



BZK GRAIN ALLIANCE AB

Corporate identity number: 556754-1056

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

FOR THE FINANCIAL YEAR
1 OF JANUARY 2020 - 31 OF DECEMBER 2020

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Report on operations

REPORT ON OPERATIONS

ABOUT GRAIN ALLIANCE

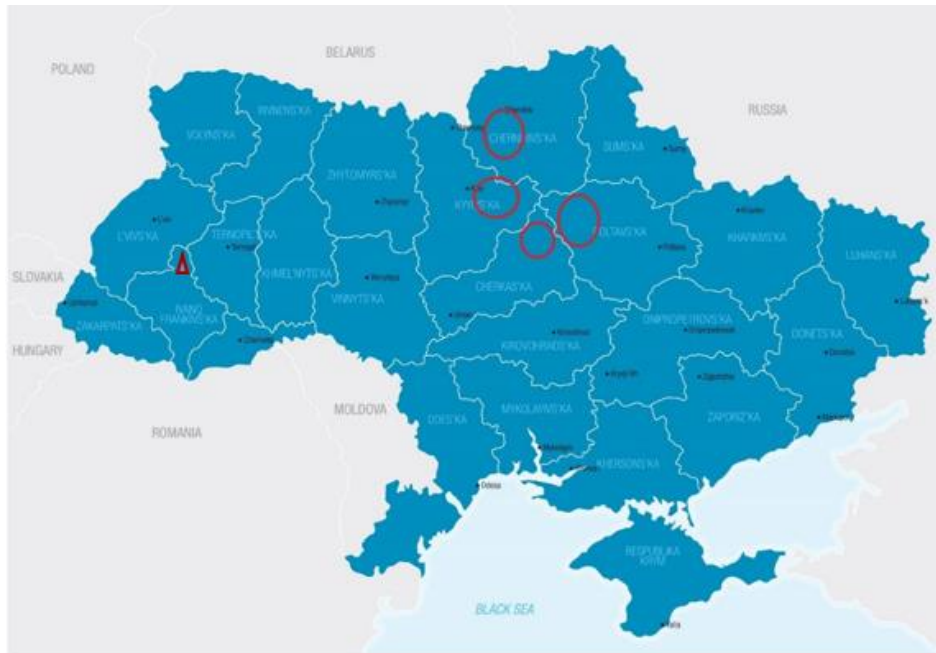
Grain Alliance is one of the leading agricultural companies in Ukraine. The company cultivates around 57,000 hectares of arable land in central Ukraine. The foundation for BZK Grain Alliance AB was laid in 1998. At that time, the company was primarily a supplier of agricultural services, but during the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

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

OPERATIONS AND LOCATIONS

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

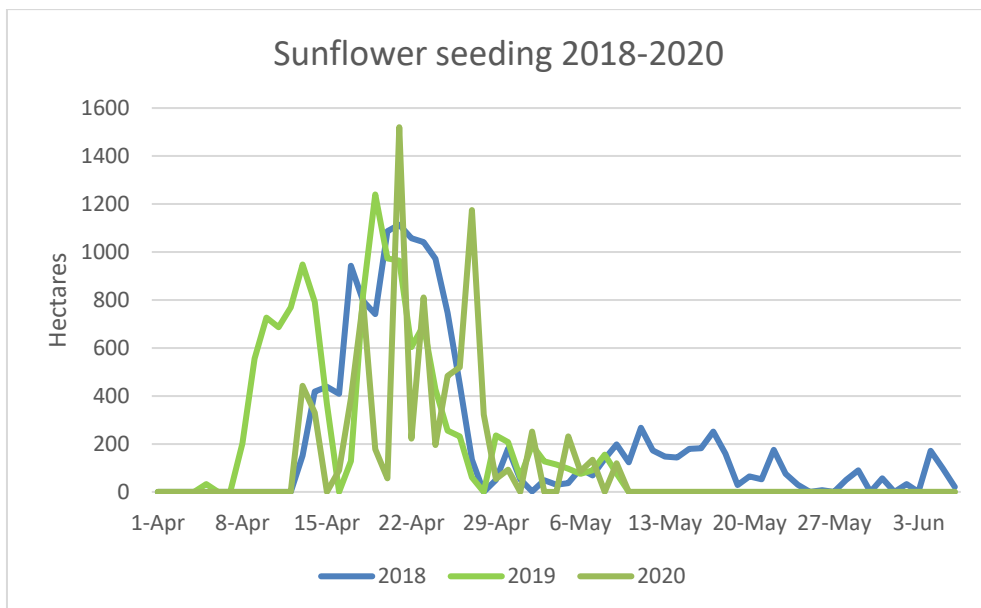
Efficiency and control are led in Grain Alliance's strategy and therefore the company tends land within a limited geographical area. The radius of Grain Alliance's core area (the area farmed) is about 80 kilometers. During the past years, the company has gradually expanded and developed 16,000 ha in 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.



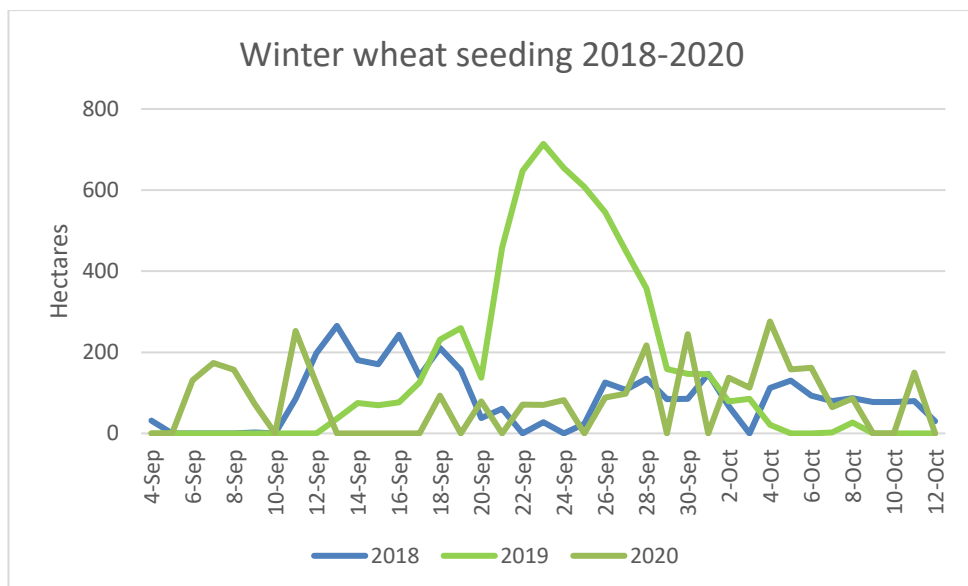
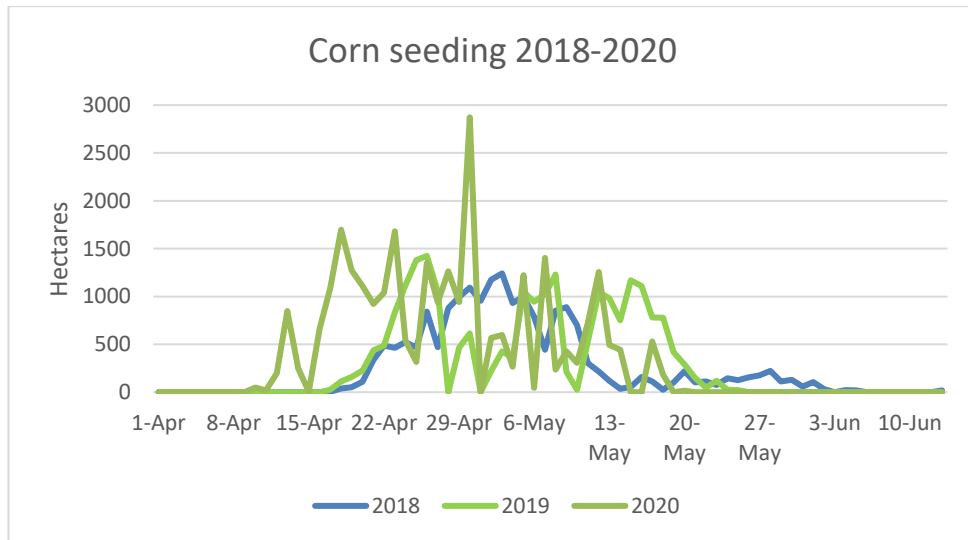
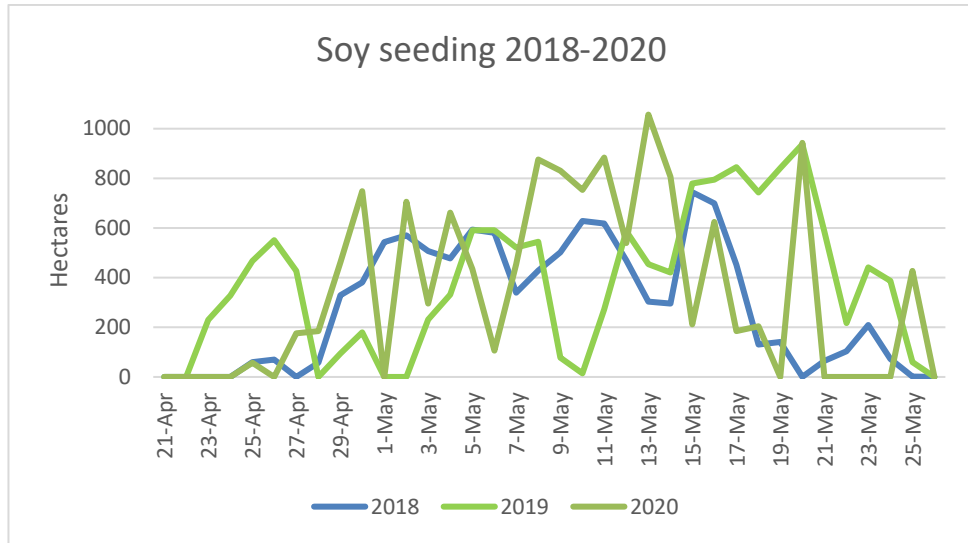
SEEDING 2020

In 2020, Grain Alliance has continued changes in the organizational structure. 4 production clusters were transformed into 3 clusters.

