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Dunross & Co AB
Org nr 556331-0209

Årsredovisning för räkenskapsåret 2022

Styrelsen och verkställande direktören avger följande årsredovisning.

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Om inte annat särskilt anges, redovisas alla belopp i kronor. Uppgifter inom parentes avser föregående år.

Undertecknad VD i Dunross & Co AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultaträkningen och balansräkningen fastställts på årsstämma den 2023-06-07.

Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Göteborg den 2023-06-07

Kristina Hillskär

Kristina Hillskär

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Förvaltningsberättelse

Inledning

Dunross & Co AB är moderbolag i en svensk koncern med säte i Göteborg och ingår i den internationella Dunrosskoncernen. I Dunross & Co AB:s verksamhet ingår att förse bland annat övriga delar av koncernen med både administrativa och analytiska tjänster samt att, genom uthyrningsverksamhet och tillhandahållande av lokaler för andra entreprenöriella verksamheter, skapa ett kluster av verksamheter som kan dra fördel av varandra och samtidigt ge intressanta affärsmöjligheter.

Genom dotterbolaget Ägir Invest AB bedrivs också Private Equity-verksamhet där bl.a dotterbolaget Cellectricon AB, som genom sin världsledande bioteknologi kan minska riskerna och öka potentialen för läkemedelsindustrin, ingår. I investeringsportföljen återfinns även ett specialkemibolag med miljöfokus, främst riktat mot verkstadsindustrin, Envirochem IEC AB. Ett annat intressant bolag i Ägirs Invest AB portfölj är XQ´s International AB vilka främst säljer tobaksfritt snus. Inom markexploation har vi genom Ägir Invest AB också ett ägande i KB Brottkärr där utveckling av mark fortsätter enligt plan.

Året som gick - 2022

Under 2022 har Dunross & Co AB haft tre anställda. Under året har bolaget sålt tjänster såväl inom administration som analys både externt och internt samt hyrt ut delar av bolagets lokaler tillsammans med tillhörande tjänster sk Co-Working.

Inledningen av 2023

Inga händelser att rapportera efter räkenskapsårets utgång.

Hållbarhetsrapport

Dunross & Co AB ingår i en koncern vars huvudsakliga verksamhet är investering i värdepapper med ett globalt fokus. Ett globalt fokus gör därmed att bolaget indirekt påverkas av en mängd faktorer på en mängd marknader. Varje marknad är unik och är förknippad med såväl möjligheter som risker som vi måste förhålla oss till, inte bara på kort sikt utan även på ett hållbart sätt över tid.

Vårt hållbarhetsarbete har sin grund i bolagets vision och styrelsens riktlinjer för den operativa verksamheten vilka konkretiseras i den årliga affärsplanen. Planen belyser hur bolagets resurser skall användas på bästa sätt för att nå visionen men även de risker som behöver adresseras under verksamhetsåret.

Strategiskt hållbarhetsarbete

I enlighet med 6 kap. 12§ ÅRL skall företaget avge en hållbarhetsrapport inom miljö, sociala förhållanden, personal, mänskliga rättigheter och anti-korruption. Vi har genomfört en väsentlighetsanalys med syfte att identifiera de viktigaste hållbarhetsaspekterna för bolaget vilka belyses nedan.

Miljö

Resandet har starkt begränsats och istället deltar vi på möten, seminarier och mässor genom alla de olika tekniker som förfinats det senaste året. Kontoret genomsyras av miljöbesparande åtgärder såsom att inga kemikalier används i städning och att ljuskällor fortsatt byts ut till LED i en betydande omfattning.

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Personal

Att hållbart utvecklas över tid kräver också att den personal som skall stå för utvecklingen är rätt utrustad, såväl intellektuellt som fysiskt, samt att sammansättningen av personalstyrkan är rätt. Vi värnar om både jämställdhet och mångfald då vi tror att detta skapar en dynamik som är gynnsam för det långsiktiga byggandet av en hållbar organisation. Som bolag är vi väldigt måna om att tillhandahålla en bra arbetsmiljö då vi tror att detta är en förutsättning för att trivas på jobbet. En annan viktig faktor är den fysiska hälsan, vilken vi tror är en starkt bidragande faktor för en väl presterande medarbetare över tid.

Vi har under många år uppmuntrat personalen till fysisk träning genom det friskvårdsbidrag alla anställda är berättigade till. Avstämningen avseende 2022 visar att samtliga av de anställda regelbundet nyttjar friskvårdsbidraget. Vidare erbjuder vi regelbundna hälsokontroller till all personal för att fånga upp eventuella avvikelser i vår hälsa på ett tidigt stadie. Ett av våra mål är att ha en så låg sjukfrånvaro som möjligt vilket vi tror att vi kan få hjälp att uppnå genom att tillhandahålla en bra arbetsmiljö i kombination av kontinuerlig fysisk träning. För att mäta våra mål följer vi därför upp utvecklingen av de anställdas normala sjukfrånvaro över tid vilket är ett bra sätt att få en bild av hur våra anställda mår.

Sammanfattning av vårt hållbarhetsarbete

Sammanfattningsvis bedrivs vårt hållbarhetsarbete av omtanke om miljön, framför allt genom en rationell resepolicy, samt att vår personal ges förutsättningar att utvecklas såväl intellektuellt som fysiskt.

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Flerårsöversikt

		2022	2021	2020	2019	2018
Nettoomsättning	tkr	3 623	13 288	2 640 892	8 409 699	11 430 379
Resultat efter finansiella poster	tkr	-4 733	-4 395	5 325	250 922	533 362
Balansomslutning	tkr	20 359	32 577	72 717	832 531	4 221 777
Antal anställda	st	3	4	7	8	12
Soliditet	%	88,1	94,4	89,8	93,5	96,2

Nyckeltalsdefinitioner framgår av not 1

Förändring av eget kapital

	Aktie-kapital	Reserv-fond	Fritt eget kapital	Summa eget kapital
Eget kapital 2021-12-31 tkr	8 050 000	2 000 000	20 710 595	30 760 595
Utdelning till moderbolag tkr	-	-	-8 000 000	-8 000 000
Årets resultat tkr			-4 818 831	-4 818 831
Eget kapital 2022-12-31 tkr	**8 050 000**	**2 000 000**	**7 891 764**	**17 941 764**

Aktiekapitalet består av 805 000 st aktier.

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel		12 710 595
Årets resultat		-4 818 831
	kronor	7 891 764

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs	7 891 464

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Resultaträkning	**Not**	**2022**	**2021**
Värdepappersförsäljning	3, 4	-	10 046 193
Övriga intäkter	3	3 623 317	3 241 502
		3 623 317	13 287 695
Rörelsens kostnader			
Värdepapper	4, 5	-	-8 713 282
Övriga externa kostnader	6, 7	-3 382 605	-3 891 304
Personalkostnader	8	-5 165 045	-4 695 426
Avskrivningar av materiella anläggningstillgångar	15	-78 929	-78 929
Övriga rörelsekostnader	9	-35 360	-373 989
Summa rörelsens kostnader		-8 661 939	-17 752 930
Rörelseresultat		-5 038 622	-4 465 235
Resultat från finansiella poster			
Resultat från andelar i intresseföretag och gemensamt styrda företag	10	-	-61 611
Övriga ränteintäkter och liknande resultatposter	11	314 793	157 299
Räntekostnader och liknande resultatposter	12	-10 002	-25 558
Summa resultat från finansiella poster		304 791	70 130
Resultat efter finansiella poster		-4 733 831	-4 395 105
Bokslutsdispositioner	13	-85 000	-111 000
Skatt på årets resultat	14	-	144 525
Årets förlust		-4 818 831	-4 361 580

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Balansräkning	**Not**	**2022-12-31**	**2021-12-31**
Tillgångar			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	15	29 938	108 867
Konst		1 736 977	1 736 977
		1 766 915	1 845 844
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16	631 000	631 000
Summa anläggningstillgångar		2 397 915	2 476 844
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		10 131 368	19 768 489
Aktuella skattefordringar		157 689	157 679
Övriga kortfristiga fordringar		2 969 273	2 544 884
Förutbetalda kostnader och upplupna intäkter	17	707 376	95 198
		13 965 706	22 566 250
Kortfristiga placeringar			
Kortfristiga placeringar	18	35 232	35 232
Kassa och bank		3 960 357	7 498 721
Summa omsättningstillgångar		17 961 295	30 100 203
Summa tillgångar		20 359 210	32 577 047

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Balansräkning	**Not**	**2022-12-31**	**2021-12-31**
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital	19	8 050 000	8 050 000
Reservfond		2 000 000	2 000 000
		10 050 000	10 050 000
Fritt eget kapital			
Balanserad vinst		12 710 595	25 072 176
Årets förlust		-4 818 831	-4 361 580
		7 891 764	20 710 596
Summa eget kapital		17 941 764	30 760 596
Kortfristiga skulder			
Leverantörsskulder		48 793	76 217
Skulder till koncernföretag		7 676	414 430
Övriga kortfristiga skulder		363 470	473 833
Upplupna kostnader och förutbetalda intäkter	20	1 997 507	851 971
Summa kortfristiga skulder		2 417 446	1 816 451
Summa eget kapital och skulder		20 359 210	32 577 047

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Kassaflödesanalys	**2022**	**2021**
Den löpande verksamheten		
Rörelseresultat före finansiella poster	-5 038 622	-4 465 236
Nedskrivning av kortfristiga placeringar som inte ingår i kassaflödet	-	27 003 748
Justering för poster som inte ingår i kassaflödet, mm	78 929	78 929
Erhållen ränta och liknade resultatposter	314 793	157 299
Ökning/minskning övriga kortfristiga fordringar	600 554	-33 743 113
Erlagd ränta	-10 003	-25 558
Betald inkomstskatt	-10	-1 698 098
	-4 054 359	-12 692 029
Ökning/minskning övriga kortfristiga rörelseskulder	515 995	9 193 442
Ökning/minskning placeringar	-	-512 754
Kassaflöde från den löpande verksamheten	-3 538 364	-4 011 341
Investeringsverksamheten		
Förändring andelar i koncernföretag	-	100 000
Likviderade intressebolag	-	5 426 650
Kassaflöde från investeringsverksamheten	0	5 526 650
Finansieringsverksamheten		
Årets kassaflöde	0	0
Kassaflöde från finansieringsverksamheten	0	0
Likvida medel vid årets början	7 498 721	5 982 412
Årets kasaflöde	-3 538 364	1 516 309
Likvida medel vid årets slut	3 960 357	7 498 721

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Noter

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med Årsredovisningslagen och BFNAR:2012:1 Årsredovisning och koncernredovisning, K3.

Koncernredovisning
Koncernredovisning upprättas i moderbolaget Dunross & Co Holding Ltd, HE312292, med säte i Paphos enligt ÅRL 7 kap 2 paragrafen.

Utländska valutor
Monetära tillgångs- och skuldposter i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs.

Intäkter
Ränteintäkter redovisas i enlighet med effektivräntemetoden.
Utdelning redovisas när rätten att erhålla utdelningen är säkerställd.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen. Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning. Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning.

Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. Skatteeffekter av poster som redovisas direkt mot eget kapital, redovisas mot eget kapital.

Immateriella tillgångar

Leasingavtal
Leasingavtal där de ekonomiska fördelar och risker som är hänförliga till leasingobjektet i allt väsentligt kvarstår hos leasegivaren klassificeras som operationell leasing. Betalningar, inklusive en första förhöjd hyra, enligt dessa avtal redovisas som kostnad linjärt över leasingperioden.

Finansiella instrument
Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, kortfristiga placeringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när äganderätten samt rätten till avkastning övergått till det förvärvande bolaget.
Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och koncernen har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

<u>Kundfordringar och övriga fordringar</u>
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

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Kortfristiga placeringar
Värdepapper som är anskaffade med avsikt att innehas kortsiktigt redovisas inledningsvis till anskaffningsvärde och i efterföljande värderingar i enlighet med lägsta värdets princip till det lägsta av anskaffningsvärde och marknadsvärde. Vid värderingen tillämpas denna princip på värdepappersportföljen som helhet vilket innebär att orealiserade förluster avräknas mot orealiserade vinster.

Nettoeffekten av valutakursvinster och valutakursförluster hänförliga till värdepapperskontona redovisas som rörelsens intäkter.

