport and the customer base were revised. In April 2022, a transshipment facility in Slovakia located just next to the Ukrainian border was acquired. Thanks to this facility, deliveries have been able to continue by rail. However, transport costs have increased, and a great deal of work has been done to establish a new customer base. Grain prices have been high in 2022, which, despite all the problems caused by the invasion, has allowed both sales and earnings to be maintained at high levels.

CURRENCY

The Company's operational currency is the Ukrainian Hryvnia.

During the year ended 31 December 2022, the Ukrainian Hryvnia depreciated against EUR by 26%, the US dollar – by 34%; and Swedish Krona – by 14%.

On February 24, 2022, the National Bank of Ukraine (hereinafter – the NBU) adopted Resolution No. 18 "On the Operation of the Banking System Under Martial Law", according to which the NBU fixed the official exchange rate of the Ukrainian Hryvnia against foreign currencies, special drawing rights, as well as the estimated price of investment metals, at the levels at which they stood on February 24, 2022.

Therefore, the official exchange rate of the Ukrainian Hryvnia against the US dollar was fixed at 29.2549.

In 2022, the NBU has increased its key policy rate from 9% to 25%.

During the first three months of the full-scale invasion and war in Ukraine, the NBU decided to refrain from taking any key policy rate decisions. This approach was justified by the strong psychological pressure caused by the war.

On June 02, 2022, the Board of the National Bank of Ukraine decided to raise the key policy rate to 25% aiming to protect households' income and savings in the Ukrainian Hryvnia, raise the attractiveness of the assets dominated in the national currency, reduce the pressure on the foreign exchange market, and thus enhance the NBU's capability to maintain the stability of the exchange rate and restrain inflation processes during the war.

This decision has been followed by the rise of the official exchange rate of the Ukrainian Hryvnia against the US dollar by 25%, to 36.5686, effective since July 21, 2022. It has caused a sharp increase in the rates for loans in the Ukrainian hryvnias provided by commercial banks. At that time, all working capital credit loans of the Group were utilized in Ukrainian hryvnias only.

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).

INVESTMENTS DURING 2022

To meet the challenges of the full-scale war in Ukraine, the Group has focused on investments in logistics, sales, and energy independence. The vast investments were made in the purchase of brand-new railroad wagons for the transportation of grain and the acquisition of the transhipment facility in Slovakia.

Due to the attack on the civil energy infrastructure since October 2022, which caused massive blackouts and disrupted Ukrainians' regular utility services during the heating period, the Group has managed to import diesel generators in the shortest possible time to ensure sustainable operation of the key production and administrative facilities during long-term power outages.

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

STORAGE AND DRYING CAPACITY 2022-12-31

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

EMPLOYEES

The average number of employees in 2022 was 1114, divided between 244 women and 870 men. However, it is important to keep in mind that the number of employees depends on the season. The vast majority of employees are seasonal employees who assist during seeding or harvest. The Company continues implementation of its regular plan of staff optimization in the frame of the operational efficiency increase program.

OWNERSHIP

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

ENVIRONMENTAL ASPECTS AND SUSTAINABILITY

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

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

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

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

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

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

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

HUMAN RESOURCE POLICY

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

Since the start of the full-scale war, the safety of the employees has become the first priority for the Group. During the first week of hostilities, to withstand the challenges of the full-scale war, the Group arranged the payment of salaries to the employees and taxes to the local budgets in advance. The administrative personnel were eligible to work remotely from home; production and security employees performed their duties adhering to all security measures. During 2022, there were no incidents resulting in injury or adversely affecting the health of employees.

The Group continues following all possible precaution measures for the workplaces, including regular environmental cleaning and disinfection, physical distancing, personal hygiene, reduction of work-related travels, provision of regular information about the risk of COVID-19 to increase awareness among workers, and promote safe individual practices at the workplace.

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

RISKS

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

Political risks

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

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

The company monitors the current situation and takes measures to minimize any negative effects. For more detailed information about risks and risk management, see Note 30.

Macroeconomic risk

Russia's unprovoked and unjustified full-scale invasion and war in Ukraine have generated a new set of adverse shocks. In 2022 the degree of macroeconomic uncertainty in Ukraine became extremely high. At the same time, the authorities continued demonstrating their commitment to introduce reforms in order to stabilize the economic situation and macro-fiscal stability supported by multilateral international financial assistance.

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

Climate risk

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

- use of advanced technologies, including different depth soil cultivation;
- a diversified portfolio of products with an insignificant share of winter crops in the general crop rotation structure (4%);
- modern agronomic solutions.

Land assets risk

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

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

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

Government and regulatory risk

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

Market / Distribution risk

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

During 2022, the Group has developed a network of customers from the EU and continues cooperation with the major grain traders, which allowed it to sell grain at the most favourable prices of the export market.

Foreign exchange risk

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

Raw material and resources risk

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

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

IMPORTANT EVENTS DURING THE REPORTING PERIOD

As a result of the Russian-Ukrainian war and the impact of rocket fragments, part of the equipment of the Nizhyn elevator was damaged.

Part of the fields of the Chernihiv region were subjected to rocket attacks and partially mined. A complex of demining activities has been carried out in the fields.

During the first months of the war, the headquarters of the European commercial banks have completely cut off from working capital financing. Access to the credit lines was resumed during the summertime in the frames of the risk-sharing program between the European commercial banks and the European Bank for Reconstruction and Development (Resilience and Livelihoods Framework). At the same time, the European commercial banks have squeezed limits of responsibility for local offices, resulting in a 40% reduction of the Group's general working capital credit limit. In the autumn of 2022, the Group started strategic cooperation with the Raiffeisen Bank International represented by JSC "Raiffeisen Bank" (Ukraine). By November 2022, the Group has concluded a 3-year loan agreement for the granting of loans in the amount of 10.0 mln EUR. By the year-end, the Group has recovered the general working capital credit limit to the pre-war level.

Russia's war on Ukraine, which began in February, has forced producers to seek road and rail routes to international markets rather than via ports, which have been blocked. Congestion on existing overland routes has limited exports, with the investment needed to address border crossing bottlenecks.

The Grain Alliance Group's response has been to develop the resilience of its own business and the agribusiness sector as a whole by developing alternative logistics routes from Ukraine. In the spring of 2022, the group acquired a grain logistics hub just over Ukraine's border with Slovakia, in the city of Čierna nad Tisou.

At the end of 2022, the Group company concluded a loan agreement with the European Bank for Reconstruction and Development for 10 mln EUR. EBRD is lending to improve and expand overland export capacity, sidestepping Russian disruption of exports via the Ukrainian ports which traditionally moved over 90% of the country's grain and oilseeds to foreign markets.

The EBRD's loan will finance an expansion of the Slovak hub to provide a transhipment capacity of over 400,000 tons a year. It will support the Grain Alliance Group to increase storage capacity, upgrading and automate infrastructure, and buy grain hoppers, locomotives, and trucks for secure transport of grains from its Ukrainian elevators to the Slovak hub and onwards to final customers.

This investment will be also crucial for continued revenue generation, preserving more than 1,000 jobs and securing access to livelihoods for people affected by Russia's war on Ukraine.

The loan is in line with the Solidarity Lanes package, a program established by the European Commission and EU-bordering countries to safeguard global food security and aid Ukraine's economy.

The five-year loan will be supported by the donor-funded EBRD Crisis Response Special Fund via a partial guarantee within the EBRD's resilience package in response to Russia's war on Ukraine. It is also supported by the EBRD's Shareholder Special Fund (SSF) and Japan-EBRD Cooperation Fund.