2020 seeding campaign was well prepared to provide excellent operation results. The biggest challenge for the company was 30 000 hectares of Corn seeding. Almost 14 000 hectares of Corn were seeded in South cluster alone. During 2020, the company continued further improvement of the machinery fleet. The company has purchased five brand-new John Deere tractors 8345 together with the new precision seeders Väderstad Tempo L18 financed in the frames of the EBRD Capex Project.



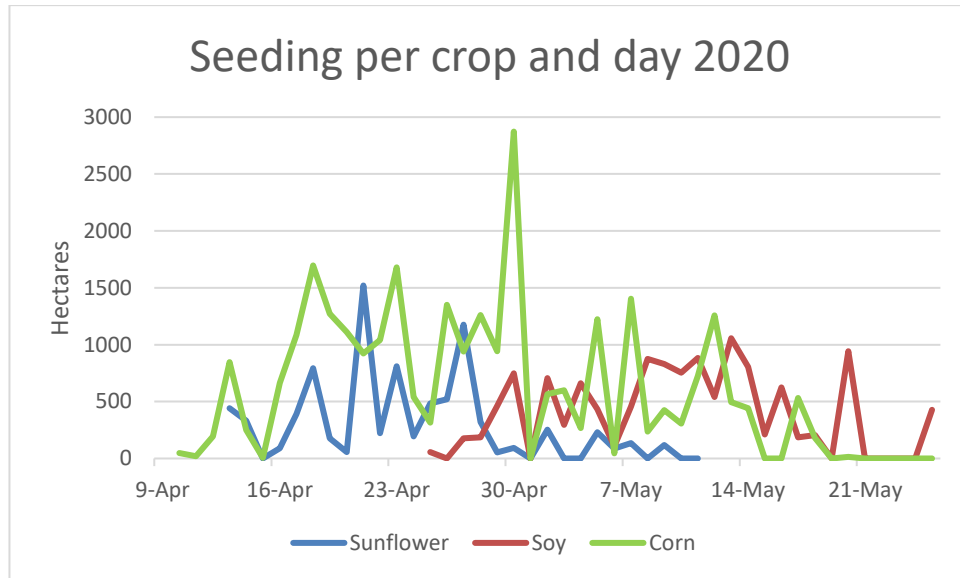
Report on operations





Report on operations

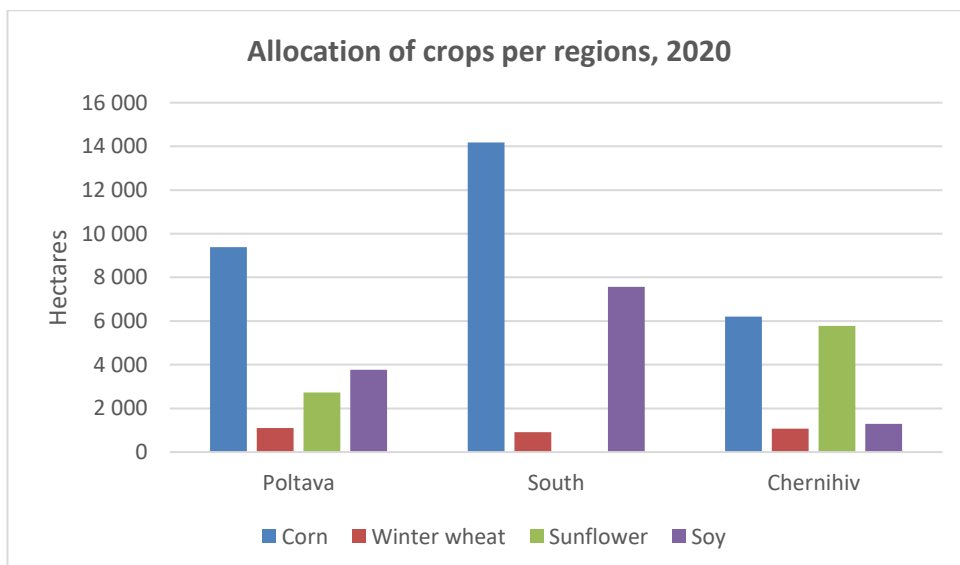
Crop production is one of the few industries that has not experienced the negative impact of quarantine restrictions. Yields mainly depended on weather conditions, which in 2020 are characterized as unstable and difficult (warm and snowless winter, extremely low soil moisture, frost in spring and drought during August in all the regions) and had a negative impact on vegetation and maturation of the main agricultural crops. It was the reason of corn and soy yields tumbling. 2020 showed a good and stable yield for sunflower.



ALLOCATION OF CROPS

Four main crops of GA: Corn, Soybeans, Sunflower and Winter Wheat were cultivated on 54 000 ha in 2020.

The biggest part in crop rotation takes Corn – 29 800 ha or 54% of GA’s arable land. Corn cultivation area was increased for 7 700 ha (35%) to 2019. South cluster brings 48% of Corn cultivation land. We plan to seed one crop in one department since the next season.





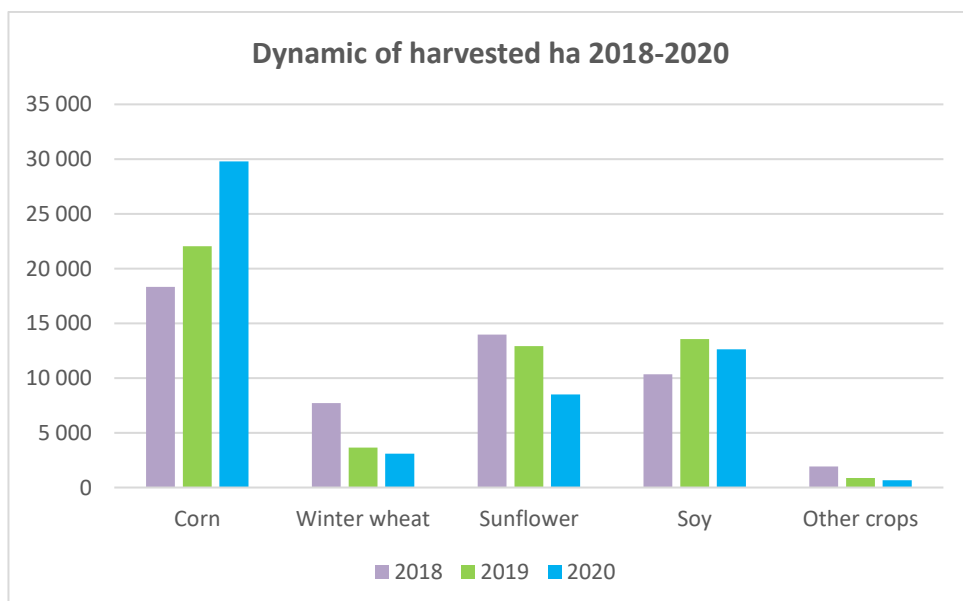
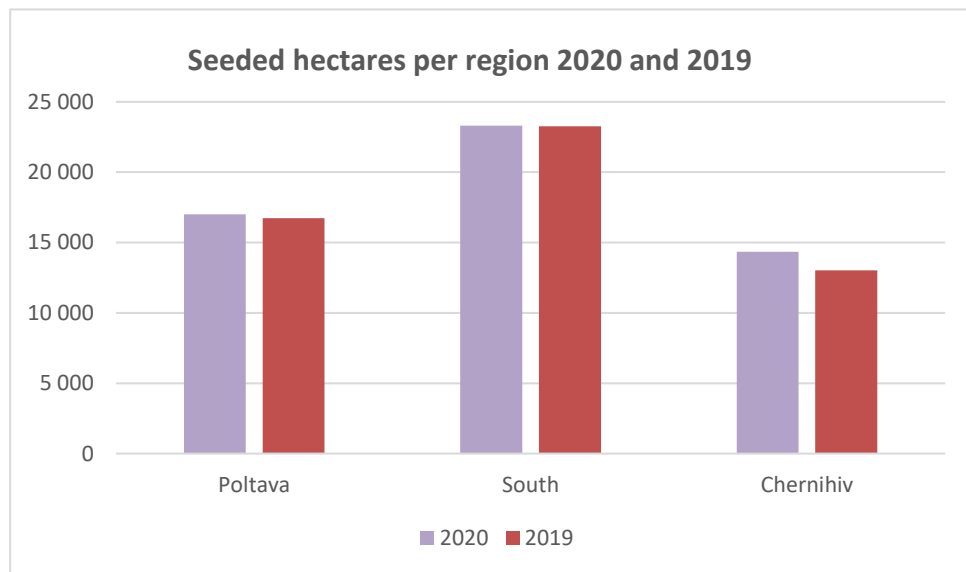
Report on operations

Soy area was cultivated on 12.6 ths ha in 2020. It is 7% or 1.0 ths ha less than previous year. The Company improves its scientific approach in growing of soy.

Sunflower was cultivated on 8.5 ths ha in 2020. It is 34% or 4.4 ths ha less than previous year. Sunflower is concentrated in Poltava and Chernihiv clusters. Considering the gradual increase of sales prices and yield level for all crops, their profitability becomes equal.

Winter wheat usually is the least profitable crop for Grain Alliance. It is the main reason of 15% decline in sowing areas. The main reason for that is preferable position of Corn and Soy for cultivation in GA.

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





Report on operations

HARVEST 2020

Wheat harvesting was started in the middle of July and main crops harvesting – in the late August. Winter Wheat harvesting lasted for 10 days.

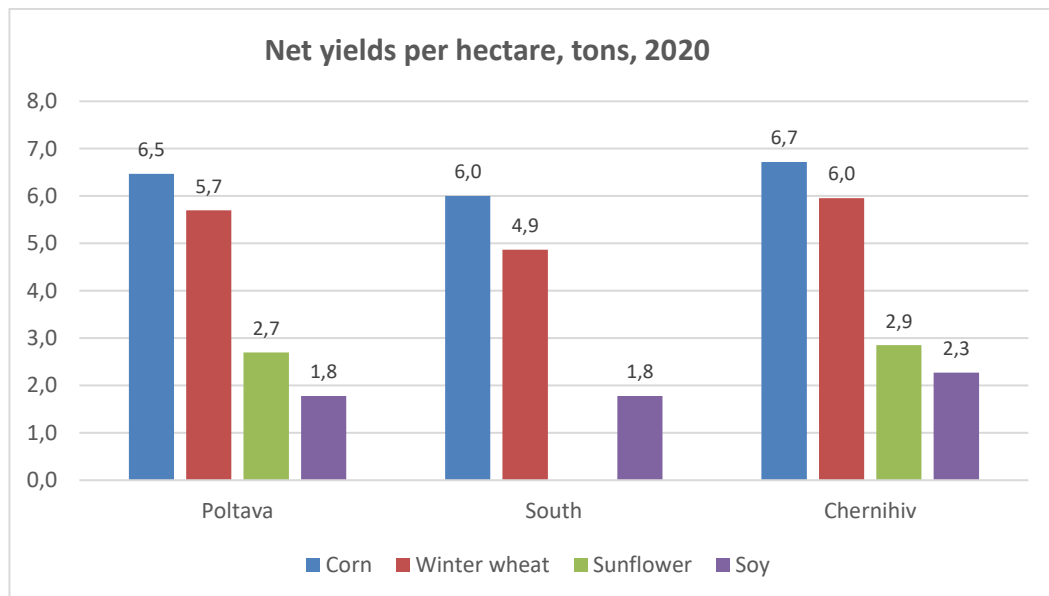
GA finished harvesting on the 25th of November 2020.