Andra långfristiga värdepappersinnehav
Värdepapper som är införskaffade med avsikt att innehas långsiktigt redovisas till anskaffningsvärde. I efterföljande redovisning redovisas tillgångarna till anskaffningsvärde med bedömning av om nedskrivningsbehov föreligger.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.
Som likvida medel klassificeras koncernens kassa- och banktillgodohavanden samt kortfristiga skulder hos banker och fondkommissionärer.

Eget kapital
Eget kapital delas in i bundet och fritt kapital, i enlighet med ÅRLs indelning.

Obeskattade reserver
Obeskattade reserver redovisas med bruttobelopp i balansräkningen, inklusive den uppskjutna skatteskuld som är hänförlig till reserverna.

Bokslutsdispositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen.
Koncernbidrag redovisas också som bokslutsdispositioner, vilket gäller både lämnade och erhållna koncernbidrag.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer. Utdelning från dotterföretag redovisas som intäkt.

Nyckeltalsdefinitioner

Soliditet
Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Not 2 Uppskattningar och bedömningar

Inga bedömningar eller uppskattningar har gjorts som har betydande effekt på de redovisade beloppen i årsredovisningen, eller som skulle innebära en betydande risk för väsentliga justeringar av redovisade värden under kommande år.

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Not 3 Rörelsens intäkter

	2022	2021
I nettoomsättningen ingår intäkter från:		
Försäljning av värdepapper	-	10 046 193
Summa	0	10 046 193
I övriga intäkter ingår intäkter från:		
Valutakursvinster	45 655	-
Sålda tjänster	3 565 205	3 241 502
Övrigt	12 457	-
Summa	3 623 317	3 241 502
Summa	3 623 317	13 287 695

Not 4 Transaktioner med närstående

Av företagets inköp och försäljning mätt i kronor avser 63,3 % (0 %) av inköpen samt 0 % (38,6 %) av försäljningen andra företag inom hela den företagsgrupp som företaget tillhör.

Not 5 Värdepapper

	2022	2021
Anskaffningsvärden värdepapper	-	-19 171 512
Årets nedskrivning	-	-12 083 392
Återföring nedskrivning	-	22 541 621
Totalt	0	-8 713 283

Not 6 Arvode och kostnadsersättning till revisorerna

	2022	2021
PwC		
Revisionsuppdraget	35 000	27 125
Skatterådgivning	33 000	59 000
Övriga tjänster	48 875	203 019
Summa	116 875	289 144

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Not 7 Operationella leasingavtal

	2022	2021
Nominella värdet av framtida minimileaseavgifter, avseende icke uppsägningsbara leasingavtal fördelar sig enligt följande:		
Förfaller till betalning inom ett år	2 310 183	1 996 264
Förfaller till betalning senare än ett men inom 5 år	1 732 637	3 533 543
Summa	4 042 820	5 529 807

Uppgifterna i denna not inkluderar även finansiella leasingavtal.

Not 8 Löner, andra ersättningar och sociala kostnader

	2022	2021
Medelantalet anställda		
Kvinnor	2	2
Män	1	2
Totalt	3	4
Löner, ersättningar, sociala avgifter och pensionskostnader		
Löner och ersättningar till styrelsen och verkställande direktören	934 520	862 440
Löner och ersättningar till övriga anställda	2 378 999	2 063 981
	3 313 519	2 926 421
Sociala avgifter enligt lag och avtal	1 154 736	1 007 971
Pensionskostnader för övriga anställda	597 134	645 675
Totalt	5 065 389	4 580 067
Styrelseledamöter och ledande befattningshavare		
Antal styrelseledamöter på balansdagen		
Kvinnor	2	1
Män	1	2
Totalt	3	3
Antal verkställande direktörer och andra ledande befattningshavare		
Kvinnor	1	1
Totalt	1	1

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Not 9 Övriga rörelsekostnader

	2022	2021
Valutakursvinster	-	104 820
Valutakursförluster	-35 360	-478 809
	-35 360	-373 989

Not 10 Resultat från andelar i intresseföretag

	2022	2021
Utdelningar	-	16 580 850
Likvidationsresultat från intresseföretag	-	61 611
Nedskrivningar	-	-16 580 850
Summa	0	61 611

Not 11 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter	143 740	157 299
Orealiserad värdeförändring på kortfristiga fordringar	171 054	-
Summa	314 794	157 299
Varav avseende koncernföretag	41 885	103 944

Not 12 Räntekostnader och liknande resultatposter

	2022	2021
Övriga räntekostnader och liknande resultatposter	-10 002	-25 558
Summa	-10 002	-25 558

Not 13 Bokslutsdispositioner

	2022	2021
Erhållna koncernbidrag	-85 000	-
Lämnade koncernbidrag	-	-111 000
Summa	-85 000	-111 000

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Not 14 Skatt på årets resultat

	2022	2021
Aktuell skatt	-	9
Erlagd utländsk källskatt	-	144 515
Skatt på årets resultat	0	144 524
Redovisat resultat före skatt	-4 818 831	-4 506 096
Skatt beräknad enligt gällande skattesats (20,6%(20,6%))	992 679	928 258
Skatteeffekt av ej avdragsgilla kostnader	-10 309	-70 661
Skatteeffekt av ej skattepliktiga intäkter	28	-
Skatteffekt som ej aktiverats avseende tidigare år	-1 009 910	-890 000
Erlagd källskatt ej avräkningsbar	-	144 515
Avkastningsskatt	-	9
Skatteffekt på räntenetto	27 512	32 403
Uppskjuten skatt	-	-
Redovisad skattekostnad	0	144 524

Not 15 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	4 257 919	4 257 919
Utgående ackumulerade anskaffningsvärden	4 257 919	4 257 919
Ingående avskrivningar	-4 149 051	-4 070 122
-Årets avskrivningar	-78 930	-78 929
Utgående ackumulerade avskrivningar	-4 227 981	-4 149 051
Utgående restvärde enligt plan	29 938	108 868

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Not 16 Andelar i koncernföretag

	Org nr	Säte
Ägir Invest AB	556056-4444	Göteborg

	Kapital-andel%	Rösträtts-andel %	Antal aktier	Bokfört värde 22-12-31
Ägir Invest AB	100	100	1 180	631 000

	2022	2021
Ingående anskaffningsvärden	9 631 000	9 731 000
Likviderade bolag	-	-100 000
Utgående ackumulerat anskaffningsvärde	9 631 000	9 631 000
Ingående uppskrivningar/nedskrivningar	-9 000 000	-9 000 000
Utgående ackumulerade uppskrivningar / nedskrivningar	-9 000 000	-9 000 000
Utgående redovisat värde	631 000	631 000

Not 17 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda hyror	577 547	-
Övriga poster	129 829	95 198
Summa	707 376	95 198

Not 18 Kortfristiga placeringar

	Bokfört värde 2022-12-31	Marknads-värde 2022-12-31
Värdepapper	35 232	35 232
Redovisat värde vid årets slut	35 232	35 232

Not 19 Aktiekapital

Aktiekapitalet består av 805 000 st aktier med kvotvärde 10 kr.

20230710098538

Not 20 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna personalrelaterade kostnader	1 683 038	754 430
Upplupna konsultkostnader	-	50 000
Upplupet revisionsarvode	35 000	16 500
Övriga poster	279 469	31 041
Summa	1 997 507	851 971

Not 21 Resultatdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserade vinstmedel		12 710 595
Årets resultat		-4 818 831
	kronor	7 891 764

Styrelsen föreslår att vinstmedlen disponeras så att

i ny räkning överförs	7 891 764

Göteborg den dag som framgår av vår elektroniska signatur

Leif Nilsson
Styrelseordförande

Jörgen Persson

Kristina Hillskär
Verkställande Direktör

Vår revisionsberättelse har lämnats den dag som framgår av vår elekroniska signatur

PricewaterhouseCoopers AB

Johan Brobäck
Auktoriserad revisor

Deltagare

DUNROSS & CO AB 556331-0209 Sverige

Signerat med Svenskt BankID — *2023-04-13 11:13:26 UTC*

Namn returnerat från Svenskt BankID: KRISTINA HILLSKÄR — Datum

Kristina Hillskär

Leveranskanal: E-post

Signerat med Svenskt BankID — *2023-04-13 13:18:13 UTC*

Namn returnerat från Svenskt BankID: Leif Richard Nilsson — Datum

Leif Nilsson

Leveranskanal: E-post

Signerat med Svenskt BankID — *2023-04-13 09:01:21 UTC*

Namn returnerat från Svenskt BankID: Jörgen Per Persson — Datum

Jörgen Persson

Leveranskanal: E-post

PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

Signerat med Svenskt BankID — *2023-04-13 14:51:56 UTC*

Namn returnerat från Svenskt BankID: JOHAN BROBÄCK — Datum

Johan Brobäck

Leveranskanal: E-post

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20230710009860

Revisionsberättelse

Till bolagsstämman i Dunross & Co Aktiebolag, org.nr 556331-0209

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Dunross & Co Aktiebolag för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Dunross & Co Aktiebolags finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Dunross & Co Aktiebolag.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Dunross & Co Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Dunross & Co Aktiebolag för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Signerat 2023-04-13 14:48:37 UTC

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Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Dunross & Co Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Göteborg den dag som framgår av vår elektroniska signatur

PricewaterhouseCoopers AB

Johan Brobäck
Auktoriserad revisor

Deltagare

PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

Signerat med Svenskt BankID — *2023-04-13 14:48:37 UTC*

Namn returnerat från Svenskt BankID: JOHAN BROBÄCK — Datum

Johan Brobäck

Leveranskanal: E-post

20230710009862

Fotokopiana överensstämmelse
med originalet intygas:

JENNY VALLSTEDT
070-7763655

DUNROSS & CO HOLDING LTD

IFRS CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

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DUNROSS & CO HOLDING LTD

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

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DUNROSS & CO HOLDING LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of directors:	Per Jörgen Persson Jon Anders Patrik Matson Annie Nearchou Vibeke Klemetsen (resigned on 28 June 2022) Ravn Vikersjö (appointed on 28 June 2022) Christakis Santis
Company secretary:	Annie Nearchou
Independent auditors:	PricewaterhouseCoopers Limited Certified Public Accountants and Registered Auditors 43 Demostheni Severi Avenue 1080 Nicosia P.O. Box 21612 1591 Nicosia Cyprus
Registered office:	46, Ioanni Agroti 8047 Paphos Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Skandinaviska Enskilda Banken AB, Luxembourg Branch Skandinaviska Enskilda Banken AB Skandinaviska Enskilda Banken AB, UK UBS Europe SE JSC Galt & Taggart BPR Bank Rwanda PLC Revolut Bank UAB Swedbank AB
Registration number:	HE312292

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CONSOLIDATED CONSOLIDATED MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of Dunross & Co Holding Ltd (the "Company" and together with its subsidiaries – the "Dunross Group" or the "Group") for the year ended 31 December 2022.

Principal activities and nature of operations of the Company

The principal activities of the Company are the holding of investments in subsidiaries, as well as having direct investments in the property sector in Cyprus. Further to these investments the Company also invests in equities, bonds and art objects.

The Group has six persons engaged in the Group´s business activities. Besides the General Manager, the Company has a CFO, a Property Manager, a Senior Advisor and two employees working on different projects. In the Dunross Group, comprising the parent company Dunross & Co Holding Ltd and its subsidiaries, there are 34 persons employed.

The Dunross Group is a long-term value investor with focus on Breakout Nations in the Emerging and Frontier Markets ("EM:s"). Breakout Nations are countries that pursue market-oriented reforms and improve economic freedom, which in turn generates higher growth and reduces poverty. The investment philosophy of the Dunross Group follows three important principles:

1. Value Investing
2. The Trial-and-Error Principle
3. The Contrarian Philosophy

The main subsidiaries in the Dunross Group are:

- Dunross & Co S.A., SICAV-SIF, a self-managed fund ("the Fund") overseen by the regulator of the financial sector in Luxembourg, Commission de Surveillance du Secteur Financier, CSSF with an investment focus on Breakout Nations. Dunross & Co S.A., SICAV-SIF has investments in countries such as the Philippines, Kazakhstan, Russia, Georgia, Kenya, Mexico, Indonesia, and Slovenia. Dunross & Co S.A., SICAV-SIF currently has nine employees. The Company owns 70.5% of the Fund directly and the remainder through a subsidiary company within the Dunross Group (see below).
- Dunross International AB, through its subsidiary Dunross Investment Ltd, owns 29.5% of Dunross & Co S.A., SICAV-SIF and besides the subsidiary does direct investments in countries such as South Korea and Rwanda. Dunross International AB, with subsidiaries have one employee.
- Dunross & Co AB manages private equity investments through its subsidiary Ägir Invest AB but also provides the Dunross Group with investment advice. Dunross & Co AB, with subsidiaries, has 16 employees.
- Dunross & Co Advisory Ltd, is a UK based subsidiary providing the Dunross Group with investment advice. The Company has one employee.