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

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

Important events after reporting period

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

Plans for the future

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

Key ratios

	2022	2021	2020	2019	2018
Turn over, KSEK	602 715	561 435	451 448	641 680	366 818
Operational result, KSEK	342 446	424 590	151 293	63 793	147 019
Result after financial costs, KSEK	284 908	362 550	47 494	(22 309)	130 293
Equity ratio %	55,38%	66,00%	43,82%	45,89%	56,74%
Cash flow, KSEK	83 180	(44 946)	42 351	8 437	9 084

OUTLINE OF THE PARENT COMPANY RESULTS

The following earnings are at the disposal of the Annual General Meeting (SEK):	
Retained earnings	**266 776 698**
Net result of the period	18 100 495
	284 877 193
The Board proposes that the profit/loss be appropriated as follows:	
Dividend	0
to be carried forward	**284 877 193**

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

In thousands of SEK

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Group 2022	2021
Revenue from sales	5	602 715	561 435
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	18	416 626	444 560
Cost of sales	6, 12	(488 481)	(530 487)
Gross profit		**530 860**	**475 508**
Other operating income	7	2 039	29 569
General and administrative expenses	8	(50 861)	(37 683)
Selling expenses	8	(90 481)	(33 551)
Other operating expenses	9	(49 111)	(9 253)
Operating profit / (loss)		**342 446**	**424 590**
Finance costs	10	(81 325)	(71 451)
Finance income	11	836	404
Foreign exchange gain	13	22 951	9 008
Profit / (loss) before tax		**284 908**	**362 551**
Income tax expense	14	(5 528)	(1)
Profit / (loss) for the year		**279 380**	**362 550**
Other comprehensive income:			
Items that can be reclassified in the income statement			
Foreign exchange differences		(130 957)	73 584
Tax effect		-	-
Total other comprehensive income for the year		**(130 957)**	**73 584**
Total comprehensive income for the year		**148 423**	**436 134**
Whereof attributed to equity holders of the company		**279 380**	**362 550**
Whereof attributed to equity holders of the company		**148 423**	**436 134**

In thousands of SEK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	The Group	
Non-current assets		**2022**	**2021**
Property, plant and equipment	15	328 616	272 608
Intangible assets	16	2 104	2 670
Biological assets	18	2 726	4 241
Other non-current assets	17	46 540	57 104
Right of use assets - Land leases	19	315 797	249 126
		695 783	**585 749**
Current assets			
Inventories	20	674 468	609 270
Biological assets	18	128 108	12 318
Trade and other receivables	21	20 677	5 167
Other current assets	21	116 589	123 577
Cash and cash equivalents	22	123 118	39 938
		1 062 960	**790 270**
Total assets		**1 758 743**	**1 376 019**
Equity			
Issued capital	23	11 556	11 556
Other contributed capital		278 295	278 295
Foreign currency translation reserve		(274 594)	(143 637)
Retained earnings		958 709	679 329
		973 966	**825 543**
Non-current liabilities			
Loans and borrowings relative parties	24	36 937	32 810
Loans and borrowings	24	80 000	91 281
Longt term lease obligation	25	359 413	267 281
		476 350	**391 372**
Current liabilities			
Loans and borrowings bank	24,32	236 337	46 997
Short term lease obligation	25	19 506	31 052
Trade and other liabilities	26	33 088	19 796
Other current liabilities	26	19 496	61 259
		308 427	**159 104**
Total liabilities		**784 777**	**550 476**
Total equity and liabilities		**1 758 743**	**1 376 019**

In thousands of SEK

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Group	Issued Capital	Other contributed capital	Foreign Exchange differences	Retained earnings	Total equity
Balance at 31 December 2020	**11 556**	**278 295**	**(217 221)**	**316 779**	**389 409**
Profit for the year				362 550	362 550
Other comprehensive income			73 584		73 584
Total comprehensive income			*73 584*	*362 550*	*436 134*
Transactions with owners					
Issue of capital					
Balance at 31 December 2021	**11 556**	**278 295**	**(146 637)**	**679 329**	**825 543**
Profit for the year				279 380	279 380
Other comprehensive income			(130 957)		(130 957)
Total comprehensive income			*(130 957)*	*279 380*	*148 423*
Transactions with owners					
Issue of capital					
Balance at 31 December 2022	**11 556**	**278 295**	**(275 594)**	**958 709**	**973 966**

In thousands of SEK

CONSOLIDATED STATEMENT OF CASH FLOW

	The Group	
	2022	**2021**
Operating activities		
Profit / (loss) before tax	**284 908**	**362 550**
Non-cash adjustments:		
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	(416 626)	(444 560)
Depreciation	78 556	74 857
Gain on sales of fixed assets	(648)	-
Finance income	(836)	(404)
Foreign exchange gain	(22 951)	(9 008)
Finance costs	81 325	71 451
Loss on impairment of accounts receivable and prepayments	97	525
Loss on impairment of property, plant and equipment	1 133	4 847
Shortages and losses from damage of valuables	1 031	51
Gain / loss from sale of other inventories	(605)	-
Gain on accounts payable written off	(243)	-
Provision on damage assets	15 779	-
Impairment of inventories to net realizable value	19 159	-
Working capital adjustments:		
Change in biological assets	(36 427)	2 153
Change in trade receivables and other current assets	8 099	(66 017)
Change in agricultural produce and other inventories	136 386	134 744
Change in trade and other payables and other current liabilities	(18 410)	20 013
	129 728	**151 202**
Interest received	836	404
Income tax paid	-	-
Cash flows from operating activities	**130 564**	**151 606**
Investing activities		
Purchase of property, plant and equipment	(146 874)	(95 386)
Prepayments for property, plant and equipment	-	-
Sales of property, plant and equipment	1 269	3 129
Purchase of Intangibles assets	-	(1 174)
Proceeds from (payments for) other non-current assets, net	-	(1 865)
Loans granted to others	(3 424)	-
Repayments of previously granted loans	1 371	-
Net cash flows used in investing activities	**(147 658)**	**(95 296)**

In thousands of SEK

CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUATION)

	The Group	
	2022	**2021**
Financing activity		
Proceeds from loans and borrowings	306 885	275 654
Repayment of loans and borrowings	(118 488)	(326 305)
Interest paid	(18 274)	(13 935)
Payment of finance lease obligations	(66 831)	(64 269)
Revenue from government grants	49	21 083
Net cash flows from financing activities	**103 341**	**(107 772)**
Net change in cash and cash equivalents	86 246	(51 462)
Foreign exchange difference cash	(3 066)	6 516
Cash and cash equivalents at 1 January	39 938	84 884
Cash and cash equivalents at 31 December (Note 22)	**123 118**	**39 938**

In thousands of SEK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1. CORPORATE INFORMATION

BZK Grain Alliance AB (hereinafter referred as the "Parent Company" or the "Company", registration number 556754-1056) was incorporated in Sweden on 19 March 2008. The registered office of the Company is Stockholm (Tengelinsgatan 12, 115 42, Stockholm) in Sweden. The company is a majority-owned subsidiary of Agro Ukraina AB (corporate id.number 559040-4157, with registered office in Kalmar). Agro Ukraina AB is part of a group where Claesson & Anderzén AB (corporate id. number 556395-3701, with registered office in Kalmar) prepares its consolidated financial statements for the largest Group.

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

Name	*Corporate id.nr*	*Location*	*Function*	*2022*	*2021*
Baryshevska Grain Company LLC	32886518	Ukraine, Baryshevka	Planting, livestock farming	100%	100%
Baryshevska Grain Trading Company LLC	39843554	Ukraine, Yarmolenci	Planting	100%	100%
Charity Foundation "Development of the village"	38467802	Ukraine, Baryshevka	Charity fund	100%	100%
Transped s.r.o	36216739	Slovakia, Čierna nad Tisou	Transhipment, transport	100%	-

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

1.1 Operating environment

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

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

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

2. BASIS OF PREPARATION

These consolidated financial statements are to present for approval by the annual general meeting on 29 of June 2023. The Board has presented the annual report for publication on 28 of June 2023.

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 2022.

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

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

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

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

3. Summary of significant accounting policies

Classification

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

Business combinations

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

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

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

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

Functional and reporting currency

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

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

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

Intangible assets

BZK Grain Alliance AB maintains accounting of the intangible assets in accordance with IAS 38.

The company records the intangible assets in the following groups:

- right to use land in the form of emphyteusis;
- royalty;
- software.

The initial cost of intangible assets is formed from the actually incurred costs of its acquisition or creation. The initial cost of intangible assets includes:

- asset purchase price
- direct costs required to bring intangible assets into working condition.