Harvesting period 2020 by months and weeks

Crops	July				August				September				October				November						
	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48		
Corn										80 days													
Soy									40 days														
Sunflower										40 days													
Wheat			10 days																				

Harvesting campaign was very successful for the Grain Alliance as it was finished promptly. The team has done its best and finished harvesting at the end of November 2020.

Soy and sunflower harvesting lasted for 40 days.



CROP PRICES AND SALES 2020

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

According to the Ministry of Economic Development, Trade and Agriculture, Ukraine ranked second in the ranking of world grain exporters in terms of total exports in the past 2019/2020 agricultural year, including the second in barley supplies, fourth in corn supplies, and fifth for wheat. According to the estimates of the U.S. Department of Agriculture (USDA), which data were used to compile the rating, in the previous agri-year Ukraine exported 21.0

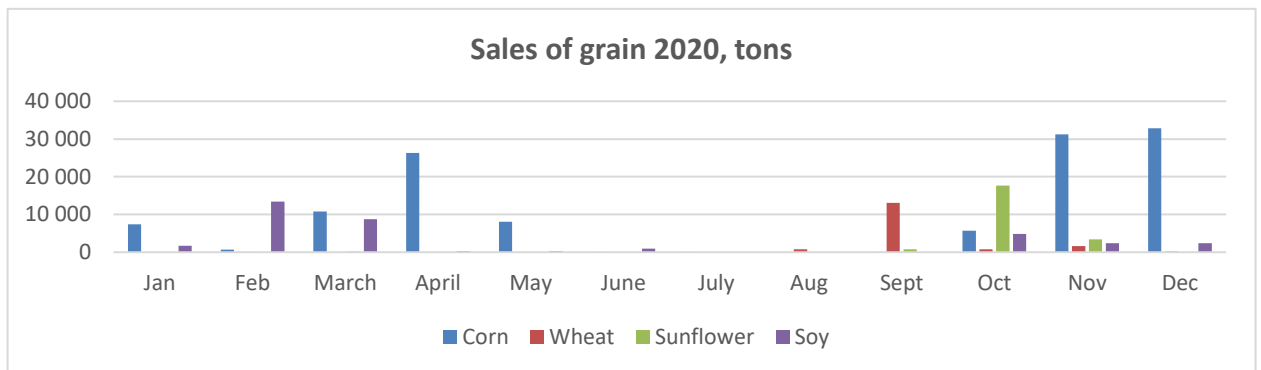
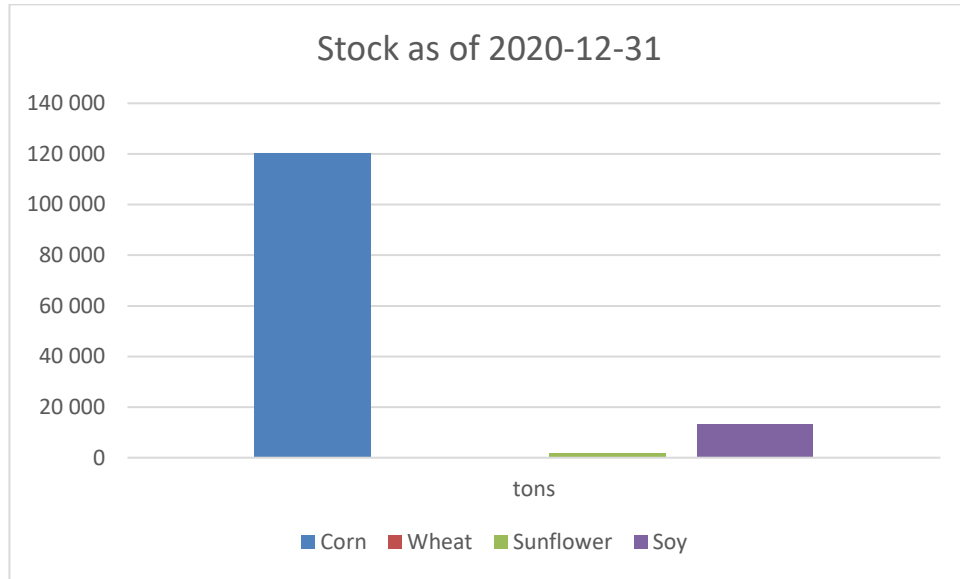


Report on operations

million tons of wheat with a harvest of 29.2 million tons, 28.9 million tons of corn with a harvest of 35.9 million tons, and in general, grain exports amounted to 55.1 million tons with a harvest of 75.7 million tons.

Ukrainian grain exports forecast for 2020/2021 agricultural year has been worsened to fall to 37.9 million including 14.8 million tons of wheat, 18.4 million tons of corn and 4.1 million tons of barley.

Grain Alliance continues sales in USD, CPT sea port or DAF Ukrainian border compared to 5 years average and managed to ensure timely deliveries. New destinations for 2020 – sales of corn to China.



As of December 31, 2020, the Company had approximately 136 thousand tons of grain in a stock.



Directors' report

DIRECTORS' REPORT

RESULT/SALES

Production of 2020 was evenly sold and shipped to buyers during the marketing year. There has been a sharp increase in grain prices since the middle of the year. Grain yields were on its low level worldwide, resulting in the continuous increase in sales prices. A strong demand from China and wheat quotation from Russia had also supporting the upward price trend. Grain Alliance managed to have sales higher than budget prices.

CURRENCY

During the year ended 31 December 2020, the Ukrainian Hryvnia depreciated against the EUR and US dollar by 30% and 20% respectively; Swedish Krona– 26%

The Company's operational currency is the Ukrainian hryvnia.

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

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

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

Since 2019, the National bank of Ukraine has cut its key policy rate from 15.5% to 6.0% in December 2020. The interest rates on loans in commercial banks have been correspondingly declined to the lowest level in the Ukrainian banking sector's history.

INVESTMENTS DURING 2020

According to the updated production policy, Grain Alliance still considers soy and corn as the most profitable crops. Grain Alliance continues to pay much attention to improve quality of seeding, protection and timing. During 2020, Grain Alliance has invested into purchase of corn planters Väderstad Tempo L18, updated its tractors fleet with the brand-new John Deere tractors. To meet the time frames of harvesting campaign, Grain Alliance has installed the grain dryer with a heat biomass generator on the elevator in Pyriatyn (Poltava district). The investment has brought benefits to the regional clusters and to the local communities through the 3rd party services.

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

Due to increase of uncertainty in the business environment, triggered by the coronavirus pandemic, the Company has taken a decision to postpone with the further investments until the year-end. To secure its financial position, the Company has become eligible to participate in the EBRD's Solidarity Package emergency program, a Resilience Framework providing finance to meet the short-term liquidity and working capital needs.

At the turn of 2021, Grain Alliance has decided to revert to the initial program. Due to the rapidly increasing land bank of the Chernihiv cluster in combination with the production policy, the company has pursued investments into further development of the drying and storage capacities of the Nizhyn elevator (Chernihiv district). To mitigate possible risks related to the logistics to the sea ports, the company has strengthened the supply chain of its production by investing into purchase of the railway cars.



Directors' report

STORAGE AND DRYING CAPACITY 2020-12-31

Elevators	Baryshivka	Berezan	Yahotyn	Pyriatyn	Nizhyn	Yarmolyntsi
Max storage capacity	18 000 t.	44 000 t.	55 000 t.	105 000 t.	24 000 t.	16 000 t.
Type of storage	Flat bed	Flat bed + steel silos	Flat bed + steel silos	Steel silos	Steel silos	Flat bed + steel silos
Drying capacity	650 t/day	1000 t/day	1000 t/day	2500 t/day	800 t/day	600 t/day
Railroad	On site	On site	8 km	On site	On site	5,5 km
Shipment capacity	800 t/day	1000 t/day	1750 t/day	2000 t/day	1750 t/day	800 t/day

EMPLOYEES

The average number of employees in 2020 was 1085, divided between 223 women and 862 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 frames of operational efficiency increase program.

OWNERSHIP

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

ENVIRONMENTAL ASPECTS AND SUSTAINABILITY

Sustainability and caring for the environment are central questions for Grain Alliance. The Company follows a balanced crop rotation plan, which aims to prevent exhaustion of the soil and minimize negative environmental effects. The crop production approach is based on scientific measurements of the soils and modern production methods. Since 2008 Grain Alliance has carried out annual soil analysis on the cultivated fields. Our laboratory was further strengthened with additional tools in 2020 allowing for analysis of plants 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 vegetation period to avoid soil exhaustion. The Company's long-term goal is to increase the share of renewable fuels in our production as well as in heating of villages and towns around us. The investment in the thermal generators in Yahotyn, Pyriatyn and Nizhyn allowed for decrease in natural gas consumption. Granulation of wastes after grain cleaning on the elevator in Berezan allowed substitution of natural gas with this bio-fuel in all premises of the Company.

Grain Alliance continues implementation of its environmental and social action plan which aims to improve the environmental, health and safety programs, the employee-management relationship; During 2020, the company has developed and implemented a stakeholder engagement plan and the corporate social responsibility program.



Directors' report

HUMAN RESOURCE POLICY

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

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

RISKS

The Group's agricultural operations are conducted entirely in Ukraine, which can be classed as an economy in transition. A transition economy is characterized by a limited availability of capital, high inflation, unbalanced trade balance and strained public finances. The operations as such are also associated to risks in the form of volatile world prices, climate change and other external influences on the soil and crops. The fact that operations are conducted in Ukraine also entails elevated economic and political risks compared with, for example, Sweden. In 2020, the Ukrainian political and economic situation demonstrated slight improvements. The political situation remains unchanged and continued military conflict in the eastern parts of Ukraine has affected the operations and financial result. An eventual further deterioration of the political and macroeconomic situation in Ukraine may affect the subsidiaries' situation negatively. Relations between Ukraine and the Russian Federation are very tense and also constitute an additional risk for the company.