Besides the investments in subsidiaries, bonds, equities and art the Company invests in properties in Cyprus, mainly in the Paphos region. During 2019, the Company invested in a property project, Uptown Residences, Paphos, Cyprus. The project was fully finalized during the spring 2022.

Registered office

The registered office of the Company is 46, Ioanni Agroti, 8047 Paphos.

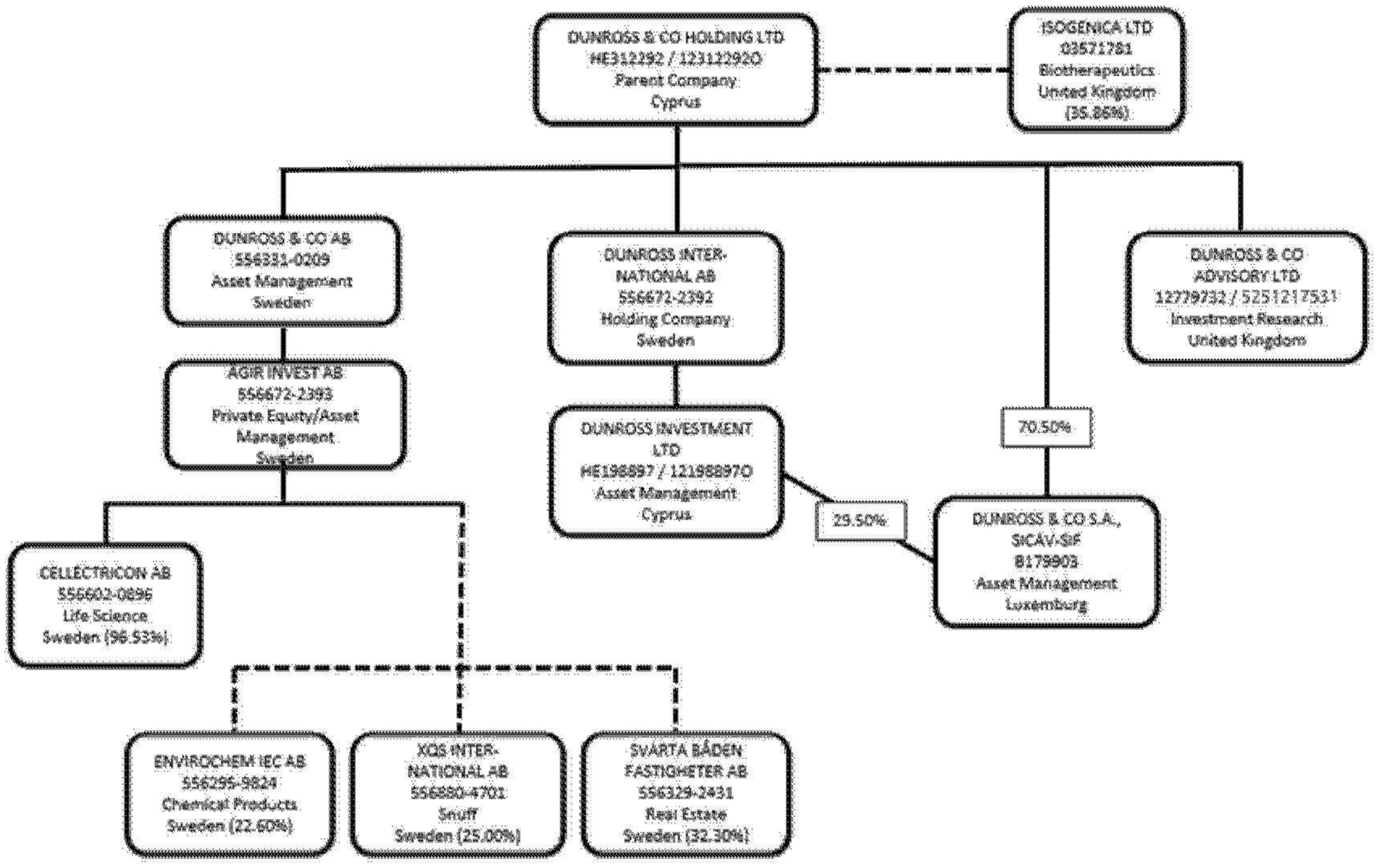
Changes in group structure

The subsidiary Speaking Partners AB was liquidated on 21 February 2022 and the subsidiary Dunross Research & Support AB was liquidated on 12 December 2022.

The subsidiary Dunross Popvision AB was liquidated on 17 December 2021.

The ultimate beneficial owner of the Company has remained the same throughout the year.

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Dunross-group structure as of 31 December 2022

Review of current position and future developments

Current position

The net loss for the year attributable to the shareholders of the Group amounted to €328,094,871 (2021: net profit €182,067,190). On 31 December 2022, the total assets of the Group were €485,802,012 (2021: €802,230,793) and the net assets of the Group were €389,024,298 (2021: €703,918,106). The financial position, development, and performance of the Group as presented in these financial statements are considered satisfactory.

Principal risk and uncertainties

The principal risk and uncertainties faced by the Group are disclosed in Notes 1, 6, 7 and 33.

Use of financial instruments by the Group

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group´s risk management procedures, which are defined separately by the Board of Directors within the Dunross Group, seeks to control the Group´s exposure to the inherent risk in the financial markets. More specifically the Board of Directors on a yearly basis defines the Investment Restrictions on the Group level, which are defined in relation to the Group´s net assets.

The compliance of the risk management procedures is carried out by the Company and are reported at the Board of Directors meetings. The General Manager has the authority to approve passive breaches between the Board of Directors meetings but shall report them directly to the Board of Directors when they occur. A passive breach is understood to be caused by market fluctuations and other circumstances beyond the control of the Group´s portfolio managers.

An active breach shall immediately be reported to the Board of Directors for approval or decision on corrective action.

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CONSOLIDATED MANAGEMENT REPORT (continued)

Market price risk

Market risk is the risk in the Company or the Group that results from fluctuation in market value of positions held, attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer´s credit worthiness. The market risk is ultimately the investment risk.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's bank borrowings carry fixed interest rates and are consequently not subject to cash flow interest rate risk. The borrowings from shareholder carry floating interest rate through as EURIBOR 1M rates were negative, the cash flow exposure is minimal. In addition, as they are measured at amortised cost, they are not susceptible to fair value interest rate risk either. The Group is exposed to cash flow interest rate risk in relation to its cash and cash equivalents which carry floating interest rates. Due to the nominal interest rates earned on the bank balances the management assessed that any sensitivity analysis to demonstrate the impact of changes in interest rates on the Group's results would be insignificant.

However, exposure from fair value interest rate risk arises from debt securities designated as financial assets at fair value through profit or loss. As at 31 December 2022, debt securities designated at fair value through profit or loss consists of fixed rate debt securities amounting to €67,760,201 (2021: €50,141,616).

Interest rate fluctuation are monitored on a continuous basis and actions are taken accordingly.

On 31 December 2022 and on 31 December 2021, if interest rates on fixed rate debt securities held at fair value through profit or loss had been 10 basis points higher/lower with all other variables held constant, profit for the year would have been insignificantly lower/higher.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. Cash balances are primarily held with high quality financial institutions, rated by Moody's as Aa2 (€4,752,650), Aa3 (€74,685), Ba2 (€30,720), and the Group has policies to limit the amount of credit exposure to any financial institution. The receivables from related parties have been assessed as performing.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Dunross Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the functional currency of each relevant Dunross Group entity. The Dunross Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Mexican Peso (MXN), Norwegian Krone (NOK), South African Rand (ZAR), United States Dollar (USD) and Uruguayan Peso (UYU), and indirectly in markets where it invests in equities, such as Great Britain Pound (GBP), Hong Kong Dollar (HKD), Indonesian Rupiah (IDR), Kenyan Shilling (KES), South Korean Won (KRW), Mexican Peso (MXN), Norwegian Krone (NOK), Philippine Peso (PHP), Russian Ruble (RUB), Swedish Krona (SEK) and United States Dollar (USD). The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Further development of the Group

The Board of Directors does not expect any significant changes or developments in the operations, financial position, and performance by the Group in the foreseeable future.

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CONSOLIDATED MANAGEMENT REPORT (continued)

Results

The Group's results for the year are set out on page 20.

Dividends

During the year ended 31 December 2022, the Board of Directors does not recommend the payment of a dividend. The loss for the year is carried forward.

Share capital

There were no changes in the share capital of the Company during the year of review.

Board of Directors

The members of the Company's Board of Directors as of 31 December 2022 and at the date of this report are presented on page 2. All of them were members of the Board of Directors throughout the year ended 31 December 2022, except for Vibeke Klemetsen who resigned on 28 June 2022 and Ravn Vikersjö who was appointed on 28 June 2022.

In accordance with the Company's Article of Association all Directors presently members of the Board continue in office. There were no significant changes in the assignment of responsibilities and renumeration of the Board of Directors.

Branches

The Group did not operate through any branches during the year.

Events after the reporting period

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements other than as disclosed in Note 33.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Annie Nearchou (Jun 20, 2023 15:04 GMT+3)

Annie Nearchou
Secretary/Director

Paphos, 20 June 2023

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BUSINESS OVERVIEW

Management's Discussion and Analysis

The Dunross & Co Holding Group invests, mainly through the subsidiaries, Dunross & Co S.A., SICAV-SIF and Dunross Investment Ltd, in markets all over the world, with a particular interest in investments in Emerging Markets ("EMs"). Focus is on countries that pursue a free-market reform programs to liberate the free man's entrepreneurial powers for the purpose of creating wealth for himself, but through this process also for others. Within the Group these countries are labelled "Breakout Nations"; some examples would be the Philippines, Rwanda, Kenya, Kazakhstan, and Georgia.

The Company is also active within the Private Equity domain. The Company has 35.86% ownership in the UK based company Isogenica Ltd, which develops highly versatile small format antibodies used to construct next generation biotherapeutics for the treatment of cancer, inflammation, and other serious deceases. The Private Equity portfolio in the subsidiaries Dunross & Co AB and Ägir Invest AB consists of inter alia Cellectricon AB, which has developed a world leading technology to lower the risks and increase the potential for future and existing pharmaceutical drugs at established multinational pharmaceutical companies. Other portfolio companies are XQS International AB (a producer of tobacco free snuff products), Svarta Båden AB (landowner), and Envirochem IEC AB (a research-driven and producer of ecological paint and adhesive removal products for the heavy industry).

The year of 2022 – a year that marks a new world order and a new investment paradigm

Investing activities within the Dunross group of companies is built upon value investing approach. This is often combined with an element of contrarian thinking, which is inherently linked to value-investing.

Successful value-investing is about finding companies deeply undervalued according to the rationale that price is what you pay but value is what you get. It is about pursuing a search for the places in the market where the marginal dollar makes the most positive a difference. But often these days with large amounts of excess liquidity, markets are often overvalued. At least this goes for the mainstream areas of investing.

However, there are always some areas that are less popular among investors. It may be due to political reasons, societal reasons, or directional reasons (low presumed future growth) that an area becomes unattractive among investors. Such developments usually play out during a longer time-period – usually over many years – and tend to go too far, as investors in the end give up hope for returns and the area becomes neglected or even stigmatised. Even in today's market that is awash with liquidity, one can find examples of this type of investor neglect.

In principle, the easiest way to spot neglected areas is to look at the current dominating investment theme and then turn the attention 180 degrees in the opposite direction. Often, this is where one finds the dominating narrative for the next decade. Therefore, contrarian thinking is a vital element in value-investing.

These "narratives of a decade" can usually be divided into either growth oriented or value-oriented themes. During the last six decades markets have moved between growth narratives and two value narratives.