Not included in the cost of an intangible asset, but written off to expenses of the period:

- General administrative expenses;
- Training costs;
- Initial operating losses.

Subsequent costs are capitalized if they satisfy the criteria for capitalization of subsequent costs. In particular, capitalized costs are the costs inquired for development of additional modules of the automated operating system (ERP), as well as the costs of increasing the functionality and bringing the system into a usable state.

The costs of the current setup, maintenance and software updates are included in the current expenses of the reporting period.

After initial recognition, intangible assets are accounted for using the actual cost model less accumulated depreciation and accumulated impairment losses (IAS 36). Intangible assets are amortized over their entire useful life using the straight-line method.

The liquidation value of intangible assets with a definite useful life is recognized equal to zero.

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

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

An intangible asset is derecognized:

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

The gain or loss on derecognition of intangible assets is calculated as the difference between the net income from disposal (sale) and the carrying amount of the asset.

Gains or losses on disposals relate to other income and expenses and are recognized in profit or loss in a collapsed form.

Property, plant and equipment

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

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

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

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

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

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

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

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

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

Construction in progress

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

Borrowing costs

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

Biological assets and agricultural produce

Valued at level 3

Plants

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

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

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

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

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

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

Livestock

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

Inventories other than biological assets and agricultural produce

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

Financial instruments

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

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

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

Financial assets

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

Classification of financial assets

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

Significant increase in credit risk

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

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

Low credit risk financial instruments

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

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

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

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

Default definition

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

Credit impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Derecognition of financial liabilities

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

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

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

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

Trade accounts receivable, net

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

Cash and cash equivalents

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

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

Bank borrowings and other long-term payables

Interest-bearing bank borrowings and other long-term payables are initially measured at fair value net of directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Any difference between the proceeds (net of trans- action costs) and the settlement or redemption amount is recognised over the term of the borrowings and recorded as finance costs.

Trade and other accounts payable

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

Lease Liabilities

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

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

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

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or market rate, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

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

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

Provisions

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

Pension

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

Wages and salaries, pension costs and other social costs

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

Termination benefits

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

Contingent assets and liabilities

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

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

Revenue recognition

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

The Group recognises revenue from the following major sources:

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

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

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

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

Government grants

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

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

Taxation

Ukrainian fixed agricultural tax

According to effective Ukrainian tax legislation, the Group's entities, as involved in production, processing and sale of agricultural products may opt for paying simplified tax (called fixed agricultural tax in past) in lieu of income tax, land tax and some other local taxes if the revenues from sale of their own agricultural products constitute not less than 75% of their total (gross) revenues. The unified tax is assessed at 0.95% on the deemed value of the land plots owned or leased by the entity (as determined by the relevant State authorities). The rate of tax for the Polissia region and the mountain zones is set at 0.57%. As at 31 December 2022, all Baryshevska Grain Company LLC as a subsidiary was elected to pay the unified tax. The unified tax is in the annual report defined as costs of sales.

Deferred tax / temporary differences

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

Value added tax

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

New and amended standards and interpretations

There are no standards or changes in accounting principles of material importance to the group that have come into force for the financial year beginning on or after January 1, 2022. Standards, amendments to standards and interpretative statements that come into force only from and after the financial year 2023 or later and have not been applied in the preparation of these financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

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

Judgments

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

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

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

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

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

Lease classification – Group as lessor

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

Estimates and assumptions

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

Impairment of non-financial assets

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

Provision for expected credit losses of trade receivables and contract

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

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

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

Fair value measurement of financial instruments

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

Leases - Estimating the incremental borrowing rate

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

Fair value of biological assets

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

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

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

Weather

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

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

In thousands of SEK

5. Revenue from sales

	The Group 2022	2021
Corn	421 702	306 901
Sunflower	-	68 253
Soy	144 960	114 952
Wheat	7 045	46 104
Milk	12 146	11 524
Meat	2 343	2 583
Other	71	343
	588 267	550 660
Auxiliary agricultural services	13 808	10 759
Other	640	16
	602 715	**561 435**

Revenues from one major customer, exceeding 10% of total revenue, amounted to 74 722 (2021: three customers – SEK 308 045).

	The Group 2022	
Louis Dreyfus Compane Suss S.A.	74 722	12%
Other	527 993	88%
	602 715	**100 %**

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

6. Cost of sales

	The Group 2022	2021
Depreciation of intangible assets	17	17
Depreciation of property, plant and equipment	37 746	34 123
Depreciation Right-to-use assets	36 411	34 828
Depreciation of other non-current assets	1 844	1 971
Cost of auxiliary agricultural services	2 960	2 322
Cost of agricultural produce sold	349 403	405 647
Payroll expenses and related charges	59 541	51 564
Cost of other produce	559	15
	488 481	**530 487**

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

In thousands of SEK

7. Other operating income

	The Group 2022	2021
Gain on accounts payable written off	243	31
Government subsides recognized as income	49	21 083
Penalties received	7	15
Gain on disposal of inventories	554	314
Gain from early termination of a lease (16 IFRS)	-	4 802
Gain on disposal of PPE	648	2 408
Fixed assets received free of charge	-	3
Surplus of inventories	51	222
Rental Income	194	185
Other income	293	506
	2 039	**29 569**

8. Selling, general and administrative expenses

General and administrative expenses	*The Group* 2022	2021
Payroll and related taxes	15 711	14 570
Professional services	21 649	11 285
Fuel and other materials used	3 249	2 089
Services provided by third parties	3 832	3 778
Depreciation expenses	1 995	3 271
Repair and maintenance expenses	2 310	1 746
Representative costs and business trips	749	46
Other expenses	1 366	898
	50 861	**37 683**

Selling expenses	*The Group* 2022	2021
Payroll and related taxes	6 409	493
Fuel and other materials used	4 481	1 816
Services provided by third parties	434	209
Depreciation	3 764	468
Transportation	74 975	30 531
Repair and maintenance expenses	117	12
Other expenses	301	22
	90 481	**33 551**

In thousands of SEK

Audit fees for the parent company and the Group in year 2022 and 2021 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	The Group	
	2022	***2021***
Audit assignment fees	855	632
Other	97	67
	952	**699**

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.

9. Other operating expenses

	The Group	
	2022	***2021***
Shortages and losses from damage of valuables	1 031	51
Charity expenses (i)	1 743	2 670
Result on disposal of inventories	-	4 847
Loss on impairment of accounts receivable and prepayments	97	525
Loss on disposal of PPE	1 133	162
Provision on damage assets due to war	15 779	-
Impairment of inventories to net realizable value	19 159	-
Loss from early termination of lease	5 701	-
Other expenses	4 468	998
	49 111	**9 253**

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

10. Finance costs

	The Group	
	2022	***2021***
Interest on loans and borrowings related party	785	745
Interest on loans and borrowings bank	19 495	14 164
Financial costs of financial lease	60 523	56 153
Financial costs of discounting of financial aids	522	389
	81 325	**71 451**

In thousands of SEK

11. Finance income

	The Group	
	2022	*2021*
Interest income	265	120
Financial income for financial assistance	571	284
	836	**404**

12. Depreciation

	The Group	
	2022	*2021*
Depreciation property, plant and equipment (within cost of sales)	36 926	34 318
Depreciation property, plant and equipment (within G&A expense)	300	2 098
Depreciation property, plant and equipment (within distribution expense)	2 572	468
Depreciation intangibles assets	503	1 174
Depreciation other non-current assets	1 844	1 971
Depreciation right-to-use assets	36 411	34 828
	78 556	**74 857**

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

13. Foreign exchange gain/loss

	The Group	
	2022	*2022*
Foreign exchange difference within the Group	11 304	3 732
Foreign exchange difference others	11 647	5 276
	22 951	**9 008**

14. Income tax

	The Group	
	2022	*2022*
Reconciliation of effective tax rate		
Profit/Loss before tax	284 909	362 551
Tax at the current rate for the parent company 20,6%	(58 691)	(74 686)
Revaluation of temporary differences	1 310	457
Deducts tax on profit foreign companies, not taxable	53 621	74 036
Tax adjustment interest expense/interest income	141	(152)
Non-deductible expenses	(1 909)	344
	(5 528)	**(1)**