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

IMPORTANT EVENTS DURING THE REPORTING PERIOD

The proceeds from sales were used to repay short-term debts in local currency and for purchase of agricultural inputs (seeds, herbicides, fertilizers).

All farming depends on weather conditions. During August 2020, extremely dry weather and high air temperature limited corn maturity and yields potential.

As an international company Grain Alliance is exposed to currency risks. In 2020, the local currency decreased in value almost by 20-30% against all major currencies from the beginning of the year till the year end.

Land Reform update. On 31 March 2020 the Parliament of Ukraine finally voted for so called "land reform" to deliberate land sales and purchases.

The market will launch in two stages:

From July 1, 2021, individual Ukrainian citizens will be allowed to purchase agricultural land in Ukraine, up to a limit of 100 hectares. This limit will stay in place until January 1, 2024.

January 1, 2024 will see the second phase of land reform launched – Ukrainian companies will be able to purchase agricultural land. Restrictions on land sizes will be moved from 100 hectares to 10,000 hectares.

In late 2019, news of the spread of the COVID-19 virus (coronavirus) from China first appeared and at the beginning of 2020, the COVID-19 pandemic reached every country globally and prompted introduction of measures aimed



Directors' report

at containing further outbreak. In March 2020, the World Health Organization (WHO) declared the coronavirus (SARS-CoV-2 virus) as a pandemic. Ukraine also implemented different measures to protect people and support businesses. The Government of Ukraine introduced quarantine measures on a country-wide basis regulating its strictness depending on the epidemiological situation.

The impact of COVID-19 on the Group's results was not material during 2020. The Group cooperates with big suppliers and there was no significant disruption in the supplying of materials, which allowed us to complete the production process of growing, collecting, storing and selling products as usual. Our operations and logistics were running quite smoothly throughout the year. Management continues monitoring of the situation closely on a permanent basis and will assess the need for additional measures in case the period of disruption becomes prolonged.

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

During the first quarter of 2021, 70 500 tons of corn, 4 000 tons of soy and 2 000 tons of sunflower, which were kept as security against possible further devaluation of local currency before seeding 2021, were sold by 4 870 UAH/t, 16 321 UAH/t and 17 875 UAH/t net VAT.

The group has purchased 54 railway cars for transportation of grain, total cost 70MUAH including VAT. Parts of the loans have been repaid after the balance sheet date with a total of 297.7 million UAH, and new loans have been taken with a total of 126.7 million UAH.

PLANS FOR THE FUTURE

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

The planned expansion will mainly take place in the regions where the company already has significant operations, but also other geographical areas deemed by the Board to be of interest for potential expansion. In addition to the expansion of the land bank and further investment in equipment upgrade, the company will continue enhancement of agro-techniques with an increased focus on agronomy and in-house scientific laboratory development.



Directors' report

KEY RATIOS

	2020	2019	2018	2017	2016
Turn over, KSEK	451 448	641 680	366 818	438 041	211 179
Operational result, KSEK	151 293	63 793	147 019	43 396	104 734
Result after financial costs, KSEK	47 494	(22 309)	130 293	10 411	84 071
Equity ratio %	43,82%	45,89%	56,74%	60,52%	55,70%
Cash flow, KSEK	42 351	8 437	9 084	12 113	(5 748)

OUTLINE OF THE PARENT COMPANY RESULTS

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

Retained earnings	262 581 110
Net result of the period	1 241 548
	263 822 658

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

Dividend	0
to be carried forward	263 822 658

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



Consolidated statement of comprehensive income
In thousands of SEK

		The Group	
	Notes	2020	2019
Revenue from sales	5	451 448	641 680
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	18	165 874	107 403
Cost of sales	6, 12	(403 680)	(617 940)
Gross profit		213 641	131 143
Other operating income	7	4 228	6 907
General and administrative expenses	8	(33 104)	(32 384)
Selling expenses	8	(24 328)	(34 644)
Other operating expenses	9	(9 143)	(7 228)
Operating profit / (loss)		151 293	63 794
Finance costs	10	(76 220)	(97 653)
Finance income	11	737	431
Foreign exchange gain	13	(28 314)	11 119
Profit / (loss) before tax		47 495	(22 309)
Income tax expense	14	(1)	-
Profit / (loss) for the year		47 494	(22 309)
Other comprehensive income:			
Items that can be reclassified in the income statement			
Foreign exchange differences		(127 502)	82 521
Tax effect		-	-
Total comprehensive income for the year		(127 502)	82 521
Whereof attributed to equity holders of the company		47 494	(22 309)
Whereof attributed to equity holders of the company		(80 008)	60 212



Consolidated statement of financial position
In thousands of SEK

	Notes	The Group	
		2020	2019
Non-current assets			
Property, plant and equipment	15	201 605	279 758
Intangible assets	16	2 332	2 734
Biological assets	18	3 199	4 214
Other non-current assets	17	40 726	41 290
Right of use assets - Land leases	19	234 378	324 798
		482 241	652 794
Current assets			
Inventories	20	252 196	264 857
Biological assets	18	7 700	12 701
Trade and other receivables	21	9 223	17 387
Other current assets	21	52 487	32 625
Cash and cash equivalents	22	84 884	42 533
		406 491	370 103
Total assets		888 733	1 022 897
Equity			
Issued capital	23	11 556	11 556
Other contributed capital		278 295	278 295
Foreign currency translation reserve		(217 221)	(89 719)
Retained earnings		316 780	269 285
		389 410	469 417
Non-current liabilities			
Loans and borrowings relative parties	24	32 064	10 918
Loans and borrowings	24	32 496	33 082
Long term lease obligation	25	238 961	319 751
		303 521	363 751
Current liabilities			
Loans and borrowings bank	24,32	139 584	109 901
Loans and borrowings relative parties	24	-	20 421
Short term lease obligation	25	23 339	21 476
Trade and other liabilities	26	15 560	23 604
Other current liabilities	26	17 320	14 327
		195 803	189 729
Total liabilities		499 324	553 480
Total equity and liabilities		888 733	1 022 897



Consolidated statement of changes in equity
In thousands of SEK

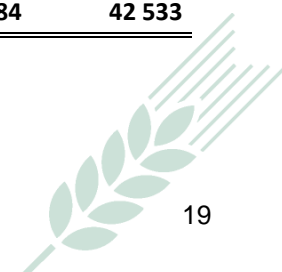
The Group	Issued Capital	Other contributed capital	Foreign exchange differences	Retained earnings	Total equity
Balance at 31 December 2018	11 556	278 295	(172 240)	291 594	409 205
Profit for the year				(22 309)	(22 309)
Other comprehensive income			82 521		82 521
<i>Total comprehensive income</i>			<i>82 521</i>	<i>(22 309)</i>	<i>60 212</i>
Transactions with owners					
Issue of capital					
Balance at 31 December 2019	11 556	278 295	(89 719)	269 285	469 417
Profit for the year				47 494	47 494
Other comprehensive income			(127 502)		(127 502)
<i>Total comprehensive income</i>			<i>(127 502)</i>	<i>47 494</i>	<i>(80 008)</i>
Transactions with owners					
Issue of capital					
Balance at 31 December 2020	11 556	278 295	(217 221)	316 780	389 410





Consolidated statement of cash flow
In thousands of SEK

	The Group	
	2020	2019
Operating activities		
Profit / (loss) before tax	47 494	(22 309)
Non-cash adjustments:		
Net gain / (loss) on fair value measurement of biological assets and agricultural produce	(165 871)	(107 403)
Depreciation	80 243	60 176
Gain on sales of fixed assets	1 232	(15)
Finance income	(737)	(430)
Foreign exchange gain	28 314	(11 116)
Finance costs	76 220	95 506
Loss on impairment of accounts receivable and prepayments	2 112	1 852
Shortages and losses from damage of valuables	2 259	5 350
Working capital adjustments:		
Change in biological assets	339	112 229
Change in trade receivables and other current assets	(20 175)	72 513
Change in agricultural produce and other inventories	57 085	149 316
Change in trade and other payables and other current liabilities	5 057	1 495
	113 572	357 114
Interest received	737	430
Cash flows from operating activities	114 309	357 544
Investing activities		
Purchase of property, plant and equipment	(42 246)	(65 622)
Prepayments for property, plant and equipment	-	-
Sales of property, plant and equipment	1 181	(634)
Purchase of Intangibles assets	(1 178)	(3 381)
Proceeds from (payments for) other non-current assets, net	(3 451)	(26 455)
Net cash flows used in investing activities	(45 694)	(96 092)
Financing activity		
Proceeds from loans and borrowings	360 806	259 715
Repayment of loans and borrowings	(297 246)	(394 930)
Interest paid	(15 929)	(37 909)
Payment of finance lease obligations	(62 623)	(81 598)
Net cash flows from financing activities	(14 992)	(254 722)
Net change in cash and cash equivalents	53 623	6 730
Foreign exchange difference cash	(11 273)	1 706
Cash and cash equivalents at 1 January	42 533	34 096
Cash and cash equivalents at 31 December (Note 22)	84 884	42 533





1. CORPORATE INFORMATION

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

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

Name	Corporate id.nr	Location	Function	2020	2019
Baryshevska Grain Company LLC	32886518	Ukraine, Baryshevka	Planting, livestock farming	100%	100%
Baryshevska Grain Trading Company LLC	39843554	Ukraine, Yarmolenci	Planting	100%	100%
Charity Foundation "Development of the village"	38467802	Ukraine, Baryshevka	Charity fund	100%	100%

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

1.1 Operating environment

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

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

1.2 Covid-19

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

Covid-19 has significantly impacted the world economy. Many countries have imposed travel bans on millions of people and additionally people in many locations are subject to quarantine measures. Businesses are dealing with



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lost revenue and disrupted supply chains. While some countries have started to ease the lockdown, the relaxation has been gradual and, as a result of the disruption to businesses, millions of workers have lost their jobs. The Covid-19 pandemic has also resulted in significant volatility in the financial and commodities markets worldwide. Numerous governments have announced measures to provide both financial and non-financial assistance to the affected entities.