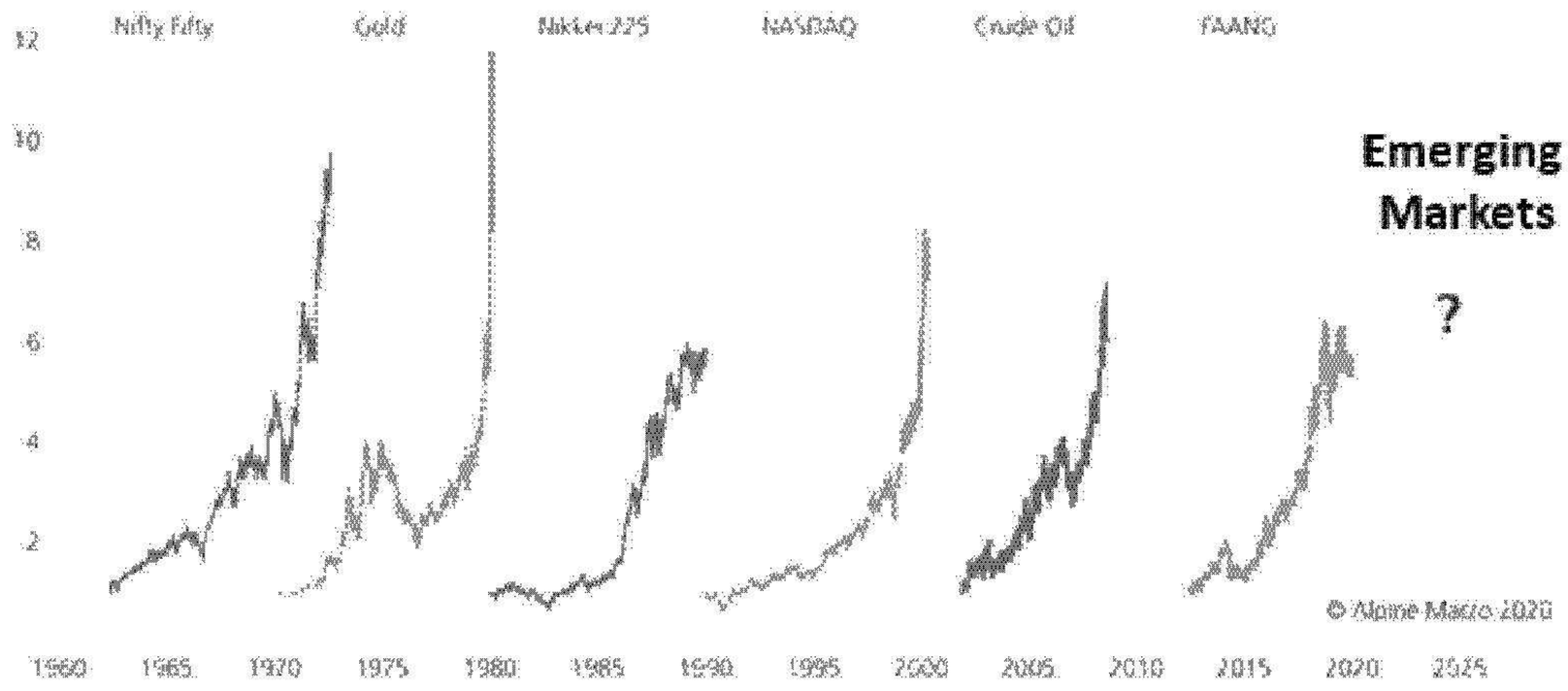
Following the last three years of extensive geopolitical and macro-economic changes we have entered a period with very different market conditions compared to the period before 2020. These new conditions will likely lead to a change in investor narrative towards value investing. There are several reasons for this, but the most prominent one is that we now live in a world where cost of capital is higher than before. This new situation move investors' attention towards shorter duration assets (quicker pay-off/pay-back), and no type of asset is shorter in duration than a true value-case.

So where does a value-investor find value these days? Here, two areas with typical value-characteristics stand out as particularly relevant, as their respective performance has fallen far behind the general market during the last 10 years and valuations within these two spaces are mostly low. These segments are:

1. Commodities
2. Emerging Markets

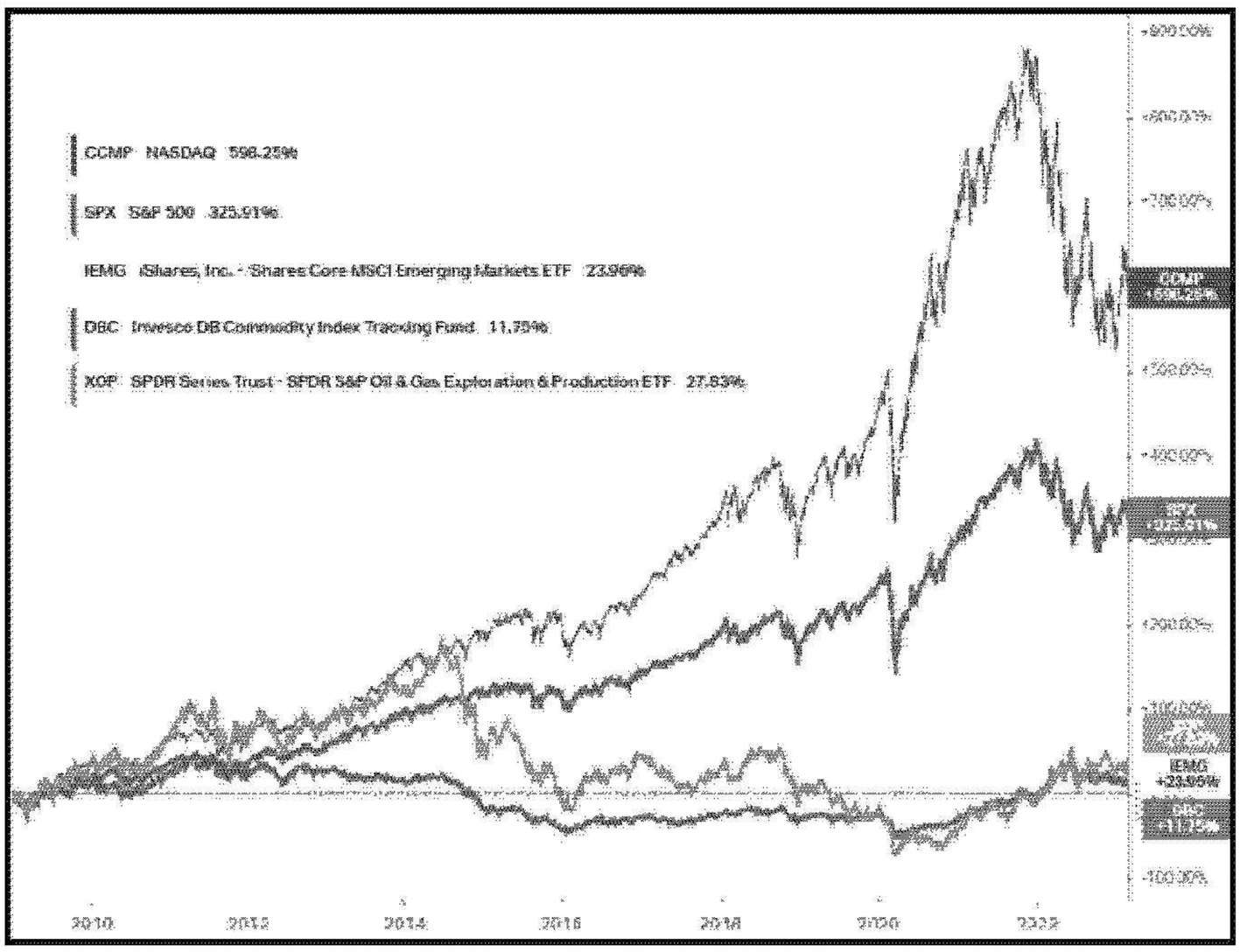
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BUSINESS OVERVIEW (continued)



Source: "Hugely in demand for years and then suddenly they become hot potatoes?" LGT Private Banking, Marko Gränitz

While both commodities and EM have showed some performance lately, they still show a substantial underperformance compared to the broader market when mapped over a longer period. This goes even more so if one compares these segments-to-segments part of the growth/FAANG -narrative.

3. 

4. *Commodities and Emerging Markets have underperformed last 10 years (Source: Market prices at Koyfin.com)*

The Group has positioned itself for a "comeback" of EMs and commodities, as these two categories were the Groups' main investment themes by the end of 2022.

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BUSINESS OVERVIEW (continued)

Actually, EM has been a core investment area for the Group during more than 25 years. The reason for the interest in EMs boil down to the belief that people who strive for a better future is the most elementary force behind economic progress. The same goes for the Group's focus on Breakout Nations, as political environments that enable market reforms and empower human creativity are other important forces behind economic development and growth. In these markets every dollar invested makes a difference, which is a very rewarding investment environment for a value investor and a nice contrast to developed markets, where most assets today are overvalued. When looking at contrasts, it is worth mentioning that many EMs today apply sound monetary policy. In developed countries on the other hand the monetary regime is mostly such that it supports unhealthy – and mostly unproductive – debt build-ups as well as enable fiscal policies with huge deficits.

With regards to commodities, the Group's increased interest in this segment started for real in 2018, and investments into this segment have only increased since then. Within commodities the investment focus is mainly on two themes:

- the underinvestment in conventional energy sources;
- something of an over investment into electrification and "greenification", that results in increased demand for several commodities, especially metals required for batteries and power infrastructure.

The electrification of transportation and the transition to a power mix that is based to a larger part of renewable energy sources will require substantial investments into all types of infrastructure. At the same time, and because of this transition, investments into conventional energy sources (mostly fossil fuels) decline. For us value investors, with an eye for contrarian thinking, this provides many interesting investment opportunities in the commodity space.

But investing in EMs as well as in commodities is difficult and inherently associated with volatility, and the last five years have also been something of a rollercoaster for the Dunross Group. In general terms 2018 was a bad year, while 2019 was a good year, and 2020 was an eventful but troublesome year due to the COVID pandemic. Finally, 2021 became a very good year, as Emerging Markets came back after a slow 2020 at the same time as commodity prices shot up. However, 2022 became a disastrous year following the conflict in Ukraine. Before the conflict the Group had approximately 60% of its gross exposure related to Russia and other CIS countries (mainly Kazakhstan and Georgia).

The Group's exposure to Russia had been up to discussion several times in late 2021 as well as in early 2022. The conclusion was that the growing tensions between Russia and Ukraine (including NATO) would at worst develop the ongoing civil war in the Donbass region into a full-on war, but limited to this region only. The Donbass region has a large population of ethnic Russians and the civil war had been going on since 2014. The rationale behind this conclusion was that any escalation beyond the Donbass-region from the Russian side, would inflict such a heavy cost on Russia that it simply was an unrealistically scenario. Sadly, this turned out to be wrong and resulted in a material decrease in value for most assets with substantial exposure to Russia. The development led to the decision within the Dunross Group to perform a heavy haircut on all Russian assets as these assets are not accessible to the Group under the current circumstances. More about this situation below. However, it is important to note that these assets are current (consist of well-performing companies), and that the Group's ownership is intact.

Looking ahead, the conflict in Ukraine has become something of a symbol of a bifurcation of the world into a US-centric part consisting of mostly developed countries ("the West") and an "eastern" part consisting of China, Russia and a large amount of developing and Middle Eastern countries ("the East"). While the US-centric group is very critical of Russia and very supportive of Ukraine with substantial financial and military support, most of the eastern countries (besides Russia) have a nuanced view of the conflict.

This geopolitical division of the world creates many challenges for a global investor such as the Dunross Group. For example, US and many other countries in the West have used their own currencies as well as Russian-owned assets as collateral in sanctions towards Russia. Consequently, these countries seized the foreign reserves of the Russian Central bank, blocked financial transfers for most of the Russian banks and seized certain assets of wealthy Russians. This in turn lead to a decision by the Russian state to block investors domiciled in what was labelled as "unfriendly" nations from their financial investments in Russia. These foreign owned Russian financial assets have since then been locked into a separate type of account, and while the ownership is intact the assets placed in this type of account are not accessible to the owner, nor can investors access incoming coupon/dividend payments. For the Group this was very damaging. With no control over its Russian investments the board in the main investment vehicle within the Group, Dunross & Co S.A. SICAV-SIF, decided that the Luxembourg fund took a large haircut on these assets by the end of 2022 (-95%).