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

In thousands of SEK

15. Property, plant and Equipment

	Land	*Building & constuctions*	*Plant & Equipment*	*Vehicles*	*Furnitue*	*Constuction in progress*	*Total*
Cost							
As at 1 January 2021	**1 672**	**101 423**	**182 432**	**26 184**	**4 183**	**14 815**	**330 710**
Additions	148	42 476	11 079	22 016	1 843	3 845	81 407
Transfer	-	3 157	2 356	(6 752)	2 238	-	999
Disposals	-	(128)	(6 038)	(757)	(157)	-	(7 080)
Foreign currency translation differences	250	17 195	26 805	5 710	823	2 357	53 140
As at 31 December 2021	**2 070**	**164 123**	**216 635**	**46 401**	**8 930**	**21 017**	**459 176**
Additions	122	13 785	32 926	61 222	1 174	26 108	135 337
Addition by acquisition	2 493	7 085	18 217	798	-	-	28 593
Disposals	-	(7 958)	(2 018)	(254)	(60)	(13 318)	(23 608)
Foreign currency translation differences	(248)	(22 542)	(32 129)	(10 963)	(1 311)	(3 267)	(70 460)
As at 31 December 2022	**4 437**	**154 493**	**233 631**	**97 204**	**8 733**	**30 540**	**529 038**
Depreciation							
As at 1 January 2021	-	**(16 530)**	**(94 498)**	**(15 829)**	**(2 249)**	**-**	**(129 106)**
Depreciation for the year	-	(3 071)	(28 449)	(4 477)	(1 176)	-	(37 173)
Impairment of the year	-	(3 464)	(1 371)	(10)	(2)		(4 847)
Reclassification	-	(1 879)	(2 120)	4 812	(1 812)	-	(999)
Disposals	-	128	6 031	499	133	-	6 791
Foreign currency translation differences	-	(2 851)	(15 091)	(2 808)	(484)	-	(21 234)
As at 31 December 2021	-	**(27 667)**	**(135 498)**	**(17 813)**	**(5 590)**	**-**	**(186 568)**
Depreciation for the year	-	(3 838)	(28 901)	(5 350)	(810)	-	(37 798)
Depreciation by acquisition		(3 837)	-	(645)	-		(4 483)
Disposals	-	75	1 605	242	54	-	1 976
Foreign currency translation differences	-	3 979	20 799	2 848	825	-	26 451
As at 31 December 2022	-	**(31 288)**	**(142 895)**	**(20 718)**	**(5 521)**	**-**	**(200 422)**
Net book value							
As at 31 December 2021	**2 070**	**136 456**	**81 137**	**28 588**	**3 340**	**21 017**	**272 608**
As at 31 December 2022	**4 437**	**123 205**	**90 736**	**76 486**	**3 212**	**30 540**	**328 616**

In thousands of SEK

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

	2022	2021
Property, plant and equipment	316 394	260 101
Prepayments for property, plant and equipment	12 222	12 507
Total property, plant and equipment	**328 616**	**272 608**

As at 31 December 2022, a value of 172 170 regarding property, plant and equipment was pledged as a security for the bank loans (2021: SEK 177 914 - note 32).

16. INTANGIBLE ASSETS

	The right to use land in the form of emphyteusis	*Royalty*	*Software*	*Total*
Cost				
As at 1 January 2021	**774**	**415**	**1 932**	**3 121**
Additions	-	794	380	1 174
Disposals	-	(1 244)	-	(1 244)
Foreign currency translation differences	112	35	301	448
As at 31 December 2021	**886**	**-**	**2 613**	**3 499**
Additions	-	-	282	282
Disposals	-	-	-	-
Foreign currency translation differences	(121)	-	(380)	(501)
As at 31 December 2022	**765**	**-**	**2 515**	**3 280**
Depreciation				
As at 1 January 2021	**(18)**	**(415)**	**(356)**	**(789)**
Depreciation for the year	(17)	(794)	(363)	-1 174
Disposals	-	1 244	-	1 244
Foreign currency translation differences	(4)	(35)	(71)	-110
As at 31 December 2021	(39)	**-**	**(790)**	**-828**
Depreciation for the year	(17)	-	(486)	(503)
Disposals	-	-	-	-
Foreign currency translation differences	7	-	148	155
As at 31 December 2022	**(49)**	**-**	**(1 127)**	**(1 176)**
Net book value				
As at 31 December 2021	847	-	1 823	2 670
As at 31 December 2022	716	-	1 388	2 104

In thousands of SEK

17. Other non-current assets

	The Group	
	2022	***2021***
Long-term receivables	1 358	11 192
Prepaid lease expenses	38 596	44 921
Other non-current assets	6 586	991
	46 540	**57 104**

18. Biological assets

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

		The Group		
	Note	***Plants***	***Animal-breeding***	***Total***
Carrying amount at 1 January 2021		**7 043**	**3 856**	**10 899**
Increase due to purchases and subsequent expenditures		781 521	14 992	796 513
Decrease due to crops harvest	(i)	(780 802)	(11 098)	(791 900)
Decrease due to sales		(443 745)	(1 550)	(445 295)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	446 031	(1 471)	444 560
Livestock losses		(5)	(6)	(11)
Currency translation differences		1 187	607	1 794
Carrying amount at 31 December 2021	(iii)	**11 225**	**5 334**	**16 559**
Increase due to purchases and subsequent expenditures		921 868	15 810	937 678
Decrease due to crops harvest	(i)	(675 140)	(6 336)	(681 476)
Decrease due to sales		(544 501)	(1 127)	(545 628)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	426 575	(9 949)	(416 626)
Livestock losses		-	(3)	(3)
Currency translation differences		(12 304)	(618)	(12 922)
Carrying amount at 31 December 2022	(iii)	**127 423**	**3 411**	**130 834**

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 2022 and 2021 was as follows:

In thousands of SEK

	The Group			
	2022		***2021***	
	Tons harvested	*FV less cost to sell at the time of harvest*	*Tons harvested*	*FV less cost to sell at the time of harvest*
Corn	94 171	269 636	232 034	435 034
Wheat	10 151	25 979	21 053	46 396
Sunflower	10 470	55 499	10 830	57 479
Soybean	57 969	324 012	45 210	240 099
Other	3 227	14	17 277	1 794
	175 988	**675 140**	**326 404**	**780 802**

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

	The Group			
	2022		***2021***	
	Yield in tons per hectare	*Price per ton less cost to sell*	*Yield in tons per hectare*	*Price per ton less cost to sell*
Winter wheat	4,9	2 559	5,9	2 204
Corn	7,2	2 863	7,6	1 875
Soybean	2,3	5 589	2,5	5 311
Sunflower	2,4	5 301	2,8	5 307

(iii) Biological assets as at 31 December comprised:

Livestock

	The Group			
	2022		***2021***	
	Number, heads	*Carrying value*	*Number, heads*	*Carrying value*
Cattle	1 282	3 411	1 288	5 334
	1 282	**3 411**	**1 288**	**5 334**

Plants

	The Group			
	2022		***2021***	
	Hectares	*Carrying amount*	*Hectares*	*Carrying amount*
Winter wheat	5 413	14 360	2 056	11 225
Corn	7 949	109 734	-	-
Others	2 165	3 329	-	-
	15 527	**127 423**	**2 056**	**11 225**

In thousands of SEK

19. Right of use assets

	Land
As at 31 December 2020	**290 089**
Additions	57 077
Transfer	-
Disposals	(61 316)
Foreign currency translation differences	41 736
As at 31 December 2021	**327 586**
Additions	348 865
Transfer	(3 076)
Disposals	(193 821)
Foreign currency translation differences	(57 407)
As at 31 December 2022	**422 147**
Depreciation	
As at 1 January 2021	**(55 710)**
Depreciation for the year	(34 828)
Reclassification	-
Disposals	20 910
Foreign currency translation differences	(8 832)
As at 31 December 2021	**(78 460)**
Depreciation for the year	(36 411)
Reclassification	(6 337)
Disposals	628
Foreign currency translation differences	14 230
As at 31 December 2022	**(106 350)**
Net book value	
As at 31 December 2021	**249 126**
As at 31 December 2022	**315 797**

The average discount rate used is 14,0% (2021: 16,8%).