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

2. BASIS OF PREPARATION

These consolidated financial statements are presented for approval by the annual general meeting on 17 of June 2021. The Board has presented the annual report for publication on 4 of June 2021.

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 2020.

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

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





Parent Company's statement of comprehensive income

In thousands of SEK

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification

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

Business combinations

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

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

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

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

Functional and reporting currency

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

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

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





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

Intangible assets

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

The company records the intangible assets in the following groups:

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

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

The initial cost of intangible assets includes:

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

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

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

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

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

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

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

<i>Asset category</i>	<u><i>Useful life (years)</i></u>
Right to use land in the form of emphyteusis	According to contract period
Software	3
Royalty	1

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

An intangible asset is derecognized:

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

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

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

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



Property, plant and equipment

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

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

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

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

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

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

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

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





Parent Company's statement of comprehensive income

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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.

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





Parent Company's statement of comprehensive income

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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.

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



Parent Company's statement of comprehensive income

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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.





Parent Company's statement of comprehensive income

In thousands of SEK

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 another 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.

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



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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 a maturity of less than three months from the date of acquisition.

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

Bank borrowings and other long-term payables

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

Trade and other accounts payable

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

Lease Liabilities

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

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

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

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



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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.

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



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In thousands of SEK

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 fulfils a commitment by transferring the agreed crop and the customer thereby gaining control of the crop. Delivery is done according to agreed delivery terms.

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

Government grants

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

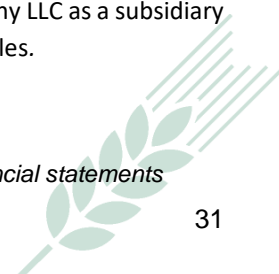
Other government grants are recognised at the moment when the decision to disburse the amounts to the Group is made. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached on them and that the grants will be received.

Taxation

Ukrainian fixed agricultural tax

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

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





Parent Company's statement of comprehensive income

In thousands of SEK

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

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some

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Parent Company's statement of comprehensive income

In thousands of SEK

new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.





Parent Company's statement of comprehensive income

In thousands of SEK

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.





Parent Company's statement of comprehensive income

In thousands of SEK

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.

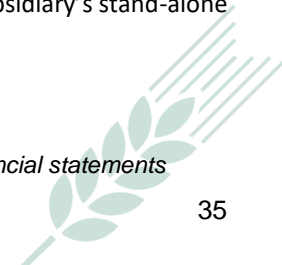
Fair value measurement of financial instruments

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).

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





Parent Company's statement of comprehensive income

In thousands of SEK

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.





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

5. REVENUE FROM SALES

	<i>The Group</i>	
	2020	2019
Corn	198 898	357 797
Sunflower	69 637	108 140
Soy	117 677	97 910
Wheat	30 676	44 299
Milk	10 827	9 893
Meat	2 399	-
Barley	-	4
Other	640	1 991
	430 754	620 032
Auxiliary agricultural services	20 620	18 876
Other	73	2 771
	451 448	641 680

Revenues from Four major customers, each individually exceeding 10% of total revenue, amounted to 212 693 (2019: two customers – SEK 253 251).

	<i>The Group</i>	
	2020	
Kernel	63 008	14%
Bunge	54 490	12%
Sierentz	50 892	11%
Suntrade	44 303	10%
Other	238 755	53%
	451 448	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.



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

6. COST OF SALES

	<i>The Group</i>	
	2020	2019
Depreciation of intangible assets	18	829
Depreciation of property, plant and equipment	36 954	25 767
Depreciation Right-to-use assets	36 050	31 768
Depreciation of other non-current assets	4 015	-
Cost of auxiliary agricultural services	4 125	6 455
Cost of agricultural produce sold	322 468	553 121
Cost of other produce	50	-
	403 680	617 940

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

7. OTHER OPERATING INCOME

	<i>The Group</i>	
	2020	2019
Gain on accounts payable written off	115	271
Government subsidies recognized as income	1 202	6 145
Penalties received	-	74
Gain on disposal of inventories	125	40
Gain from early termination of a lease (16 IFRS)	1 311	-
Gain on disposal of PPE	887	-
Fixed assets received free of charge	205	-
Surplus of inventories	189	-
Rental Income	190	-
Other income	4	377
	4 228	6 907





8. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>The Group</i>	
	2020	2019
General and administrative expenses		
Payroll and related taxes	15 547	16 086
Professional services	10 318	8 608
Fuel and other materials used	2 647	2 934
Services provided by third parties	253	423
Depreciation expenses	3 206	1 812
Repair and maintenance expenses	918	962
Representative costs and business trips	40	98
Other expenses	176	1 461
	33 104	32 385

	<i>The Group</i>	
	2020	2019
Selling expenses		
Payroll and related taxes	604	536
Fuel and other materials used	697	1 516
Services provided by third parties	44	1 533
Transportation	22 971	30 618
Repair and maintenance expenses	12	25
Other expenses	-	411
	24 328	34 644

Audit fees for the parent company and the Group in year 2020 and 2019 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	<i>The Group</i>	
	2020	2019
Audit assignment fees	693	380
Other	205	-
	898	380

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.



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

9. OTHER OPERATING EXPENSES

	<i>The Group</i>	
	2020	2019
Shortages and losses from damage of valuables	2 259	345
Charity expenses (i)	1 909	3 029
Result on disposal of inventories	-	25
Increase in bad debt allowance for trade receivables	-	1 852
Loss on impairment of accounts receivable and prepayments	2 112	-
Loss on disposal of PPE	2 119	-
Other expenses	744	1 978
	9 143	7 228

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

10. FINANCE COSTS

	<i>The Group</i>	
	2020	2019
Interest on loans and borrowings related party	716	864
Interest on loans and borrowings bank	16 512	39 192
Financial costs of financial lease	58 756	57 597
Financial costs of discounting of financial aids	232	-
Other	4	-
	76 220	97 653

11. FINANCE INCOME

	<i>The Group</i>	
	2020	2019
Interest income	737	431
	737	431



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

12. DEPRECIATION

	<i>The Group</i>	
	2020	2019
Depreciation property, plant and equipment (within cost of sales)	36 954	25 767
Depreciation property, plant and equipment (within G&A expense)	2 338	1 812
Depreciation intangibles assets	831	829
Depreciation other non-current assets	4 015	-
Depreciation right-to-use assets	36 105	31 768
	80 243	60 176

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

13. FOREIGN EXCHANGE GAIN/LOSS

	<i>The Group</i>	
	2020	2019
Foreign exchange difference within the Group	(9 261)	6 656
Foreign exchange difference others	(19 053)	4 463
	(28 314)	11 119

14. INCOME TAX

	<i>The Group</i>	
	2020	2019
Current tax	1	-
Deferred tax	-	-
	1	-



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

15. PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i>	<i>Building & constructions</i>	<i>Plant & Equipment</i>	<i>Vehicles</i>	<i>Furniture</i>	<i>Construction in progress</i>	<i>Total</i>
<i>Cost</i>							
As at 1 January 2019	1 908	89 874	158 472	24 304	4 174	9 896	288 628
Additions	20	8 637	26 374	4 460	441	25 690	65 622
Transfer	-	4 502	980	-	586	(6 088)	-
Disposals	-	(197)	(25)	(241)	(1 351)	(69)	(1 882)
Foreign currency translation differences	384	18 931	33 703	5 336	813	3 378	62 546
As at 31 December 2019	2 312	121 748	219 503	33 859	4 664	32 827	414 914
Additions	-	9 616	35 618	1 862	1 433	-	48 528
Transfer	-	5 982	(6 042)	67	(7)	-	-
Disposals	(27)	(1 369)	(4 422)	(41)	(531)	(10 880)	(17 270)
Foreign currency translation differences	(612)	(34 554)	(62 225)	(9 563)	(1 376)	(7 132)	(115 461)
As at 31 December 2020	1 672	101 423	182 433	26 184	4 183	14 815	330 711
<i>Depreciation</i>							
As at 1 January 2019	-	(18 244)	(58 457)	(9 453)	(2 920)	-	(89 074)
Depreciation for the year	-	(3 475)	(19 811)	(3 683)	(612)	-	(27 579)
Reclassification	-	-	-	-	-	-	-
Disposals	-	49	25	68	1 120	-	1 263
Foreign currency translation differences	-	(3 900)	(13 125)	(2 192)	(549)	-	(19 766)
As at 31 December 2019	-	(25 569)	(91 368)	(15 260)	(2 960)	-	(135 157)
Depreciation for the year	-	(2 649)	(30 513)	(5 563)	(568)	-	(39 292)
Reclassification	-	4 972	(4 896)	(45)	(31)	-	-
Disposals	-	290	3 142	36	508	-	3 977
Foreign currency translation differences	-	6 425	29 137	5 001	803	-	41 366
As at 31 December 2020	-	(16 530)	(94 498)	(15 830)	(2 248)	-	(129 106)
Net book value							
As at 31 December 2019	2 312	96 179	128 135	18 600	1 704	32 827	279 758
As at 31 December 2020	1 672	84 893	87 935	10 354	1 935	14 815	201 605

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



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

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

	2020	2019
Property, plant and equipment	194 703	279 758
Prepayments for property, plant and equipment	6 902	-
Total property, plant and equipment	201 605	279 758

As at 31 December 2020, a value of 102 072 regarding property, plant and equipment was pledged as a security for the bank loans (2019: SEK 149 668 - note 32).