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BUSINESS OVERVIEW (continued)

While this is a challenging situation for investors in Russia, there is some hope that the "locked" situation will be resolved sometime in the future. At the start of the conflict, financial assets to the tune of 150 billion US dollars were held by foreign investors in Russia (Source: Financial Times, "Investors struggle to trade Russian assets as sanctions hit market plumbing", March 1, 2022). A large part of these assets was held by foreigners in "unfriendly" nations, and therefore not accessible to their owners. At the same time, countries in the West have blocked the Russian Central bank from accessing its reserves held in these countries. These are reserves valued at approximately 300 billion US dollars (Source: Financial Times, "Russia plans to sue over frozen currency reserves, central bank says", April 19, 2022). So, on this background it is possible to see a "prisoner exchange" between Russian foreign assets locked in the West with non-Russian unfriendly foreigners' assets locked in Russia. It might not be near in the future, but a transfer like that makes sense as there seem to be no going back from the bifurcated world between the West and the East we now have. Once realpolitik sets in, as it always does at some stage, a cross-border transfer of assets should become part of the negotiations.

From a geopolitical perspective, the division between the West and the East will benefit the positioning of the Group's investment portfolio into commodities and EMs. There will be a large group of countries that will position themselves between these two blocks, and by doing so will have access to both. Already we see countries such as Georgia, Kazakhstan, Turkey and Vietnam taking such a more "balanced" position. Many more EMs will follow.

The bifurcation will also lead to increased industrial investments to adjust production capabilities, infrastructure, defence et cetera to the new world order. This will in no doubt lead to increased demand for commodities.

Investing in Breakout Nations with a more neutral stance towards the Ukraine conflict and with large commodity resources was the very essence of the Group's strategy during 2022. A strategy that will continue in 2023.

Compared to 2022, 2023 has started in a much calmer – and positive – fashion. Last year started with protests in Kazakhstan in January, in February the conflict in Ukraine started. By March the oil price reached 120 US dollar per barrel and created something of an energy chock that rocked the world economies for several months after. Now 12 months later, prices of oil and other critical commodities, are much more reasonable and economic performance much better than expected (in most places), considering that there has been no solution to the Ukraine conflict.

But one very important thing has become obvious during the first months of 2023, and that is the formation of an eastern geopolitical block, led by China. This block has the long-term ambition to challenge the US-lead West and the world-order proclaimed by the West. This is a big geopolitical change as China before has held a low profile in geopolitical matters – besides Taiwan and East China Sea. This has now changed in a most visible way.

US Middle Eastern policy of permanent instigation and destruction made this oil-rich part of the world the perfect starting point for China's ambition to form an eastern geopolitical block. During the first months of 2023 the Shiite-Sunni division has been dissolved with the help of China, Assad is about to be brought back into the Arab League of leaders with encouragement from China, Israel has been negotiating a free trade agreement with China and Saudi Arabia has joined the Shanghai Cooperation Organization. Just to mention a few examples of China's new international role has resulted in the so geopolitically important Middle East. This is just the beginning. Many countries, mostly in the less developed world, are looking to lessen the dependence on the West as this dependence always seem to come with a political cost. For the Dunross Group, with large interests in EMs, this geopolitical shift means new risks to consider but also new opportunities to explore.

Besides investments in global markets, the Group holds a portfolio of private equity investments. In April 2023 Danish firm Scandinavian Tobacco Group A/S acquired the main assets of the Swedish company XQS International AB, in which the Group owns 25% via its' private equity arm in Sweden (Dunross & Co AB/Ägir Invest AB). Assuming all targets are met, the total purchase price of the assets of XQS International AB will be about 150 million Danish krone (approximately 22.2 million US dollars).

In the beginning of 2023 both Dunross & Co S.A., SICAV-SIF and Dunross & Co Advisory Ltd moved into new office premises in Luxembourg and London, respectively.

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BUSINESS OVERVIEW (continued)

What added value does the Dunross Group bring?

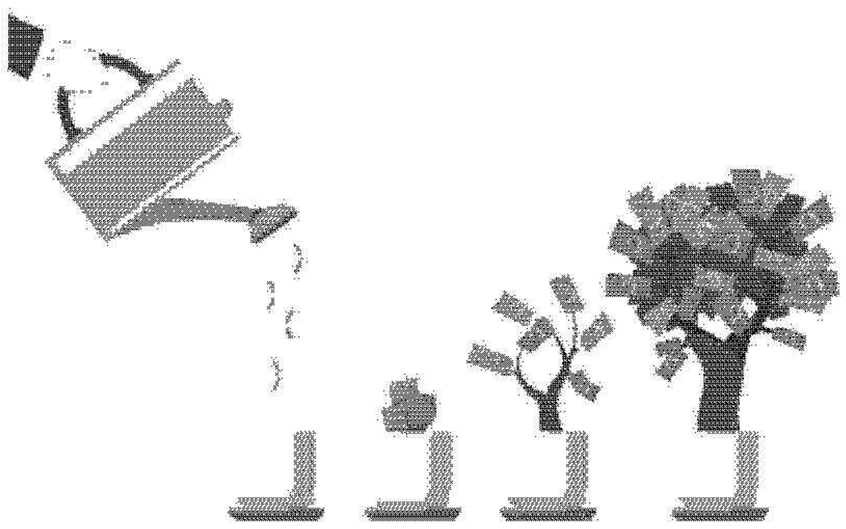
On a principal level the Dunross Group is interested in obtaining return on its invested capital. While this is the main driver of the Group, it rests on a principle that is all about allocating resources to the most promising companies in the most promising countries. In that way the activities of the Group enable improvements and increased wealth, not only for the Company but also for companies and societies in which the Group invests. With this starting point the Dunross Group in different ways helps to create value and wealth for people, companies and nations all around the globe.

On a practical level the Dunross Group provides hands-on support in the areas in which it is active. Since the Dunross Group is a long-term investor, the Group has developed a rich base of business relationships. This is enabled by Dunross analysts working close to companies and financial institutions and ensure that they understand that Dunross has both capital and knowledge, which can be added to their own capacity. In this way Dunross sees itself more like a partner than a passive investor. This way of working is quite rare in the investment industry and has been much appreciated, while at the same time adds value for all parties involved. While the Group can assist companies in finding capital, much effort is put on helping companies to bring down cost of capital as well as enhance the return on capital. Efforts within this area is very much about enhancing transparency, increase minority shareholder protection, provide sound dividend policies, establish efficient capital structures, and increase focus on the very core of a Group's business.

Corporate Governance – an area where the Dunross Group works to make a difference

The Dunross Group´s core business is to find the countries that do the right things and then invest into companies that do the right things in these countries. As such the Group is part of the fruitful capitalistic allocation model, that allocates resources to places where capital is put to best use by providing capital, evolving wealth, enabling growth and by yielding returns – for everyone. But beyond this, one of the Group´s most important tasks is to give advice to companies in which the Group invests.

The Dunross Group always strives to influence companies to improve their corporate governance, or, more clearly expressed, improve a company's shareholder friendliness, where serving the interests of all shareholders is central, instead of just the main shareholder(s). One important factor in this context is to consider a balanced dividend policy which shows that the company´s dividend is linked to its results and capital structure. Without that link, for example through a constant fixed and unchanged dividend, equity ownership becomes more like a bond investment, and without a direct feeling of participation on behalf of the shareholders, confidence and the link to the stock market will be lost.



Dividends is very important to show that main shareholders and management are on the same side as the minority shareholders.

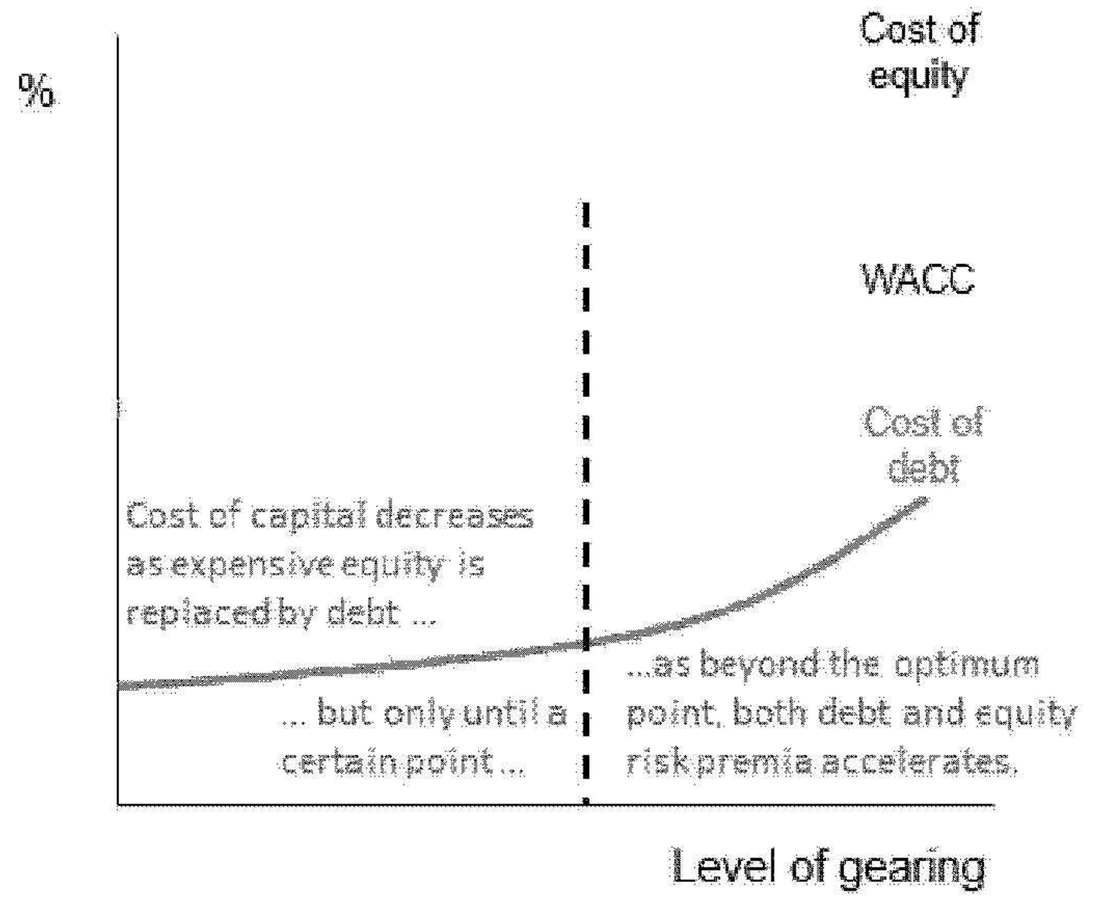
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BUSINESS OVERVIEW (continued)

A special note on returns to the shareholders is in order. Such returns can sometimes take place in the form of share buyback programs. However, to do so in line with all shareholders´ interests, the repurchased shares should be cancelled immediately so that the measure is comparable with an ordinary dividend. If this is not done, the share purchase will instead of being a positive become a negative. It will be seen as a potential overhang of shares that may be supplied to the market in the future. Or even worse, be considered as an expression of the management´s desire to increase its influence at the cost of balance sheet power. And in the very worst case, the management at a time of heavy undervaluation can sell these shares held by the company to benevolent parties, which would be to the other shareholders´ detriment. So, the proper way to create value for all shareholders through buybacks is to increase the ratio earnings per share by decreasing the denominator, i.e. decreasing the number of shares.

Another area where the Dunross group is active in advising companies is capital allocation. A central driver of a company's return profile is its capital structure, i.e. the choice of an optimal level of debt for the shareholders in terms of visibility and resource optimisation, which affects the company´s cost of equity. Visibility in the company´s income is largely determined by how high the degree of debt financing can be. For example, a strictly focused research company, with naturally high operational risk and occasional sales, should not take up any credit at all and strive to always hold a strong cash position. The opposite applies to companies with a high degree of visibility,

high- and stable-income streams, which therefore can carry a higher level of financial risk. Obviously, the level of interest rates is also determined by the real interest rate in the country. It is important that the companies understand that the shareholders estimate the value of the company, its management, and largest owners so that ROE (return on equity) is weighed against risk (which is part of the return requirement). Therefore, the optimal leverage must be found, where the difference between ROE (return on equity) and the required rate of return is optimized, which is illustrated in the following picture.