In thousands of SEK

20. Inventories

	The Group	
	2022	*2021*
Agricultural produce *(at fair value less costs to sell or net realisable value)* (i)	591 816	510 390
Work in progress *(at cost)* (ii)	28 388	23 925
Raw materials *(at cost)* (iii)	25 161	25 105
Fertilizer, herbicide and pesticide *(at cost)*	28 619	46 954
Other inventories *(at cost)*	484	2 896
	674 468	**609 270**

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

On 31 December 2022 the inventory provided security for bank loans to the amount of 147 072 (2021: 97 924)

21. Trade and other receivables, other current assets

	The Group	
Trade and other receivables	**2022**	**2021**
Trade receivables	21 107	5 167
Less: bad debt allowance	(430)	-
	20 677	**5 167**
Other current assets		
Deferred expenses	4 941	6 480
Advances paid	22 869	53 861
VAT recoverable	73 479	52 900
Loans issued	3 221	578
Other prepaid taxes	1 242	551
Other	10 837	9 207
	116 589	**123 577**

	The Group
	Provision for bad debts
As at 1 January 2021	**0**
Charge for the year	**-**
Used amounts	-
Foreign exchange translation difference	**-**
As at 31 December 2021	**0**
Charge for the year	**430**
Foreign exchange translation difference	-
As at 31 December 2022	**430**

For detailed information about aging see note 30.

22. Cash and cash equivalents

In thousands of SEK

	The Group 2022	2021
Cash:		
- on bank accounts	123 064	39 864
- on hand	54	74
	123 118	**39 938**

As at 31 December 2022, a value of SEK 11 544 regarding to escrow account (2021: SEK 9 972 – note 32).

23. Share capital

The registered share capital amounts to SEK 11 556 (2021: SEK 11 556) and consists of 7 807 775 shares (2021: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.

24. Loans and borrowings

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

		Maturity	*2023*	*2023-2026*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
Ukrainian bank	USD	4,5–4,9%	116 430	-	116 430
European bank	EUR	5–6,38%	20 559	80 000	100 559
Ukrainian bank	UAH	0–22%	92 166	-	92 166
Ukrainian bank	USD	6,0-8,0%	7 182	-	7 182
Related party (Note 28)	SEK	4-7%	-	36 937	36 937
			236 337	**116 937**	**353 274**

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

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

25. Leasing liability

	The group 2022	2021
Within one year	19 506	31 052
In the second to the fifth year inclusive	127 991	116 931
After fifth year	231 422	150 350
	378 919	**298 333**

In thousands of SEK

26. Trade and other liabilities, other current liabilities

	The Group	
	2022	***2021***
Trade and other liabilities		
Trade liabilities	19 366	9 926
Payroll and related taxes	3 826	3 178
Unused vacations accrual	6 096	5 423
Other	3 800	1 269
	33 088	**19 796**
Other current liabilities		
Value added tax	-	-
Advances received	3 660	50 630
Income tax payable	5 528	-
Other taxes	4 091	3 741
Lease payable	4 231	6 817
Other	1 986	71
	19 496	**61 259**

27. Number of employees and employee benefits

Number of employees

	2022			2021		
	Women	***Men***	***Total***	***Women***	***Men***	***Total***
Sweden	-	-	-	-	-	-
Ukraine	244	870	1 114	219	825	1 044
	244	**870**	**1 114**	**219**	**825**	**1 044**

The management of the Group consists of 100% male.

Employee benefits

The Group	***2022***	***2021***
Board and senior executives	1 142	938
Other employees	65 867	55 895
Pension costs Board and senior executives	215	182
Pension costs other employees	11 880	10 462
Social security costs	2 031	1 787
	81 135	**69 264**

In thousands of SEK

28. Related party disclosures

Ultimate Controlling Party

As at 31 December 2022 the majority owner of the Parent Company is Agro Ukraina AB, which is a subsidiary of Claesson & Anderzén AB. A citizen of Sweden, Mr Johan Claesson, has the controlling interest in Claesson & Anderzén AB.

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

	2022	2021
Entity under common control		
Loans and borrowings	(36 937)	(32 810)
Of which:		
CA Investment AB	*(20 560)*	*(16 930)*
CA Agroinvest AB	*(14 212)*	*(13 800)*
Ukrainian Investment AB	*(2 165)*	*(2 080)*
Trade and other payables	10	-
Of which:		
Agrogolden LLC	*9*	-
Radoveniuk Bogdan	*1*	
Trade and other receivables and other non- current assets	5	1 127
Of which:		
Agrogolden LLC	*5*	*1 127*
Other non-current assets	5 740	5 740
Of which:		
Agrogolden LLC	*5 740*	*5 740*

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

	2022	2021
Entities under common control		
Interest expenses	(777)	(745)
Of which:		
CA Investment AB	*(281)*	*(250)*
CA Agroinvest AB	*(411)*	*(410)*
Ukrainian Investment AB	*(85)*	*(85)*
Related parties with significant influence		
Interest income	706	-
Of which:		
Agrogolden LLC	*706*	-
Interest-free funding granted	719	1 127
Of which:		
Agrogolden LLC	*719*	*1 127*

Compensation to key management personnel

For the year ended 31 December 2022, remuneration paid by the Group to key management personnel was SEK 3 332 (2021: SEK 938). Compensation included contractual salaries and related taxes.

Key management personnel consist of six individuals as at 31 December 2022 (2021: six).

29. CONTINGENCIES AND CONTRACTUAL COMMITMENTS

Taxation

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

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

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 December 2022 and 2021. 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 2022 and 2021.

Interest rate risk

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

In thousands of SEK

2022	Change in basis points	Effect on profit before tax The Group
Change in interest rate (LIBOR)	100	-1 305
Change in interest rate (LIBOR)	-100	1 343

2021	Change in basis points	The Group
Change in interest rate (LIBOR)	100	-1 645
Change in interest rate (LIBOR)	-100	1 645

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.

2022	Change in foreign currency rate	Effect on profit before tax The Group
Change in USD exchange rate	1%	289
Change in USD exchange rate	-1%	-289

2021	Change in foreign currency rate	The Group
Change in USD exchange rate	1%	189
Change in USD exchange rate	-1%	-189

2022	Change in foreign currency rate	Effect on profit before tax The Group
Change in EUR exchange rate	1%	-1 632
Change in EUR exchange rate	-1%	1 632

2021	Change in foreign currency rate	The Group
Change in EUR exchange rate	1%	-968
Change in EUR exchange rate	-1%	968

Liquidity risk

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

In thousands of SEK

	Payable on demand	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*>5 years*	*Total*
31-dec-22						
Loans and borrowings, principal amount	24 429	52 305	156 913	110 930	-	344 577
Interest payable	453	2 237	-	6 007	-	8 697
Future interest expenses	-	6 180	18 542	12 246	-	36 968
Trade and other liabilities (Note 23)	9 985	23 103	-	-	-	33 088
Lease obligation	-	4 877	14 629	127 991	231 422	378 919
Other current liabilities	-	7 208	5 713	-	-	12 921
	34 867	**95 911**	**195 796**	**257 174**	**231 422**	**815 170**
31-dec-21						
Loans and borrowings, principal amount	-	45 728	-	78 417	40 102	164 247
Interest payable	-	1 269	-	5 572	-	6 841
Future interest expenses	-	2 063	3 844	20 502	6 407	32 816
Trade and other liabilities (Note 23)	9 396	5 000	5 400	-	-	19 796
Lease obligation	-	7 763	23 289	116 931	150 350	298 333
Other current liabilities	-	5 463	5 166	-	-	10 629
	9 396	**67 286**	**37 699**	**221 422**	**196 859**	**532 662**