16. INTANGIBLE ASSETS

	The right to use land in the form of emphyteusis	Royalty	Software	Total
<i>Cost</i>				
As at 1 January 2019	-	-	-	-
Additions	759	713	1 909	3 381
Disposals	-	-	-	-
Foreign currency translation differences	54	51	136	241
As at 31 December 2019	814	764	2 045	3 623
Additions	208	488	728	1 424
Disposals	-	(658)	(221)	(879)
Foreign currency translation differences	(248)	(178)	(620)	(1 046)
As at 31 December 2020	774	415	1 932	3 121
<i>Depreciation</i>				
As at 1 January 2019	-	-	-	-
Depreciation for the year	(4)	(713)	(112)	(829)
Disposals	-	-	-	-
Foreign currency translation differences	-	(51)	(8)	(59)
As at 31 December 2019	(4)	(764)	(120)	(888)
Depreciation for the year	(18)	(488)	(325)	(831)
Disposals	-	658	12	670
Foreign currency translation differences	4	178	79	261
As at 31 December 2020	(18)	(415)	(355)	(789)
Net book value				
As at 31 December 2019	809	-	1 925	2 734
As at 31 December 2020	755	-	1 577	2 332

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

17. OTHER NON-CURRENT ASSETS

	<i>The Group</i>	
	2020	2019
Long-term receivables	5 931	-
Prepaid lease expenses	33 837	36 433
Other non-current assets	958	4 857
	40 726	41 290

18. BIOLOGICAL ASSETS

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

	<i>Note</i>	<i>The Group</i>		<i>Total</i>
		<i>Plants</i>	<i>Animal-breeding</i>	
Carrying amount at 1 January 2019		22 277	1 714	23 991
Increase due to purchases and subsequent expenditures		384 230	7 492	391 721
Decrease due to crops harvest	(i)	(505 383)	(4 226)	(509 609)
Decrease due to sales		-	(602)	(602)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	107 092	311	107 403
Livestock losses		-	(3)	(3)
Currency translation differences		3 460	555	4 015
Carrying amount at 31 December 2019	(iii)	11 676	5 240	16 916
Increase due to purchases and subsequent expenditures		225 677	14 735	240 412
Decrease due to crops harvest	(i)	(399 184)	(6 729)	(405 913)
Decrease due to sales		-	(2 131)	(2 131)
Net gain / (loss) arising from changes in fair value of biological assets and agricultural produce (less cost to sell)	(ii)	171 721	(5 847)	165 874
Livestock losses		-	(13)	(13)
Currency translation differences		(2 850)	(1 398)	(4 250)
Carrying amount at 31 December 2020	(iii)	7 039	3 856	10 899

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 2020 and 2019 was as follows:

	The Group			
	2020		2019	
	<i>Tons harvested</i>	<i>FV less cost to sell at the time of harvest</i>	<i>Tons harvested</i>	<i>FV less cost to sell at the time of harvest</i>
Corn	189 995	223 402	206 470	264 477
Wheat	15 457	25 989	22 770	49 762
Sunflower	23 034	71 193	41 111	99 788
Barley	-	-	106	137
Soybean	23 029	76 516	31 344	99 314
Other	4 041	2 084	2 323	1 181
	255 556	399 184	304 124	514 660

- (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			
	2020		2019	
	<i>Yield in tons per hectare</i>	<i>Price per ton less cost to sell</i>	<i>Yield in tons per hectare</i>	<i>Price per ton less cost to sell</i>
Winter wheat	5,6	1 681	5,7	2 186
Barley	-	-	2,2	1 293
Corn	6,4	1 176	7,4	1 281
Soybean	1,8	3 323	2,2	3 168
Sunflower	2,8	3 091	2,9	2 427

- (iii) Biological assets as at 31 December comprised:

Livestock

	The Group			
	2020		2019	
	<i>Number, heads</i>	<i>Carrying value</i>	<i>Number, heads</i>	<i>Carrying value</i>
Cattle	1 266	3 856	783	4 209
Others	-	-	543	1 031
	1 266	3 856	1 326	5 240



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

Plants

	<i>The Group</i>			
	<i>2020</i>		<i>2019</i>	
	<i>Hectares</i>	<i>Carrying amount</i>	<i>Hectares</i>	<i>Carrying amount</i>
Winter wheat	3 630	7 039	3 099	11 670
Corn	-	-	-	-
Others	-	-	-	-
	3 630	7 039	3 099	11 670

19. RIGHT OF USE ASSETS

	Land
As at 31 December 2018	-
Transition to IFRS 16	274 297
Additions	27 606
Disposals	-
Foreign currency translation differences	56 930
As at 31 December 2019	358 833
Additions	52 423
Disposals	(20 866)
Foreign currency translation differences	(100 302)
As at 31 December 2020	290 089
<i>Depreciation</i>	
As at 1 January 2018	-
Depreciation for the year	(31 768)
Disposals	-
Foreign currency translation differences	(2 267)
As at 31 December 2019	(34 035)
Depreciation for the year	(36 105)
Disposals	-
Foreign currency translation differences	14 430
As at 31 December 2020	(55 710)
Net book value	
As at 31 December 2019	324 798
As at 31 December 2020	234 378

The average discount rate used is 16,8% (2019: 17,9%).

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

20. INVENTORIES

	<i>The Group</i>	
	2020	2019
Agricultural produce (<i>at fair value less costs to sell or net realisable value</i>) (i)	206 219	174 356
Work in progress (<i>at cost</i>) (ii)	24 199	42 236
Raw materials (<i>at cost</i>) (iii)	14 310	13 253
Fertilizer, herbicide and pesticide (<i>at cost</i>)	5 740	32 193
Other inventories (<i>at cost</i>)	1 728	2 818
	252 196	264 857

- (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 2020 the inventory provided security for bank loans to the amount of 31 051 (2019: 87 038).

21. TRADE AND OTHER RECEIVABLES, OTHER CURRENT ASSETS

	<i>The Group</i>	
	2020	2019
<i>Trade and other receivables</i>		
Trade receivables	9 223	17 387
Less: bad debt allowance	-	-
	9 223	17 387
<i>Other current assets</i>		
Deferred expenses	5 260	21 315
Advances paid	32 591	6 570
VAT recoverable	9 859	3 846
Loans issued	498	-
Income tax prepayment	2	-
Other prepaid taxes	179	-
Other	4 099	895
	52 487	32 625



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

	<i>The Group</i>
	<i>Provision for bad debts</i>
As at 1 January 2019	-
Charge for the year	-
Used amounts	-
Foreign exchange translation difference	-
As at 31 December 2019	-
Charge for the year	-
Foreign exchange translation difference	-
As at 31 December 2020	-

For detailed information about aging see note 30.

22. CASH AND CASH EQUIVALENTS

	<i>The Group</i>	
	2020	2019
Cash:		
- on bank accounts	84 847	42 488
- on hand	37	45
	84 884	42 533

As at 31 December 2020, a value of SEK 9 022 regarding to escrow account (2019: SEK 10 266 – note 32).

23. SHARE CAPITAL

The registered share capital amounts to SEK 11 556 (2019: SEK 11 556) and consists of 7 807 775 shares (2019: 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 2020 loans and borrowings are as follows:

		<i>Maturity</i>	<i>2021</i>	<i>2021-2024</i>	
	<i>Currency</i>	<i>Interest</i>	<i>Current portion</i>	<i>Non-current portion</i>	<i>Total</i>
Ukrainian bank	USD	5-5,75%	-	-	-
European bank	EUR	5%	352	32 496	32 848
Ukrainian bank	UAH	8-9,25%%	139 232	-	139 232
Related party (Note 28)	SEK	4-7%	-	32 064	32 064
			139 584	64 560	204 143

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



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

As at 31 December 2019 loans and borrowings are as follows:

		<i>Maturity</i>	<i>2020</i>	<i>2020-2023</i>	
	<i>Currency</i>	<i>Interest</i>	<i>Current portion</i>	<i>Non-current portion</i>	<i>Total</i>
Ukrainian bank	USD	5-5,75%	10 057	-	10 057
European bank	EUR	5%	-	33 082	33 082
Ukrainian bank	UAH	16,5%-20%	99 844	-	99 844
Related party (Note 28)	SEK	4-7%	20 421	10 918	31 339
			130 322	44 000	174 323

25. LEASING LIABILITY

	The Group	
	2020	2019
Within one year	23 339	21 476
In the second to the fifth year inclusive	122 960	115 825
After fifth year	116 001	203 926
	262 300	341 228

26. TRADE AND OTHER LIABILITIES, OTHER CURRENT LIABILITIES

	The Group	
	2020	2019
<i>Trade and other liabilities</i>		
Trade liabilities	10 187	15 426
Payroll and related taxes	1 873	4 049
Unused vacations accrual	3 335	4 123
Other	165	6
	15 560	23 604
<i>Other current liabilities</i>		
Value added tax	-	-
Advances received	13 265	8 629
Accrued expenses	480	-
Income tax payable	-	-
Other taxes	2 426	3 053
Lease payable	889	-
Other	260	2 645
	17 320	14 326

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



27. NUMBER OF EMPLOYEES AND EMPLOYEE BENEFITS

Number of employees

	2020			2019		
	Women	Men	Total	Women	Men	Total
Sweden	-	-	-	-	-	-
Ukraine	223	862	1 085	251	933	1 184
	223	862	1 085	251	933	1 184

The management of the Group consists of 100% male.

Employee benefits

	The Group	
	2020	2019
Board and senior executives	970	775
Other employees	55 616	58 723
Pension costs Board and senior executives	183	146
Pension costs other employees	10 283	10 782
Social security costs	1 758	1 835
	68 810	72 261

28. RELATED PARTY DISCLOSURES

Ultimate Controlling Party

As at 31 December 2020 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:

	2020	2019
<i>Entity under common control</i>		
Loans and borrowings	(32 064)	(31 339)
Of which:		
CA Investment AB	(16 679)	(16 450)
CA Agroinvest AB	(13 390)	(12 980)
Ukrainian Investment AB	(1 995)	(1 909)

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



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

Trade and other payables	-	-
Trade and other receivables and other non- current assets	1 741	-
<i>Of which:</i>		
<i>Agrogolden LLC</i>	1 741	-

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

	2020	2019
<i>Entities under common control</i>		
Interest expenses	(704)	(864)
<i>Of which:</i>		
<i>CA Investment AB</i>	(210)	(370)
<i>CA Agrinvest AB</i>	(409)	(409)
<i>Ukrainian Investment AB</i>	(85)	(85)
Interest-free funding granted	1 780	-
<i>Of which:</i>		
<i>Agrogolden LLC</i>	1 780	-
Revenue from services rendered	739	-
<i>Of which:</i>		
<i>Agrogolden LLC</i>	739	-
Purchase of intangibles assets	-	(267)
<i>Of which:</i>		
<i>Radovenyuk EA</i>	-	(267)

Compensation to key management personnel

For the year ended 31 December 2020, remuneration paid by the Group to key management personnel was SEK 970 (2019: SEK 775). Compensation included contractual salaries and related taxes.

Key management personnel consist of six individuals as at 31 December 2020 (2019: 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 accompanying notes form an integral part of these consolidated and parent company's financial statements



Parent Company's statement of comprehensive income

In thousands of SEK

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 2020 and 2019. 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 2020 and 2019.

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.