Companies should analyse and find their level of optimal leverage

The Dunross Group is very active to protect and educate about the governance of minority rights. This is a quite complex area. E.g it is very negative/dangerous for minority shareholders if a company has the possibility to undertake directed share issues to third parties or – even riskier – to the main shareholder(s), without the approval from a general meeting at which the main shareholder(s) refrains from voting. However, this shall not be deemed to mean that we do not trust companies with capable management. On the contrary, we believe that their motivational powers are the best for the development of the company, but it requires that management acts in the best interest of all shareholders, not just the majority shareholders. This does also apply to remuneration levels in the company and how these are determined. Who knows if they are reasonable? Are the incentives reasonable and what are the requirements for bonus pay-outs? Are there any links to the return generated to the shareholders?

To manage the level of complexity within this area transparency is of the utmost importance, so that all shareholders may assess the credibility of the main shareholder(s).

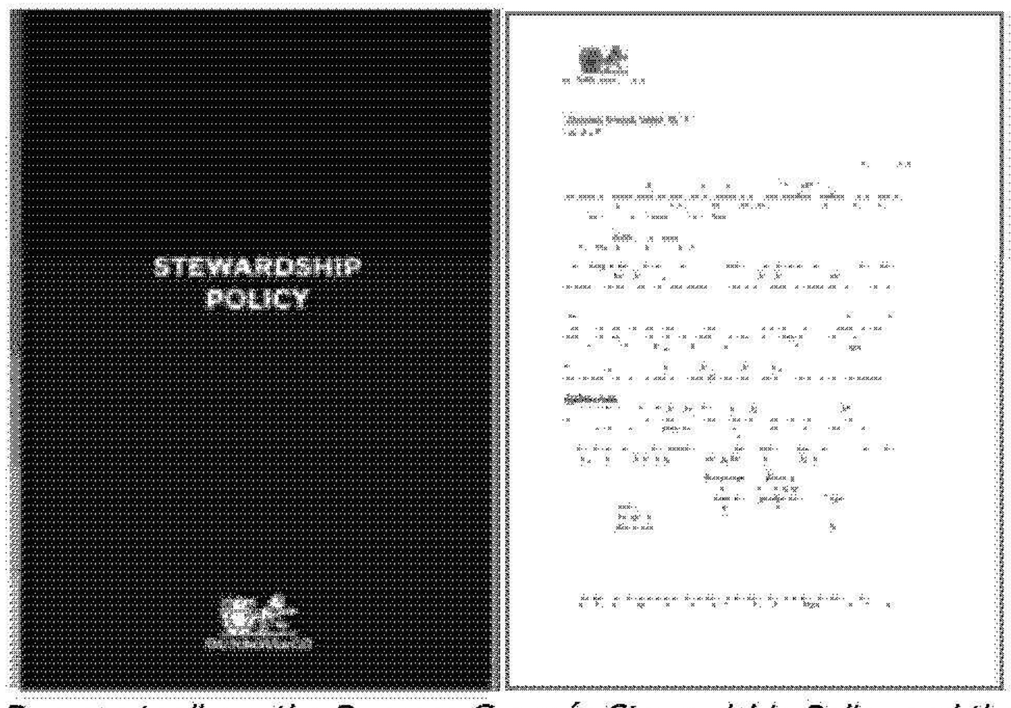
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BUSINESS OVERVIEW (continued)

Other important issues, which the Dunross Group prioritize, are internal transactions and whether there are practices on the reporting of insider transactions and how soon the reporting is made after such transaction has been carried out. Transparency is once again a key factor. A central and regulated insider register in the country is the best solution. Without such a register, these matters should be communicated on the company´s website and/or through press releases according to a formally decided and well-communicated company policy.

There are many other important factors within corporate governance that the Dunross Group takes into consideration, like independent minority shareholder representation on the Board of Directors, that a company has a strict focus on its core business and avoids becoming a so-called value trap. The latter is very damaging for shareholders as it hampers returns, which erodes the real – in cash flow terms – profitability. Textile and aviation companies (rapid technological development that requires investment the whole time) or the banking industry (mainly a too rapid credit growth in relation to profitability) are typical industries where there is a risk that a company evolve into a value trap. This type of unattractive structures and strategies can lead to a never-ending flow of new issuance and non-delivery of dividends. This is hardly a profitable combination and thus the companies become extremely low valued, which in turn makes their acquisition of capital expensive further hampering profitability.

In addition to the Dunross Group´s fundamental and corporate governance analysis, the Group has a Stewardship Policy on how Dunross acts towards "our" companies and how we act at general meetings. The Dunross Group has also, based on the corporate governance analysis, developed a standardised procedure for how "our" companies are ranked in relation to other companies in the Group´s portfolio. Based on the corporate governance analysis, an annual corporate governance-letter ("the Dunross Annual Letter") is sent to companies that have shown their position in our estimation, and some suggestions for improvements.



Important tools in the Dunross toolbox; the Dunross Group´s Stewardship Policy and the Dunross Annual Letter

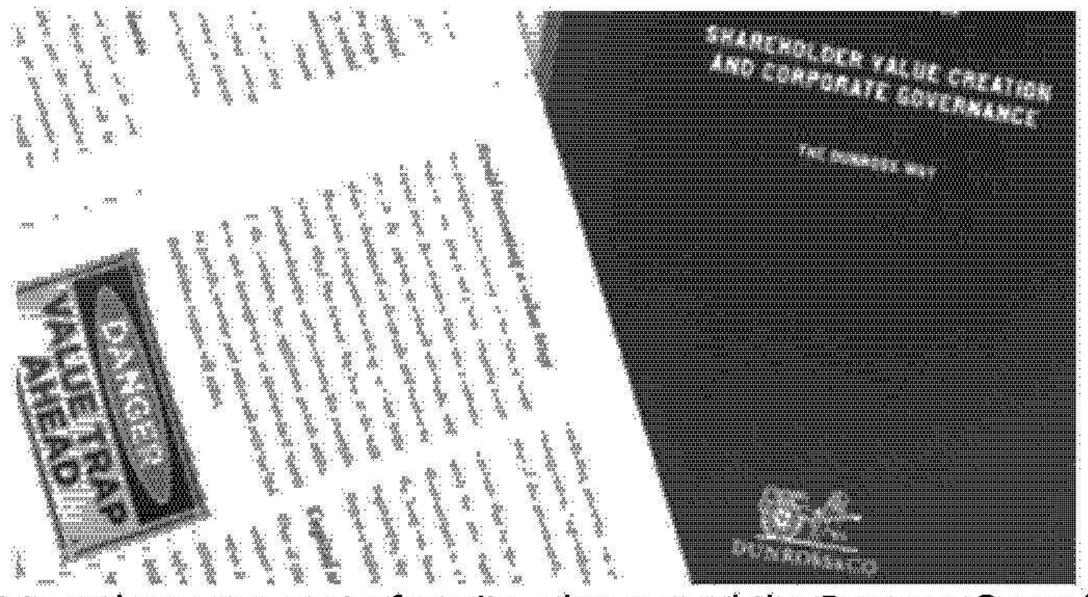
Finally, transparency is another important factor in our assessment of a company´s level of corporate governance. It is critical that the company communicates clearly on the objectives it has set out for itself, i.e. level of debt, operational margins, et cetera. These key ratios should be constantly followed up in the company´s quarterly reports, but also by inviting shareholders and bondholders to capital market days, which is highly rewarding and a good opportunity to communicate on the objectives. All types of measures to increase transparency reduce risk in the company since they allow shareholders to take a longer view. Put in another way, the required rate of return attributed to the company is reduced and thereby the cost of equity.

Shareholder Value Creation and Corporate Governance – The Dunross Way

The Dunross Group has also developed a pamphlet, "Shareholder Value Creation and Corporate Governance – The Dunross Way", which we hand over to the companies in which the Group has interests in. It illustrates opportunities and ideas for improvement in the corporate governance area, where we believe that everybody and everything always can be improved. Finally, it should be noted that bad corporate governance often can be a result from lack of knowledge and not a result from ill will. However, insufficiencies, which are pointed out but not corrected, are always a bad sign.

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BUSINESS OVERVIEW (continued)

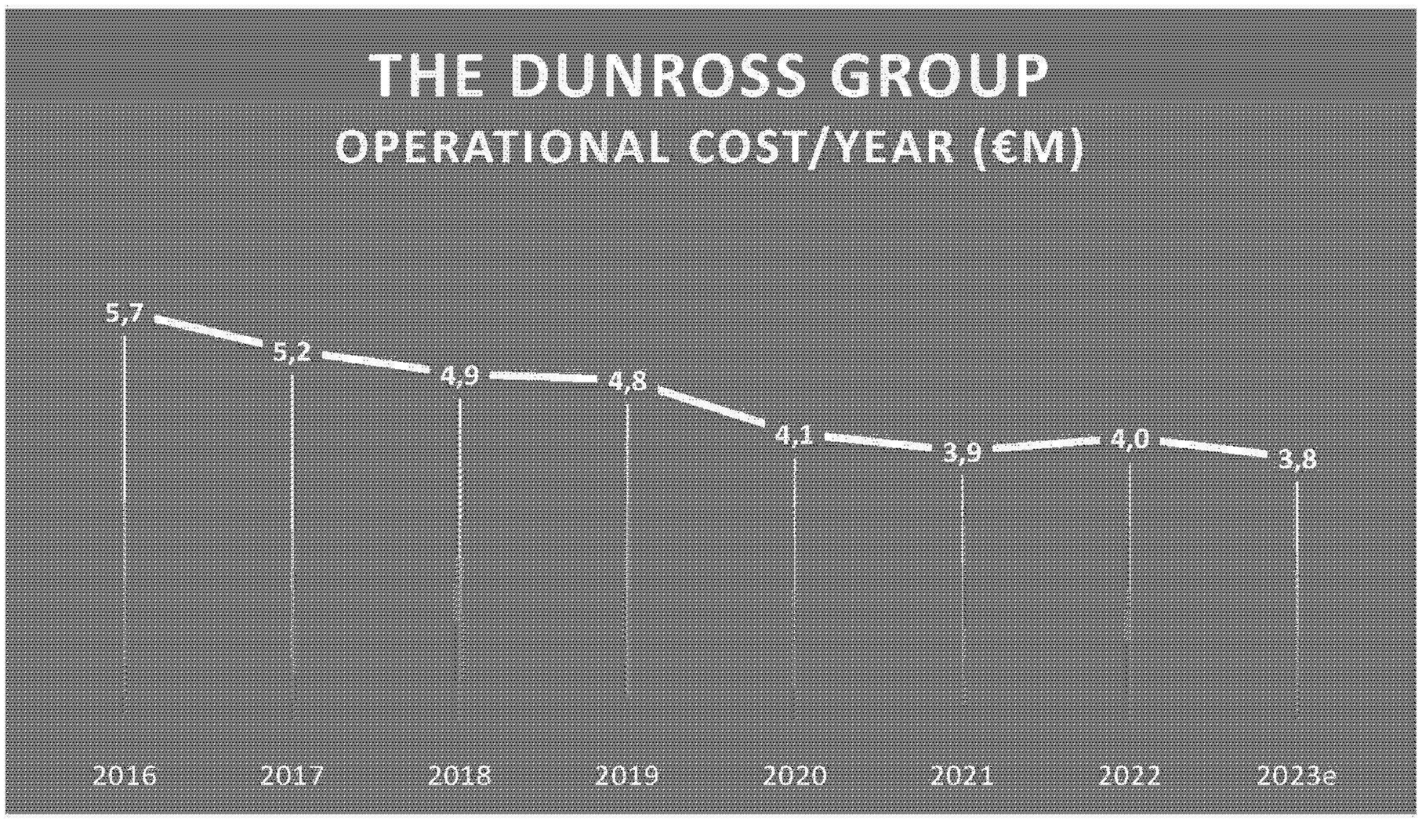


If you want to reduce your cost of equity, please read the Dunross Group´s pamphlet.