Liabilities

	2022	**2021**
Ingoing balance	**171 088**	**204 144**
Proceeds from loans and borrowings	306 885	275 654
Repayment of borrowings	(118 488)	(326 305)
Interest paid	(18 274)	(14 707)
Finance cost	20 280	16 165
Exchange rate difference	28 916	(6 277)
Translation differences	(37 133)	22 414
Outgoing balance	**353 274**	**171 088**

Credit risk

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

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

In thousands of SEK

	The Group							
		Past due, but not impaired						
	Neither past due, nor impaired	*<1 month*	*1-2 months*	*2-3 months*	*3-6 months*	*6-12 months*	*More than 12 months*	*Total*
31-dec-22								
Trade and other receivables	20 672	3	-	-	-	2	-	20 677
	20 672	**3**	**-**	**-**	**-**	**2**	**-**	**20 677**
31-dec-21								
Trade and other receivables	4 625	46	-	44	368	84	-	5 167
	4 625	**46**	**-**	**44**	**368**	**84**	**-**	**5 167**

Capital management

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

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

	The Group 2022	***2021***
Loans and borrowings	353 274	171 088
Trade and other liabilities	52 584	81 055
Less cash and cash equivalents	(123 118)	(39 938)
Net debt	**282 470**	**212 205**
Equity	973 966	825 543
Total equity and net debt	1 256 706	1 037 748
Gearing ratio	**22%**	**20%**

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

Agricultural risk

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

In thousands of SEK

Tax Risk

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

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	The Group			
	Carrying amount		*Fair value*	
	2022	*2021*	*2022*	*2021*
Financial assets valued at amortized cost				
Cash and cash equivalents	123 118	39 938	123 118	39 938
Trade and other receivables	20 677	5 167	20 677	5 167
Financial liabilities valued at amortized cost				
Trade and other liabilities	52 584	81 055	52 584	81 055
Loans and borrowings	353 274	171 088	353 274	171 088

32. PLEDGED ASSETS

	The Group	
	2022	**2021**
Property, plant and equipment	172 170	177 914
Inventories	147 072	97 924
Escrow account	11 544	9 972
	330 786	**285 810**

33. IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Russian aggression against Ukraine, which has been ongoing since February 24, 2022, has significantly changed the life of the country. Security risks due to the long-term hostilities and their intensity have a significant impact on economic activity, leading to the deterioration of inflation and exchange rate expectations.

However, the NBU's forecast for economic growth in 2023 is 2.0%. The de-occupation of the territories and the full opening of the Black Sea ports will make it possible to gradually increase industrial production and increase harvests. In addition, domestic demand is expected to expand due to the return of some forced migrants.

The decrease in the price of energy carriers on world markets restrained domestic demand, as well as the influence of the NBU's monetary policy made it possible to lower the inflation rate. The inflation forecast for 2023 decreased from 18.7% to 14.8%.

Due to high uncertainty and expected significant expenditures of the state budget, maintaining exchange rate stability against the background of currency liberalization plans will require the continuation of monetary policy aimed at ensuring the high attractiveness of hryvnia savings. The NBU decided to keep the discount rate at 25%.

The most significant factor in improving the situation in the economy in the first quarter of 2023 was the rapid recovery and relatively stable operation since February of the Ukrainian energy system, which was actively attacked by the russian federation from October last to January this year.

Before the start of the full-scale war, a large part of the grain was supplied by sea. But the presence of the enemy fleet blocked this possibility. The situation improved after the conclusion of the Trilateral Grain Agreement, which made it possible to partially export grain by sea.

Initially, the initiative was valid for 120 days from the date of signing and was automatically extended if one of the parties did not declare its intention to withdraw from the agreement or change it. Subsequently, the deal was extended for 60 days. The last extension was May 17, 2023, for 60 days.

The initiator of the extension of the deal for a shorter period was Russia. Ukraine considers this a violation of the terms of the agreement. Currently, representatives of Russia, Ukraine, Turkey, and the UN continue consultations on the export of Ukrainian grain from Black Sea ports.

The grain deal allowed Ukraine to sell a huge quantity of harvest, avoid overstocking the domestic market and collapse in prices, free up storage for new grain, and earn foreign currency.

Due to the decision of the European Commission regarding the export to Bulgaria, Hungary, Poland, Romania, and Slovakia of agricultural products, Ukraine will not be able to export wheat, corn, and sunflower to these countries until the middle of September 2023. The import of all products from Ukraine to the rest of the European Union countries will continue without restrictions. The transit of all Ukrainian agricultural products is preserved through all countries of the European Union. Taking into account these difficulties, the Group utilizes its transshipment elevator in Slovakia for the transit of grain products to European countries where export is not prohibited. The Group also sells agriproducts in the domestic market of Ukraine.

Before the introduction of restrictions on the export of agriproducts, there were about 15 thousand tons of grain in the Slovak elevator, which were exported earlier, and this is enough to fulfill existing contracts.

In addition to the obvious logistical problems with the export of products, the Group should take into account the continuously changing currency and export legislation.

To ensure the currency inflow to the country, the Cabinet of Ministers of Ukraine has amended the export legislation and may apply VAT to export operations if proceeds from sales of commodities for export are substantially lower than the value of such commodities exported.

The Ministry of Economy of Ukraine has approved the criteria for determining enterprises that are important for the national economy as critical infrastructure facilities. Baryshevska Grain Company LLC has met the requirements and become a part of critical infrastructure.

At present, the sowing campaign has already been successfully completed.

Going concern

On February 24, 2022, Russia launched a full-scale military invasion of Ukraine, which led to the immediate imposition of martial law by the government of Ukraine and the imposition of appropriate temporary restrictions affecting the economic environment. In view of the foregoing, BZK GA Group has evaluated the going concern assumption on which the financial statements have been prepared.

From the beginning of the full-scale war, the Company's top priority was the health and safety of its employees and their families, as well as the continuity of operations under warfare conditions. Office-based personnel worked remotely from home and in shelters, while production-based employees performed their duties when it was safe to do so. Many employees had to relocate from their homes to other Ukrainian regions, as well as send their families abroad. Some workers had been called into the military service, and their colleagues were filling the gaps in the workplace. Around 3% of Baryshevska Grain Company's employees joined the army.

The geographic diversification of the Group's asset placement allows it to keep assets outside of regions where there are intense hostilities. The Group's assets are located in Kyiv, Poltava, Cherkasy, and Chernihiv regions. However, periodically these regions are subject to missile attacks.

From starting the war, the Group's assets suffered partially. Firstly, in the impact of rocket fragments, part of the equipment of the Nizhyn elevator was damaged. Secondly, the damage of sowing areas of 2 thousand ha under the Group's management in the Chernihiv region. Later the land was cleared of mines, unexploded shells, and sizeable metal fragments. The land did not require massive reclamation, and the Company returned to farming operations there. As a result, the Group was able to plant approximately 57,000 ha.

The Group was forced to revise the export destinations and the commodities supply chains. Prior to the full-scale war, all the company's agricultural products were exported by sea. Now the export of products is reoriented by 50% to railroad deliveries to the Slovak elevator, with subsequent sales to customers in the EU.

Despite the ban on the export of grain products to Slovakia, this elevator acts as a logistics hub for the transit of the Group's products to other EU countries, such as Italy, Germany, Austria, and other countries.

For the period after the reporting date, the Group sold 148 thousand tons of grain (73 thousand tons of corn, 60 thousand tons of soy, 5 thousand tons of wheat, and 10 thousand tons of sunflower), which is 6% of corn and 17% of soybeans from the 2021 harvest and 94% of corn, 83% of soybeans, 100% of wheat, and 100% of sunflower from the 2022 harvest.

The Group is going to deliver grain by its own wagons. The wagon park consists of 236 units today. The Group also continues to sell grain products on the domestic market. In particular, a contract was concluded for the sale of 10 thousand tons of sunflower in the total amount of UAH 149 million, for the sale of 40 thousand tons of soybeans in the total amount of UAH 553 million, and so on.

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

As of 31 December 2022, the Group was in compliance with covenants on its loans. The Group does not foresee a breach of covenants during 2023-2024. The Group repaid SEK 229 million of loans and received additional financing of almost SEK 157 million in currency in January-June 2023.