		<u>Effect on profit before tax</u>	
	2020	Change in basis points	The Group
Change in interest rate (LIBOR)		100	(1 979)
Change in interest rate (LIBOR)		(100)	1 979
	2019	Change in basis points	The Group
Change in interest rate (LIBOR)		100	(595)
Change in interest rate (LIBOR)		(100)	595

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.

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



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

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.

<i>Effect on profit before tax</i>		
2020	Change in foreign currency rate	The Group
Change in USD exchange rate	1%	620
Change in USD exchange rate	(1%)	(620)
2019	Change in foreign currency rate	The Group
Change in USD exchange rate	1%	133
Change in USD exchange rate	(1%)	(133)

<i>Effect on profit before tax</i>		
2020	Change in foreign currency rate	The Group
Change in EUR exchange rate	1%	(323)
Change in EUR exchange rate	(1%)	323
2019	Change in foreign currency rate	The Group
Change in EUR exchange rate	1%	(181)
Change in EUR exchange rate	(1%)	181

Liquidity risk

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

	Payable on demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
31-dec-20						
Loans and borrowings, principal amount	-	138 468	-	51 685	7 737	197 890
Interest payable	-	1 117	-	5 137	-	6 254
Future interest expenses	-	3 394	1 219	6 499	2 031	13 143
Trade and other liabilities (Note 23)	3 693	4 763	7 104	-	-	15 560
Lease obligation	-	3 508	19 831	122 960	116 001	262 300
Other current liabilities	-	2 713	862	-	-	3 575
	3 693	153 962	29 016	186 282	125 769	498 722

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



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

	<i>Payable on demand</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>>5 years</i>	<i>Total</i>
31-dec-19						
Loans and borrowings, principal amount	-	-	128 146	37 729	1 569	167 444
Interest payable	2 177	-	-	4 701	-	6 878
Future interest expenses	-	5 519	16 558	8 228	-	30 305
Trade and other liabilities (Note 23)	10 384	12 794	426	-	-	23 604
Lease obligation	-	5 369	16 107	115 825	203 926	341 227
Other current liabilities	-	5 697	-	-	-	5 697
	12 561	29 378	161 237	166 483	205 495	575 154

Liabilities

	<i>The Group</i>	
	2020	2019
Ingoing balance	174 323	281 624
Proceeds from loans and borrowings	360 806	259 715
Repayment of borrowings	(297 246)	(394 930)
Interest paid	(15 929)	-
Finance cost	17 228	-
Exchange rate difference	24 370	27 914
Translation differences	(59 408)	-
Outgoing balance	204 144	174 323

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:

	<i>The Group</i>							
	<i>Past due, but not impaired</i>							
	<i>Neither past due, nor impaired</i>	<i><1 month</i>	<i>1-2 months</i>	<i>2-3 Months</i>	<i>3-6 months</i>	<i>6-12 months</i>	<i>More than 12 months</i>	<i>Total</i>
31-dec-20								
Trade and other receivables	3 491	3 386	26	39	127	2 154	-	9 223
	3 491	3 386	26	39	127	2 154	-	9 223

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



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

	The Group							<i>Total</i>
	<i>Past due, but not impaired</i>							
	<i>Neither past due, nor impaired</i>	<i><1 month</i>	<i>1-2 months</i>	<i>2-3 Months</i>	<i>3-6 months</i>	<i>6-12 months</i>	<i>More than 12 months</i>	
31-dec-19								
Trade and other receivables	8 747	3 765	281	524	2 396	3 940	-	19 652
	8 747	3 765	281	524	2 396	3 940	-	19 652

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	
	2020	2019
Loans and borrowings	204 144	174 323
Trade and other liabilities	32 880	37 930
Less cash and cash equivalents	(84 884)	(42 533)
Net debt	152 140	169 720
Equity	389 410	469 417
Total equity and net debt	541 550	639 137
Gearing ratio	28%	27%

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



Agricultural risk

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

Tax Risk

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

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	<i>The Group</i>			
	<i>Carrying amount</i>		<i>Fair value</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
<i>Financial assets valued at amortized cost</i>				
Cash and cash equivalents	84 884	42 533	84 884	42 533
Trade and other receivables	9 223	17 387	9 223	17 387
<i>Financial liabilities valued at amortized cost</i>				
Trade and other liabilities	32 880	37 930	32 880	37 930
Loans and borrowings	204 144	174 323	204 144	174 323

32. PLEDGED ASSETS

Pledged assets	<i>The Group</i>	
	<i>2020</i>	<i>2019</i>
Property, plant and equipment	102 072	149 668
Inventories	31 051	87 038
Escrow account	9 022	10 266
	142 145	246 972



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

33. EVENTS AFTER THE REPORTING DATE

During the first quarter of 2021, 70 500 tons of corn, 4 000 tons of soy and 2 000 tons of sunflower, which were kept as security against possible further devaluation of local currency before seeding 2021, were sold by 4 870 UAH/t, 16 321 UAH/t and 17 875 UAH/t net VAT.

Parts of the loans have been repaid after the balance sheet date with a total of 297.7 million UAH, and new loans have been taken with a total of 126.7 million UAH.





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

		<i>The Parent Company</i>	
	Notes	2020	2019
Revenue from sales	2	258 599	297 104
Cost of sales		(247 115)	(282 341)
Gross profit		11 484	14 763
General and administrative expenses	3	(3 062)	(708)
Operating profit / (loss)		8 422	14 055
Finance costs	4	(709)	(2 720)
Finance income	5	1 586	1 631
Foreign exchange gain	6	(8 057)	3 402
Profit / (loss) before tax		1 242	16 368
Income tax expense	19	-	-
Profit / (loss) for the year		1 242	16 368
Other comprehensive income:		-	-
Total comprehensive income for the year		1 242	16 368

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





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

		<i>The Parent Company</i>	
	Notes	2020	2019
Non-current assets			
Shares in subsidiaries	7	256 426	256 426
Other non-current assets		5 380	-
		261 806	256 426
Current assets			
Receivable subsidiary	8	31 588	34 336
Receivables	8	445	-
Other current assets	8	10 624	7 123
Cash and cash equivalents	9	27 584	21 659
		70 241	63 118
Total assets		332 048	319 544
Equity			
	10		
Issued capital	11	11 556	11 556
Other contributed capital		278 295	278 295
Retained earnings		(14 472)	(15 714)
		275 379	274 137
Non-current liabilities			
Loans and borrowings relative parties	12	32 064	10 918
		32 064	10 918
Current liabilities			
Loans and borrowings relative parties	12	-	20 421
Trade and other liabilities relative parties	13	13 493	7 822
Trade and other liabilities	13	8	11
Other current liabilities	13	11 105	6 233
		24 606	34 488
Total liabilities		56 670	45 406
Total equity and liabilities		332 048	319 543

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





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

The Parent Company	Issued capital (restricted equity)	Other contributed capital (non-restricted equity)	Retained earnings (non-restricted equity)	Total Equity
Balance at 31 December 2018	11 556	278 295	(32 083)	257 768
Profit for the year			16 368	16 368
<i>Total comprehensive income</i>			16 368	16 368
<i>Transactions with owners</i>				
Balance at 31 December 2019	11 556	278 295	(15 714)	274 136
Profit for the year			1 242	1 242
<i>Total comprehensive income</i>			1 242	1 242
<i>Transactions with owners</i>				
Balance at 31 December 2020	11 556	278 295	(14 472)	275 379





Parent Company's statement of cash flows

In thousands of SEK

	<i>The Parent Company</i>	
	2020	2019
Operating activities		
Profit / (loss) before tax	1 242	16 368
Non cash adjustments:		
Finance income	(1 586)	(1 631)
Finance costs	709	2 720
Working capital adjustments:		
Change in trade receivables and other current assets	(1 198)	(6 793)
Increase in trade and other payables and other current liabilities	10 536	3 379
	9 703	14 043
Interest received	1 586	1 631
Income tax paid	-	-
Net cash flows from operating activities	11 289	15 674
Investing activities		
Purchase of non-current assets	(5 380)	-
Net cash flows used in investing activities	(5 380)	-
Financing activity		
Proceeds from loans and borrowings	725	-
Repayment of borrowings	-	(20 069)
Interest paid	(709)	(2 720)
Net cash flows from financing activities	16	(22 789)
Net change in cash and cash equivalents	5 925	(7 115)
Foreign exchange difference cash	-	-
Cash and cash equivalents at 1 January	21 659	28 774
Cash and cash equivalents at 31 December	27 584	21 659



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting principles of the parent company

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

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

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

2. REVENUE FROM SALES

	<i>The Parent Company</i>	
	2020	2019
Sales of agricultural produce	258 599	297 104
Sales of services rendered	-	-
	258 599	297 104

Revenues from four major customers, each individually exceeding 10% of total revenue, amounted to SEK 173 179 SEK (2019: four customers – SEK 187 650).

	<i>The Parent Company</i>	
	2020	
Bunge	54 490	21%
Sierentz	50 892	20%
Inerco	40 305	16%
Cargill	27 492	11%
Others	85 420	32%
	258 599	100%

3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>The Parent Company</i>	
	2020	2019
General and administrative expenses		
Professional services (i)	3 062	708
	3 062	708

Audit fees for the parent company and the Group in year 2020 and 2019 relates to fees payable to Ernst & Young. Audit fees included in the general and administrative costs are as follows:

	<i>The Parent Company</i>	
	2020	2019
Audit assignment fees	693	380
Other	205	
	898	380

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

	<i>The Parent Company</i>	
	2020	2019
Interest on loans and borrowings to related parties	705	864
Interest others	-	-
Bank fees	4	14
Other	-	1 842
	709	2 720

5. FINANCE INCOME

	<i>The Parent Company</i>	
	2020	2019
Interest Income related parties	1 586	1 631
Other	-	-
	1 586	1 631



6. FOREIGN EXCHANGE GAIN/LOSS

	<i>The Parent Company</i>	
	2020	2019
Foreign exchange difference within the group	3 461	1 353
Foreign exchange difference cash	4 596	2 049
	8 057	3 402

7. SHARES IN SUBSIDIARIES

	<i>The Parent Company</i>
As at 1 January 2019	256 426
Investments in subsidiaries	-
Liquidation subsidiaries	-
As at 31 December 2019 (i)	256 426
Investments in subsidiaries	-
Liquidation subsidiaries	-
As at 31 December 2020 (i)	256 426

(i)

	Location	Corporate id	2020		2019	
			Ownership SEK	Ownership %	Ownership SEK	Ownership %
Baryshevska Grain Company LLC	Baryshevka, Ukraine	2886518	256 367	100%	256 367	100%
Baryshevska Grain Trading Company LLC	Yarmolenci, Ukraine	39843554	59	100%	59	100%
			256 426		256 426	

8. TRADE AND OTHER RECEIVABLES, OTHER CURRENT ASSETS

	<i>The Parent Company</i>	
	2020	2019
<i>Trade and other receivables</i>		
Trade receivables due from related party (Note 15)	31 588	34 336
Trade Receivables	445	-
	32 033	34 336
<i>Other current assets</i>		
Advances paid	10 609	5 614
Accrued income	-	1 491
VAT recoverable	15	18
	10 624	7 123

For detailed information about aging see note 16.