Structural update

The work to optimise the structure of the Dunross group continues and the focus over the past year has been on internal optimisation of the existing operations. For example, a project on the group's IT environment is currently underway with the goal of all internal systems being cloud-based by the end of 2023, resulting in further efficiency improvements both operationally and in terms of costs.

The cost reduction programme, initiated in 2017, continues to produce the expected effects and the annual costs are currently about €1.9m lower per year than before the programme was initiated, and this in the inflationary environment we are currently in.



The slight increase in costs for 2022 compared to 2021 is fully due to the effects of the COVID-19 pandemic and the costs for 2023 are expected to decrease again compared to the previous years.

As always, there are further efficiency improvements to be made and even if the main efficiencies have been made, there are always further improvements and opportunities to be realised.

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BUSINESS OVERVIEW (continued)

During 2022 a programme has been initiated to ensure that the companies within the Group work in a similar way with regards to administrative routines. Although this programme does not give any visible efficiencies in terms of lower costs it creates a more robust and resilient operation with less personal dependencies, which is of great importance in connection with unforeseen absences. Furthermore, during 2022 a project was initiated to change the current information and management systems to cloud-based solutions. The aim is to have migrated into the new system environment in the second half of 2023. Late in 2022 a project to implement an intra-group cash management solution was initiated that will be implemented during 2023. Finally, the office premises in both Luxembourg and London have been changed during 2023.

Risk Factors

Over many years, the Dunross Group has developed an investment process which is based on value investing. Two vital components of the Group´s investment process are "the trial-and-error principle" and "contrarian thinking". To achieve returns above the risk-free interest rate, the Dunross Group is willing to take risks which it is aware of. These risks are per se desired and are seen as an opportunity. This does not mean that the Group will avoid losses, as the concept of risk means that prices/value can go up as well as down. The investment philosophy of the Dunross Group is that, over time, equities and bonds have a higher price volatility, but give higher returns compared to risk free assets.

The largest risk within the area of asset management is a general implosion of value in asset markets – a crash. This is especially damaging if such an event is combined with a high degree of leverage. Therefore, all forms of debt are avoided within all entities in the Dunross Group, and a constant liquidity reserve is favoured. The reserve consists primarily of bonds issued in countries with good real interest, low risk and undervalued currencies.

Various methods are used to hedge against falling prices for equities and corporate bonds. The most important method is to apply the Dunross Intrinsic Value (DIV), a specific value based upon the Group´s value investing model. The DIV for a company is always compared to the market price for said company, and a (high) positive difference between the two is sought. The objective is to find quality companies with the highest DIV differential, through the fundamentally value-oriented analysis method developed by the Group. This method gives a margin of safety, which serves like a buffer against falling stock prices.

Another risk mitigating factor within the Group is that many investments are made in countries which perform market friendly reforms, since this enhances growth and lowers the return requirements while the companies' profitability and the country's wealth increase. Through these deregulations, a significant larger and stabilising middle class will emerge, which creates a higher degree of security, increased propensity to consume and optimism for the future.

The diversification of the portfolio to different countries does also contribute to lower risk. The Group's ban on issuing guarantees and writing naked, i.e. unlimited, options or other derivatives does also bring down risk.

Some risks are also minimised through a permanent humble attitude, to understand that anything can happen, and there is never such a thing as a "sure thing". Success is a fruit of thorough analysis and hard work, which amongst others means many company visits.

The Dunross Group´s core values provide support in its' ambition to always manage risk to the benefit of the Group. The Dunross Group core values are:

- Long-sightedness,
- Humility,
- Passion and
- Responsibility.

In Swedish these words form the acronym "LÖPA", which means "to run" in Swedish, and is symbolized by the artist Timo Solin's statue of a runner, which can be found in every Dunross Group office as a constant reminder of the Group´s core values and culture.

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BUSINESS OVERVIEW (continued)



Running generates energy and vitalises body and soul, but also an acronym (Swedish: löpa) for the Group´s values.

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Independent Auditor's Report

To the Members of Dunross & Co Holding Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dunross & Co Holding Limited (the "Company"), and its subsidiaries (the "Group"), which are presented in pages 20 to 60 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Emphasis of Matter

We draw attention to Note 1 of the consolidated financial statements, which describes the events that occurred during the year, particularly the Russian invasion in Ukraine and the consequent sanctions and restrictive measures, impacting the Group's operating environment, financial position and performance. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report and Business Overview, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.

- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Consolidated Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Nicos S. Stavrou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia 20 June 2023

DUNROSS & CO HOLDING LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	**2022**	2021
		€	€
(Loss)/profit from trading in investments	8	**(296,159,820)**	191,313,863
Other gains		**2,017,013**	1,888,649
Other losses	11	**(7,897,194)**	-
Administration expenses	9	**(7,515,425)**	(6,208,100)
Foreign exchange losses - net	12	**(15,368,409)**	(3,099,610)
Finance income	12	**40,576**	7,027
Finance costs	12	**(18,381)**	(21,090)
(Loss)/profit before tax		**(324,901,640)**	183,880,739
Share of results of associates	19	**68,811**	(6,072)
Net (loss)/profit for the year before tax		**(324,832,829)**	183,874,667
Tax	13	**(3,262,042)**	(1,807,477)
Net (loss)/profit for the year		**(328,094,871)**	182,067,190
(Loss)/profit is attributable to:			
-Owners of the parent		**(328,091,711)**	182,066,164
-Non-controlling interest		**(3,160)**	1,026
		(328,094,871)	182,067,190
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**13,201,063**	5,081,896
Total comprehensive (loss)/income for the year		**(314,893,808)**	187,149,086
Total comprehensive (loss)/income for the year is attributable to:			
-Owners of the parent		**(314,890,668)**	187,147,790
-Non-controlling interest		**(3,140)**	1,296
		(314,893,808)	187,149,086

The notes on page 25 to 60 form an integral part of these financial statements.

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DUNROSS & CO HOLDING LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	**2022**	2021
		€	€
ASSETS			
Non-current assets			
Property, plant and equipment	14	**2,606,629**	2,429,343
Investment property	15	**501,017**	518,492
Art		**4,608,902**	4,599,037
Intangible assets	16	**596,303**	651,927
Right-of-use assets	17	**1,312,761**	838,480
Investment in associates	19	**1,399,886**	1,584,248
		11,025,498	10,621,527
Current assets			
Financial assets at fair value through profit or loss	20	**466,530,564**	784,488,053
Financial assets at amortised cost	21	**2,808,269**	852,871
Other assets	22	**431,450**	466,200
Inventories		**34,411**	49,473
Current tax receivable	23	**92,434**	85,507
Cash and cash equivalents	24	**4,879,386**	5,667,162
		474,776,514	791,609,266
Total assets		**485,802,012**	802,230,793
EQUITY AND LIABILITIES			
Equity			
Share capital	25	**20,000**	20,000
Share premium	26	**190,000**	190,000
Shareholder's contribution	26	**11,930,498**	11,930,498
Currency translation reserve		**(3,764,646)**	(16,963,118)
Retained earnings		**380,637,058**	708,728,769
Non-controlling interests		**11,388**	11,957
Total equity		**389,024,298**	703,918,106
Non-current liabilities			
Lease liabilities	17	**890,313**	584,384
		890,313	584,384
Current liabilities			
Trade and other payables	28	**2,292,084**	2,130,597
Borrowings from shareholder	27	**93,150,000**	95,289,465
Bank overdrafts	27	**399**	2,679
Lease liabilities	17	**422,448**	254,096
Current tax liabilities	29	**22,470**	51,466
		95,887,401	97,728,303
Total liabilities		**96,777,714**	98,312,687
Total equity and liabilities		**485,802,012**	802,230,793

The notes on pages 25 to 60 form an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022 (continued)

On 20 June 2023 the Board of Directors of Dunross & Co Holding Ltd authorised these consolidated financial statements for issue.

Annie Nearchou (Jun 20, 2023 15:04 GMT+3)

Annie Nearchou
Director

Chris Santis (Jun 20, 2023 14:28 GMT+3)

Christakis Santis
Director

Ravn Vikersjö
Director

Anders Mattson (Jun 20, 2023 14:24 GMT+2)

Jon Anders Patrick Matson
Director

Jörgen Persson (Jun 20, 2023 12:02 GMT+2)

Per Jörgen Persson
Director

DUNROSS & CO HOLDING LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Share capital	Share premium	Shareholder contributions[1]	Non-controlling interests	Currency translation reserve	Retained earnings[2]	Total
	€	€	€			€	€
Balance at 1 January 2021	20 000	190 000	11 930 498	13 253	-22 047 336	526 662 605	516 769 020
Comprehensive income							
Profit for the year	-	-	-	1 026	-	182 066 164	182 067 190
Translation of foreign operations to presentation currency	-	-	-	-2 322	5 084 218	-	5 081 896
Balance at 31 December 2021/1 January 2022	**20 000**	**190 000**	**11 930 498**	**11 957**	**-16 963 118**	**708 728 769**	**703 918 106**
Comprehensive loss							
Loss for the year	-	-	-	-3 160	-	-328 091 711	-328 094 871
Translation of foreign operations to presentation currency	-	-	-	2 591	13 198 472	-	13 201 063
Balance at 31 December 2022	**20 000**	**190 000**	**11 930 498**	**11 388**	**-3 764 646**	**380 637 058**	**389 024 298**

(1) The Company's shareholder has not contributed any additional capital for the year ended 31 December 2022 (2021: €nil) (Note 26).

(2) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2020, the deemed dividend distribution is subject to a 2.65% contribution to the National Health System, with the exception of April 2020 until June 2020 when the 1.70% rate was applicable. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

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DUNROSS & CO HOLDING LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		**(324,832,829)**	183,874,667
Adjustments for:			
Loss/(gain) on financial assets at fair value through profit or loss	20	**344,172,661**	(147,281,404)
Depreciation and amortisation	9	**309,899**	281,766
Loss on liquidation of associates	19	**-**	529,343
Reversal of impairment of associates	11	**(16,934)**	-
Impairment of associates	11	**292,185**	-
Interest income	8,12	**(4,005,039)**	(4,872,389)
Interest expense	12	**18,381**	21,090
Share of result in associate	19	**(68,811)**	6,072
Dividend income	8	**(45,920,407)**	(27,992,575)
Other impairment losses	11	**7,621,943**	-
Foreign exchange on investing activities		**15,368,409**	3,639,098
		(7,060,542)	8,205,668
Changes in working capital:			
Financial assets at amortised cost		**(1,955,398)**	255,800
Other assets		**34,750**	405,031
Inventories		**15,062**	(17,768)
Trade and other payables		**161,487**	(2,024,838)
Financial assets at fair value through profit or loss		**(26,215,172)**	(36,181,952)
Cash used in operations		**(35,019,813)**	(29,358,059)
Tax paid		**(3,297,965)**	(2,133,046)
Net cash used in operating activities		**(38,317,778)**	(31,491,105)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	16	**(142,448)**	(258,138)
Purchase of art		**(9,865)**	(1,603,594)
New share issue associate	19	**-**	(227,030)
Interest received	8,12	**4,005,039**	4,872,389
Dividends received	8	**45,920,407**	27,992,575
Dividends from associates	19	**-**	1,617,606
Restricted bank balances movement	24	**(401,155)**	-
Purchase of property, plant and equipment	14	**(330,635)**	(1,074,190)
Disposals of property, plant and equipment	14	**34**	72,253
Net cash generated from investing activities		**49,041,377**	31,391,871
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of bank borrowings	27	**-**	(334,088)
Repayments of borrowings from shareholder	30.3	**(2,139,465)**	-
Interest paid	12	**(18,381)**	(21,090)
Net cash used in financing activities		**(2,157,846)**	(355,178)
Net increase/(decrease) in cash and cash equivalents		**8,565,753**	(454,412)
Cash, cash equivalents and bank overdraft at beginning of the year		**5,664,483**	4,793,176
Foreign exchange differences on cash, cash equivalents and bank overdraft		**(9,752,404)**	1,325,719
Cash and cash equivalents at end of the year	24	**4,477,832**	5,664,483

The notes on pages 25 to 60 form an integral part of these financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2022

1. General information

Country of incorporation

Dunross & Co Holding Ltd (the "Company") was incorporated in Cyprus on 21 September 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 46 Ioanni Agroti, 8047 Paphos, Cyprus.