For the year ended 31 December 2022, the Group's profit amounted to SEK 279 380 thousand (for the year ended 31 December 2021 – SEK 362 550 thousand). At the same time, as of 31 December 2022, the current assets of the Group exceeded its current liabilities by SEK 754 533 thousand (as of 31 December 2021 – SEK 631 166 thousand), which indicates a sufficient level of liquidity.

The Group has positive operating cash flow in the amount of SEK 130 563 thousand in 2022 (SEK 151 606 thousand in 2021), which means the Group is in a better position to cover its current liabilities and expenses. Also, the Group has positive operating cash flow in the amount of SEK 166 315 thousand in the 1st quarter of 2023.

As of the date of these consolidated financial statements, the operating, and logistic processes were re-assessed by the Group to ensure the continuity of its business, as described above.

Management is taking appropriate actions to continuously revise its businesses processes and practices and prepared an 18-month budget based on the assumption that the degree of intensity of military hostilities in the regions where the Group's assets are located and the area of the Ukrainian territory currently invaded by the Russian troops will not largely increase; the Group is able to carry out sowing and harvesting of crops; the railway infrastructure performs its function and is used as a way of executing export sales due to limitation of seaports usage; elevators are working with usual capacity.

The current liquidity of the Group is evaluated as approximately EUR 35 million.

The situation above means that there is a significant uncertainty in the Group's ability to continue its operations as going concern. The management assesses, after having drawn up forecasts of financial position, statement of comprehensive income and cash-flow up to June 2024, despite the ongoing Russian military invasion and difficulties in exporting grain, that the possibility of conducting business further is good enough to consider that conditions for preparing the annual accounts, taking the conditions for going concern into account, exists.

In thousands of SEK

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

	Notes	The Parent Company 2022	2021
Revenue from sales	2	394 727	236 282
Cost of sales		(364 561)	(236 400)
Gross profit		**30 166**	**(118)**
General and administrative expenses	3	(17 297)	(2 976)
Operating profit / (loss)		**12 869**	**(3 094)**
Finance costs	4	(785)	(749)
Finance income	5	1 463	1 479
Foreign exchange gain	6	7 468	5 318
Profit / (loss) before tax		**21 015**	**2 954**
Income tax expense	7	(2 915)	-
Profit / (loss) for the year		**18 100**	**2 954**
Other comprehensive income:		-	
Total comprehensive income for the year		**18 100**	**2 954**

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

In thousands of SEK

PARENT COMPANY’S STATEMENT OF FINANCIAL POSITION

	Notes	The Parent Company 2022	2021
Non-current assets			
Shares in subsidiaries	8	272 645	256 426
Other non-current assets		5 740	10 258
Non-current asset subsidiary		21 558	-
		299 943	**266 684**
Current assets			
Receivable subsidiary		112 712	53 302
Other current assets	9	768	28 017
Cash and cash equivalents	10	85 691	28 464
		199 175	**109 783**
		499 118	**376 467**
Total assets			
Equity	11		
Issued capital	12	11 556	11 556
Other contributed capital		278 295	278 295
Retained earnings		6 582	(11 518)
		296 433	**278 333**
Non-current liabilities			
Loans and borrowings relative parties	13	36 937	32 810
		36 937	**32 810**
Current liabilities			
Loans and borrowings relative parties	14	160 086	-
Trade and other liabilities relative parties	14	-	23 863
Tax liabilities	14	2 915	-
Other current liabilities	14	2 747	41 461
		165 748	**65 324**
Total liabilities		**202 685**	**98 134**
Total equity and liabilities		**499 118**	**376 467**

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

In thousands of SEK

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

The Parent Company	Issued capital (restricted equity)	Other contributed capital (non-restricted equity)	Retained earnings (non-restricted equity)	Total Equity
Balance at 31 December 2020	**11 556**	**278 295**	**(14 472)**	**275 379**
Profit for the year			2 954	2 954
Total comprehensive income			*2 954*	*2 954*
Transactions with owners				
Balance at 31 December 2021	**11 556**	**278 295**	**(11 518)**	**278 333**
Profit for the year			18 100	18 100
Total comprehensive income			*18 100*	*18 100*
Transactions with owners				
Balance at 31 December 2022	**11 556**	**278 295**	**6 582**	**296 433**

In thousands of SEK

Parent Company's statement of cash flows

	The Parent Company	
	2022	**2021**
Operating activities		
Profit / (loss) before tax	21 015	2 954
Non cash adjustments:		
Finance income	(1 463)	(1 479)
Finance costs	785	749
Working capital adjustments:		
Change in trade receivables and other current assets	(32 165)	(38 660)
Increase in trade and other payables and other current liabilities	97 509	40 718
	85 681	**4 282**
Interest received	1 463	1 479
Income tax paid	-	-
Net cash flows from operating activities	**87 144**	**5 761**
Investing activities		
Acquisitions subsidiaries	(16 219)	-
Loans granted long-term receivables	(21 558)	(4 878)
Repayments long-term receivables	4 518	-
Net cash flows used in investing activities	**(33 259)**	**(4 878)**
Financing activity		
Proceeds from loans and borrowings	4 127	746
Repayment of borrowings	-	-
Interest paid	(785)	(749)
Net cash flows from financing activities	**3 342**	**(3)**
Net change in cash and cash equivalents	57 227	880
Foreign exchange difference cash	-	-
Cash and cash equivalents at 1 January	28 464	27 584
Cash and cash equivalents at 31 December	**85 691**	**28 464**

In thousands of SEK

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting principles of the parent company

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

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

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

2. REVENUE FROM SALES

	The Parent Company	
	2022	***2021***
Sales of agricultural produce	394 727	236 282
Sales of services rendered	-	-
	394 727	**236 282**

Revenues from two major customers, each individually exceeding 10% of total revenue, amounted to SEK 326 784 SEK (2021: three customers – SEK 211 328).

	The Parent Company	
	2022	
Transped s.r.o.	300 069	76%
Louis Dreyfus Compane Susse S.A.	41 100	10%
Others	53 558	14%
	394 727	**100%**

In thousands of SEK

3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses	***The Parent Company* *2022***	***2021***
Professional services (i)	15 753	2 976
Contributions and gifts made	1 544	-
	17 297	**2 976**

Audit fees for the parent company and the Group in year 2022 and 2021 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	The Parent Company* *2022	***2021***
Audit assignment fees	855	632
Other	97	67
	952	**699**

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

4. FINANCE COSTS

	The Parent Company* *2022	***2021***
Interest on loans and borrowings to related parties	777	746
Interest others	-	-
Bank fees	8	3
Other	-	-
	785	**749**

5. FINANCE INCOME

	The Parent Company* *2022	***2021***
Interest Income related parties	623	1 479
Other	840	-
	1 463	**1 479**

6. FOREIGN EXCHANGE GAIN/LOSS

	The Parent Company* *2022	***2021***
Foreign exchange difference within the group	(8 334)	2 668
Foreign exchange difference cash	14 918	2 650
Foreign exchange difference other	884	-
	7 468	**5 318**

In thousands of SEK

7. Income tax

	The Parent Company	
	2022	*2021*
Reconciliation of effective tax rate		
Profit/Loss before tax	21 015	2 954
Tax at the current rate for the parent company, 20,6%	(4 329)	(609)
Revaluation of temporary differences	1 310	457
Tax adjustment interest expense/interest income	141	(152)
Non-deductible expenses	(37)	-
	(2 915)	**-**

The Parent Company

As at 31 December 2022, the tax loss carried forward 0 (2021: SEK 6 100).