9. CASH AND CASH EQUIVALENTS

	<i>The Parent Company</i>	
	2020	2019
Cash:		
- on bank accounts	18 562	11 393
- escrow account	9 022	10 266
	27 584	21 659

10. EQUITY

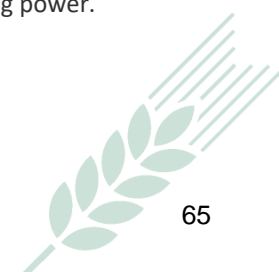
Outline of the parent company result:

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

Retained earnings	262 581 110
Net result of the period	1 241 548
	263 822 660
to be carried forward	263 822 660

11. SHARE CAPITAL

The registered share capital amounts to SEK 11 556 (2019: SEK 11 556) and consists of 7 807 775 shares (2019: 7 807 775 shares). BZK Grain Alliance AB only has one class of shares carrying equal voting power.



12. LOANS AND BORROWINGS

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

	Currency	Interest	Maturity		Total
			2021 Current portion	2022-2024 Non-current portion	
<i>The Parent Company</i>					
Related party (Note 14)	SEK	1,5%-7%	-	32 064	32 064
			-	32 064	32 064

As at 31 December 2019 loans and borrowings are as follows:

	Currency	Interest	Maturity		Total
			2020 Current portion	2021-2023 Non-current portion	
<i>The Parent Company</i>					
Related party (Note 14)	SEK	1,5%-7%	20 421	10 918	31 339
			20 421	10 918	31 339

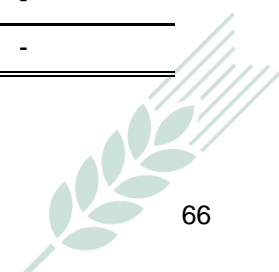
13. TRADE AND OTHER LIABILITIES, OTHER CURRENT LIABILITIES

	The Parent Company	
	2020	2019
<i>Trade and other liabilities</i>		
Trade liabilities related parties	13 493	7 822
Trade liabilities	8	11
	13 501	7 833
<i>Other current liabilities</i>		
Advances received	10 625	5 807
Accrued expenses	480	426
	11 105	6 233

14. NUMBER OF EMPLOYEES AND EMPLOYEE BENEFITS

Number of employees

	2020			2019		
	Women	Men	Total	Women	Men	Total
Sweden	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-
	-	-	-	-	-	-



Employee benefits

<i>The Parent Company</i>	2020	2019
Board and senior executives	-	-
Pension costs	-	-
Social security costs	-	-
	-	-

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

15. RELATED PARTY DISCLOSURES

Ultimate Controlling Party

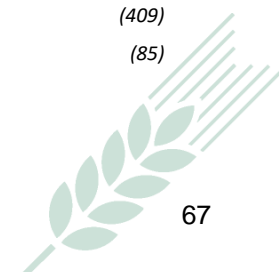
As at 31 December 2019 the majority owner of the Parent Company is Agro Ukraina AB, which is a subsidiary of Claesson & Anderzén AB. A citizen of Sweden, Mr Johan Claesson, has the controlling interest in Claesson & Anderzén AB.

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

	2020	2019
<i>Entity under common control</i>		
Loans and borrowings (Note 12)	(32 064)	(31 339)
<i>Of which:</i>		
CA Investment AB	(16 679)	(16 450)
CA Agroinvest AB	(13 390)	(12 980)
Ukrainian Investment AB	(1 995)	(1 909)
<i>Subsidiary</i>		
Trade and other receivables	31 588	34 336
<i>Of which:</i>		
Baryshevski Grain Company LLC	31 588	34 336
Trade and other receivables	10 609	7 105
<i>Of which:</i>		
Baryshevski Grain Company LLC	10 609	7 105
Trade and other payables	(10 625)	(7 822)
<i>Of which:</i>		
Baryshevski Grain Company LLC	(10 625)	(7 822)

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

	2020	2019
Interest expenses	(704)	(864)
<i>Of which:</i>		
CA Investment AB	(210)	(370)
CA Agroinvest AB	(409)	(409)
Ukrainian Investment AB	(85)	(85)





	2020	2019
Sales of property, plant & Equipment	-	(1 491)
<i>Of which:</i>		
<i>Baryshevska Grain Company LLC</i>	-	(1 491)
Purchase of crops	(247 115)	(281 086)
<i>Of which:</i>		
<i>Baryshevska Grain Company LLC</i>	(247 115)	(281 086)

Compensation to key management personnel

For the year ended 31 December 2020, remuneration paid to key management personnel is SEK 0 (2019: 0). Compensation comprised the contractual salary and related taxes.

There are no key management personnel as of 31 December 2020 (2019: zero).

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 December 2020 and 2019. 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 2020 and 2019.

Interest rate risk

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

	<i>Effect on profit before tax</i>	
	<i>Change in basis points</i>	<i>The Parent Company</i>
2020		
Change in interest rate (LIBOR)	100	(269)
Change in interest rate (LIBOR)	(100)	269
2019		
Change in interest rate (LIBOR)	100	(266)
Change in interest rate (LIBOR)	(100)	266

Foreign currency risk

Currency risks as defined by IFRS 7 arise when financial instruments are denominated in a currency that is not the functional currency, and are of a monetary nature; translation-related risks are not taken into consideration. Relevant risk variables are generally non-functional currencies in which the company has financial instruments. The

following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, all other variables equal, of the company's profit before tax.

	<i>Effect on profit before tax</i>	
	<i>Change in foreign currency rate %</i>	<i>The Parent Company</i>
2020		
Change in USD exchange rate	1	455
Change in USD exchange rate	(1)	(455)
Change in EUR exchange rate	1	5
Change in EUR exchange rate	(1)	(5)
2019		
Change in USD exchange rate	1	501
Change in USD exchange rate	(1)	(501)
Change in EUR exchange rate	1	7
Change in EUR exchange rate	(1)	(7)

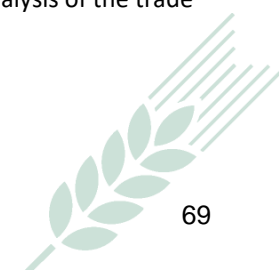
Liquidity risk

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

	<i>The Parent Company</i>				
	<i>Payable on demand</i>	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Total</i>
31-dec-20					
Loans and borrowings, principal amount	-	-	-	26 927	26 927
Interest payable	-	-	-	5 137	5 137
Trade and other liabilities (Note 13)	-	13 501	-	-	13 501
	-	13 501	-	32 064	45 565
31-dec-19					
Loans and borrowings, principal amount	-	-	20 421	6 217	26 638
Interest payable	-	-	-	4 701	4 701
Trade and other liabilities (Note 13)	-	7 833	-	-	7 833
	-	7 833	20 421	10 918	39 172

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							Total
	<i>Past due, but not impaired</i>							
	<i>Neither past due, nor impaired</i>	<i><1 month</i>	<i>1-2 months</i>	<i>2-3 months</i>	<i>3-4 months</i>	<i>4-12 months</i>	<i>More than 12 months</i>	
31-dec-20								
Receivables of subsidiary	197		-	197	-	395	30 799	31 588
Trade and other receivables	445		-	-	-	-	-	445
	642		-	197	-	395	30 799	32 033
31-dec-19								
Receivables of subsidiary	434		-	434	-	869	32 599	34 336
Trade and other receivables	-		-	-	-	-	-	-
	434		-	434	-	869	32 599	34 336

Capital management

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

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

	The Parent Company	
	2020	2019
Loans and borrowings	32 064	31 339
Trade and other liabilities and other current liabilities	24 606	14 067
Less cash and cash equivalents	(27 584)	(21 659)
Net debt	29 086	23 747
Equity	275 379	274 137
Total equity and net debt	304 465	297 884
Gearing ratio	10%	8%

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

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments are determined with reference to various market information and other valuation methodologies as considered appropriate. However considerable judgement is required in

interpreting market data to develop these estimates. Accordingly, the estimates are not necessarily indicative of the amounts that the Group could realise in a current market situation. All financial assets and liabilities are valued at amortised cost. Set out below is the comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated statement of financial position:

	<i>The Parent Company</i>			
	<i>Carrying amount</i>		<i>Fair value</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
<i>Financial assets valued at amortized cost</i>				
Cash and short-term deposits	27 584	21 659	27 584	21 659
Trade and other receivables	42 657	41 459	42 657	41 459
<i>Financial liabilities valued at amortized cost</i>				
Trade and other payables	24 606	14 067	24 606	14 067
Loans and borrowings	32 064	31 339	32 064	31 339

18. PLEDGED ASSETS AND SURETY

	<i>The Parent Company</i>	
	<i>2020</i>	<i>2019</i>
	<i>Pledged assets</i>	
Escrow account	9 022	10 266
	9 022	10 266

	<i>The Parent Company</i>	
	<i>2020</i>	<i>2019</i>
	<i>Surety</i>	
Surety for subsidiaries (for debt to JSC UkrSibbank)	94 169	116 464
Surety for subsidiaries (for debt to Credit Agricole Bank)	70 422	80 127
Surety for subsidiaries (for debt to EBRD)	100 375	104 336
Summa	264 966	300 927

19. INCOME TAX

The Parent Company

As at 31 December 2020, the tax loss carried forward 7 700 (2019: SEK 8 942). The Company has not reported a deferred tax asset as deficit in the balance sheet.

20. EVENTS AFTER THE REPORTING DATE

Since the balance sheet date, the outbreak of COVID-19 has continued to affect the entire community. However, BZK Grain Alliances operations have been able to continue as usual.



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
Board member, Chairman

Johan Claesson
Board member

Yevgeniy Radovenyuk
Board member

Our audit report was presented on

Franz Lindström
Authorized public accountant