8. Shares in subsidiaries

	The Parent Company
As at 1 January 2021	**256 426**
Investments in subsidiaries	-
Liquidation subsidiaries	-
As at 31 December 2021 (i)	**256 426**
Investments in subsidiaries	16 219
Liquidation subsidiaries	-
As at 31 December 2022 (i)	**272 645**

(i)

			2022		2021	
	Location	**Corporate id**	**Ownership SEK**	**Ownership %**	**Ownership SEK**	**Ownership %**
Baryshevska Grain Company LLC,	Baryshevka, Ukraina	32886518	256 367	100%	256 367	100%
Baryshevska Grain Trading Company LLC	Yarmolenci, Ukraina	39843554	59	100%	59	100%
Transped s.r.o.	Čierna nad Tisou, Slovakia	36216739	16 219	100%	-	-
			272 645		256 426	

In thousands of SEK

9. Trade and other receivables, other current assets

Trade and other receivables	**The Parent Company 2022**	**2021**
Trade receivables due from related party (Note 15)	112 716	53 302
Trade Receivables	-	-
	112 716	**53 302**
Other current assets		
Advances paid	-	27 988
Accrued income	729	-
VAT recoverable	39	29
	768	**28 017**

For detailed information about aging see note 16.

10. Cash and cash equivalents

	The Parent Company 2022	***2021***
Cash:		
- on bank accounts	74 147	18 492
- escrow account	11 544	9 972
	85 691	**28 464**

11. Equity

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

Retained earnings	266 776 698
Net result of the period	18 100 495
	284 877 193
to be carried forward	284 877 193

12. Share capital

The registered share capital amounts to SEK 11 556 (2021: SEK 11 556) and consists of 7 807 775 shares (2021: 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 2022 loans and borrowings are as follows:

			Maturity -2023	*Maturity 2024-2026*	
	Currency	*Interest*	*Current portion*	*Non-current portion*	*Total*
The Parent Company					
Related party (Note 15)	SEK	1,5%-7%	-	36 937	36 937
			-	**36 937**	**36 937**

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

In thousands of SEK

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

14. Trade and other liabilities, other current liabilities

	The Parent Company 2022	The Parent Company 2021
Trade and other liabilities		
Trade liabilities related parties	-	23 863
Trade liabilities	-	-
	-	**23 863**
Other current liabilities		
Advances received	-	40 981
Tax liability	2 915	-
Accrued expenses related parties	160 086	-
Accrued expenses	2 747	480
	165 748	**41 461**

15. Number of employees and employee benefits

Number of employees

	2022 Women	2022 Men	2022 Total	2021 Women	2021 Men	2021 Total
Sweden	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-
	-	-	-	-	-	-

Employee benefits

The Parent Company	*2022*	*2021*
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 2022 the majority owner of the Parent Company is Agro Ukraina AB, which is a subsidiary of Claesson & Anderzén AB. A citizen of Sweden, Mr Johan Claesson, has the controlling interest in Claesson & Anderzén AB.

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

	2022	*2021*
Entity under common control		

Loans and borrowings (Note 12)	(36 937)	(32 810)
Of which:		
CA Investment AB	*(20 560)*	*(16 930)*
CA Agroinvest AB	*(14 212)*	*(13 800)*
Ukrainian Investment AB	*(2 165)*	*(2 080)*
Subsidiary		
Trade and other receivables	112 716	53 302
Of which:		
Baryshevski Grain Company LLC	*9 489*	*53 302*
Transped s.r.o	*103 227*	*-*
Trade and other receivables		23 879
Of which:		
Baryshevski Grain Company LLC		*23 879*
Other non-current assets	5 740	-
Of which:		
Agrogolden LLC	*5 740*	*-*
Trade and other payables	(160 086)	(23 863)
Of which:		
Baryshevski Grain Company LLC	*(160 086)*	*(23 863)*

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

	2022	***2021***
Interest expenses	(777)	(745)
Of which:		
CA Investment AB	*(281)*	*(250)*
CA Agroinvest AB	*(411)*	*(410)*
Ukrainian Investment AB	*(85)*	*(85)*
Interest income	706	-
Of which:		
Agrogolden LLC	*706*	*-*
Sales of property, plant & equipment	-	-
Of which:		
Baryshevski Grain Company LLC	*-*	*-*
Purchase of crops	(364 561)	(236 400)
Of which:		
Baryshevski Grain Company LLC	*(364 561)*	*(236 400)*

Compensation to key management personnel

For the year ended 31 December 2022, remuneration paid to key management personnel is SEK 0 (2021: 0). Compensation comprised the contractual salary and related taxes.

There are no key management personnel as of 31 December 2022 (2021: 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.

In thousands of SEK

The sensitivity analyses in the following sections relate to the position as at 31 December 2022 and 2021. 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 2022 and 2021.

Interest rate risk

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

		Effect on profit before tax
2022	***Change in basis points***	***The Parent Company***
Change in interest rate (LIBOR)	100	(309)
Change in interest rate (LIBOR)	(100)	309

2021	***Change in basis points***	***The Parent Company***
Change in interest rate (LIBOR)	100	(272)
Change in interest rate (LIBOR)	(100)	272

Foreign currency risk

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

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

		Effect on profit before tax
2021	***Change in foreign currency rate***	***The Parent Company***
Change in USD exchange rate	1%	495
Change in USD exchange rate	(1%)	(495)
Change in EUR exchange rate	1%	3
Change in EUR exchange rate	(1%)	(3)

Liquidity risk

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

In thousands of SEK

	The Parent Company				
	Payable on demand	***Less than 3 months***	***3 to 12 months***	***1 to 5 years***	***Total***
31-dec-22					
Loans and borrowings, principal amount	-	-	-	30 930	30 930
Interest payable	-	-	-	6 007	6 007
Trade and other liabilities (Note 13)	-	162 353	-	-	162 353
	-	**162 353**	**-**	**36 937**	**199 290**
31-dec-21					
Loans and borrowings, principal amount	-	-	-	27 238	27 238
Interest payable	-	-	-	5 572	5 572
Trade and other liabilities (Note 13)	-	23 863	-	-	23 863
	-	**23 863**	**-**	**32 810**	**56 673**

Credit risk

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

	The Parent Company *Past due, but not impaired*							
	Neither past due, nor impaired	***<1 month***	***1-2 months***	***2-3 months***	***3-6 months***	***6-12 months***	***More than 12 months***	***Total***
31-dec-22								
Receivables subsidiary	103 180	-	-	478	-	956	8 102	112 716
Trade and other receivables	-	-	-	-	-	-	-	-
	103 180	**-**	**-**	**478**	**-**	**956**	**8 102**	**112 716**
31-dec-21								
Receivables subsidiary	17 401		-	545	-	5 204	30 152	53 302
Trade and other receivables	-		-	-	-	-	-	-
	17 401		**-**	**545**	**-**	**5 204**	**30 152**	**53 302**

Capital management

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

In thousands of SEK

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

	The Parent Company	
	2022	*2021*
Loans and borrowings	36 937	32 810
Trade and other liabilities and other current liabilities	165 748	65 324
Less cash and cash equivalents	(85 691)	(28 464)
Net debt	**116 994**	**69 670**
Equity	296 433	278 333
Total equity and net debt	413 427	348 003
Gearing ratio	**28%**	**20%**

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 Group could realise in a current market situation. All financial assets and liabilities are valued at amortised cost. Set out below is the comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated statement of financial position:

	The Parent Company			
	Carrying amount		*Fair value*	
	2022	*2021*	*2022*	*2021*
Financial assets valued at amortized cost				
Cash and short-term deposits	85 691	28 464	85 691	28 464
Trade and other receivables	113 484	81 319	113 484	81 319
Financial liabilities valued at amortized cost				
Trade and other payables	162 833	65 324	162 833	65 324
Loans and borrowings	36 937	32 810	36 937	32 810

In thousands of SEK

19. Pledged assets and surety

Pledged assets	The Parent Company 2022	2021
Escrow account	11 544	9 972
	11 544	**9 972**

Surety	The Parent Company 2022	2021
Surety for subsidiaries (for debt to JSC UkrSibbank)	130 464	113 046
Surety for subsidiaries (for debt to Credit Agricole Bank)	89 759	77 776
Surety for subsidiaries (for debt to EBRD)	222 566	102 269
Surety for subsidiaries (for debt to Raiffeisen Bank)	111 283	-
	554 072	**293 091**

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 55 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 57, Going concern.

21. Signatures & statement of assurance

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

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

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

Our audit report was presented on

Ernst & Young AB

Franz Lindström

Authorized public accountant