Principal activities and nature of operations of the Group

The principal activity of the Group, which is unchanged from last year, is the holding of investments, as well as the trading in securities and derivatives, including interest earning activities and direct investments in the property sector in Cyprus. Further to these investments the Group also invests in art.

Operating environment

Covid-19 pandemic

The year 2022 continued to be marked by the effects of the COVID-19 pandemic, the emergence of new variants and the associated measures implemented by various governments globally with a view to delay the spread of the disease, safeguard public health and ensure the economic survival of working people, businesses, vulnerable groups and the economy at large.

To this end, the government of the Republic of Cyprus continued to have in place certain of the measures introduced in 2020 and 2021, and in some cases, introduced new, economically costly measures with the aim of protecting the population from further spread of the disease.

The measures were continuously revised (lifted or tightened) by the Republic of Cyprus during the year taking into consideration the epidemic status in the country.

Industries such as tourism, hospitality and entertainment have been directly and significantly disrupted by these measures for some period in 2022. Other industries, such as manufacturing and financial services, have also been indirectly affected.

The COVID pandemic did not have a significant direct effect on the Group's operations because of the nature of its business. The daily activities could proceed as normal. Indirectly the Group was affected by fewer physical investor relations meetings and conferences for the attendance of advisers and representatives of the subsidiary Dunross & Co S.A., SICAV-SIF ("the Subsidiary"). There were also impediments for travelling to meet with portfolio companies. This was particularly true in the first half of the year. Circumstances improved considerably in the second half of the year when the number of investor relations gatherings increased and there were more travel opportunities for site visits.

These measures have further restricted the economic activity both in Cyprus and globally and have severely impacted and could continue to negatively impact, businesses, market participants as well as the Cyprus and global economies as they persist for an unknown period of time. Some of those measures were subsequently relaxed, however, as of 31 December 2022, there remains a risk that the authorities may impose additional restrictions in 2023 as a response to possible new variants of the virus.

War between Russia and Ukraine

During 2021, the Russian economy continued to be negatively impacted by the ongoing political tension in the region and international sanctions against certain Russian companies and individuals, with the tension intensifying towards the end of 2021 as a result of further developments of the situation with Ukraine. From late February 2022 the conflict between Russia and Ukraine escalated further and the situation remains highly unstable.

In addition Russia has adopted its own set of counter-sanctions measures. Such measures include the sanctioning of persons and entities within jurisdictions on the "Unfriendly Countries List" under Russian law. Consequently, the Group with its principal subsidiaries, being established in an Unfriendly Jurisdiction, is currently subject to Russian counter-sanctions measures.

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1. General information (continued)

Operating environment (continued)

War between Russia and Ukraine (continued)

In response to the conflict, a number of sanctions have been imposed on Russian entities to restrict them from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.

The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

The Group is impacted from the conflict, as its operations are affected by the situation through its subsidiary Dunross & Co S.A., SICAV-SIF's ("the Fund"). The Fund has a major exposure to Russian securities because of its energy investment theme. These assets are currently locked and cannot be traded. The reason being that the Fund is incorporated in Luxembourg. Russia considers all EU countries to be "unfriendly" and are therefore blocking EU companies from trading. The Moscow Exchange ("MOEX") is open for business but exclusively for domestic investors and those in "friendly" jurisdictions. The Fund has recorded an impairment charge of 95% in reference to all its Russian holdings based on the quoted prices on MOEX. Refer to Notes 6.7 and 7 for further details.

An additional factor is the trend that inflation has returned after being subdued for an extended period. Inflation increased dramatically during the second half of 2022. This forced several central banks to increase interest rates to slow demand. The conundrum is if the inflation pressure is transitory or more persistent. The elevated interest rates because of the higher inflation could slow the world economy and have an adverse effect on the Group.

Management has taken and continues to take necessary measures to ensure minimum disruption to and sustainability of the Group's operations. Management has assessed:

1) The impact on the expected credit losses of the Group's financial instruments that are subject to impairment under IFRS 9. IFRS 9 requires forward-looking information (including macro-economic information) to be considered both when assessing whether there has been a significant increase in credit risk and when measuring expected credit losses. As with any economic forecast the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Refer to Note 6 for more information on impairment of financial assets.

2) The ability of the Group to continue as a going concern. Management, cognisant of the absence of any external leverage and any associated covenants, along with the strong overall net asset position, concluded that no material uncertainties exist regarding the going concern of the Group.

Banking sector failures

The banking crisis that unfolded during March 2023 affected certain US banks and Credit Suisse. The Group does not have a direct or indirect exposures to the US banks that have failed during March 2023 and May 2023 (Silicon Valley Bank, Signature Bank, Silvergate Bank and First Republic Bank).

The future effects of the COVID-19 pandemic, the conflict in the region and the other factors noted above and consequently on the future financial performance, cash flows and financial position of the Group, are difficult to predict and management's current expectations and estimates could differ from actual results. The Group's management believes that it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current economic environment.

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1. General information (continued)

Banking sector failures (continued)

The future effects of the COVID-19 pandemic, the conflict in the region and the other factors noted above and consequently on the future financial performance, cash flows and financial position of the Group, are difficult to predict and management's current expectations and estimates could differ from actual results. The Group's management believes that it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current economic environment.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113, for Dunross & Co Holding Ltd (the "Company") and its subsidiaries (together the "Group").

As of the date of the authorisation of the consolidated financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2022 and are relevant to the Group's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below in Note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value and by revaluation of financial assets/liabilities at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 7.

Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently measured to fair value with change in fair value recognised in profit or loss.

Inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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2. Basis of preparation (continued)

Associates

Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Purchase of subsidiaries from parties under common control

Purchases of subsidiaries from parties under common control are accounted for using the predecessor values method. Under this method the consolidated financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented or, if later, the date when the combining entities were first brought under common control. The assets and liabilities of the subsidiary transferred under common control are at the predecessor entity's carrying amounts.

The predecessor entity is considered to be the highest reporting entity in which the subsidiary's IFRS financial information was consolidated. Related goodwill inherent in the predecessor entity's original acquisitions is also recorded in these consolidated financial statements. Any difference between the carrying amount of net assets, including the predecessor entity's goodwill, and the consideration for the acquisition is accounted for in these consolidated financial statements as an adjustment to retained earnings within equity.

3. Adoption of new and revised IFRS standards and interpretations

During the current year, the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Group.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the Group consisting of Dunross & Co Holding Ltd and its subsidiaries.

Employee benefits

The Group and its employees, where applicable, contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

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4. Summary of significant accounting policies (continued)

Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group´s entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). For the Swedish entities in the Group the functional currency is Swedish Krona (SEK), for the UK entity in the Group the functional currency is Great Britain Pound (GBP) and for the Cyprus and Luxembourg entities it is Euro (€). The consolidated financial statements are presented in Euro (€), which is the Group's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

(3) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognised in other comprehensive income.

Current and deferred income tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. In accounting for the tax effects of on-balance sheet leases, the Group views the right-of-use asset and lease liability separately and considers that the temporary difference on each item does not give rise to deferred tax since the initial recognition exception applies.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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4. Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Group where there is an intention to settle the balances on a net basis.

Dividend distribution

Dividend distribution to the Group's shareholder is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Group. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Group's shareholder.

Property, plant and equipment

Property, plant, and equipment consists of land and buildings, computer equipment and plant and machinery. Property, plant, and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Cost includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives. The annual depreciation rates are as follows:

	%
Buildings	3
Plant and machinery	20 – 33
Computer equipment	10

Land and art are not depreciated.

The artworks owned by the Group form part of its portfolio of investments and play a role in the Group's diversification strategy. The artworks do not have a determinable useful life, are not exposed to wear and tear, and do have a residual value, as the artworks are made by well-known artists and are frequently traded on international auction houses. Furthermore, they are separable and tend to increase in value throughout time. The Group's investments in artworks are mainly made in the category labelled Post War & Contemporary Art, which is the class of artworks that has shown the greatest value appreciation during the last couple of years. The value of the Group's art portfolio represents to a significant extent renowned artists with largely sustainable asset prices. The fair value of the artworks is determined by monitoring sales at auction houses and similar venues and form the basis for the annual insurance renewal. They are considered the best estimate for the true market price. It can be argued that the current residual value of the Group's art portfolios is not inferior to the cost which is the carrying amount of art included in the consolidated financial statements. Management believes that in light of this no depreciation and/or impairment should be booked in respect of the art held.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater that its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

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4. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of comprehensive income.

Investment property

Investment property principally comprises of office building.

Investment property is stated at cost, less accumulated depreciation and provision for impairment, where required. If any indication exists that investment properties may be impaired, the Company estimates the recoverable amount as the higher of value in use and fair value less costs of disposal. The carrying amount of an investment property is written down to its recoverable amount through a charge to profit or loss for the year. An impairment loss recognised in prior years is reversed if there has been a subsequent change in the estimates used to determine the asset's recoverable amount.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Leases

The Group is the lessee:

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group, with limited exceptions as set out below.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

In determining the lease term, management of the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

As an exception to the above, payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group is the lessor:

(a) Operating leases

Where the Company is a lessor in a lease which does not transfer substantially all the risk and rewards incidental to ownership of the lessee (i.e. operating lease), rental income is recognised as "other income" on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(b) Impairment of lease receivable

The Group recognises credit loss allowance on lease receivables using a simplified approach at lifetime ECL. The ECL is determined in the same way as for financial assets measured at amortised cost and recognised through an allowance account. In assessing the ECL, the Group considers the cash flows that may result from obtaining and selling the assets subject to the lease.

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4. Summary of significant accounting policies (continued)

Intangible assets

Intangible asset includes separately acquired patents, licenses and trademarks and are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events and changes in circumstances indicate that they might be impaired. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each recording date.

Financial assets – Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All other financial assets are classified as measured at FVTPL.

Financial assets – Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets – Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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4. Summary of significant accounting policies (continued)

Financial assets – Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "Finance income". Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income. Financial assets measured at AC comprise: cash and cash equivalents, bank deposits with original maturity over 3 months and financial assets at amortised cost.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within (Loss)/profit from trading in investments in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as part of (Loss)/profit from trading in investments when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in (Loss)/profit from trading in investments in the consolidated statement of comprehensive income as applicable.

Financial assets – impairment – credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments measured at AC. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income – within "net impairment on financial assets". Subsequent recoveries of amounts for which loss allowance was previously recognized are credited against the same line item.

Financial assets measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL.

Expected losses are recognized and measured according to the general approach – three stage model for impairment.

The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 6, credit risk section for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in Note 6, credit risk section.

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4. Summary of significant accounting policies (continued)

Financial assets – Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assess whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate and recognises a modification gain or loss in profit or loss.

Derivative financial instruments

Derivative financial instruments are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year. The Group does not apply hedge accounting.

Classification as cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. In the consolidated statement of financial position bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

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4. Summary of significant accounting policies (continued)

Interest income

Interest income from financial assets at FVTPL is included in the (Loss)/profit from trading in investments on these assets. Interest income on financial assets at amortised cost is calculated using the effective interest method and is recognised in the "Finance income" in the consolidated statement of comprehensive income as finance income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit – impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL). Dividends are recognised in the consolidated statement of comprehensive income when the right to receive payment is established.

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – measurement categories

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled, or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of comprehensive income as "Other income" or "Finance costs".

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. 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 interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability. Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

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4. Summary of significant accounting policies (continued)

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities – modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. 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 interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, and related production overheads (based on normal operating capacity). It excludes borrowing costs. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Capital contribution

Capital contribution constitutes contributions made by the Group's shareholders other than for the issue of shares by the Group in their capacity as equity owners of the Group for which the Group has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Group.

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4. Summary of significant accounting policies (continued)

Transactions with equity owners

The Group enters into transactions with its shareholder. When consistent with the nature of the transaction, the Group's accounting policy is to recognise any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends. Similar transactions with nonequity holders are recognised through the profit or loss in accordance with IFRS 9, "Financial Instrument".

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

5. New accounting pronouncements

At the date of approval of these consolidated financial statements a number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2022 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group.

6. Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk and market price risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's bank borrowings carry fixed interest rates and are consequently not subject to cash flow interest rate risk. In addition, as they are measured at amortised cost, they are not susceptible to fair value interest rate risk either. The borrowings from shareholder carry floating interest rate though as EURIBOR 1M +0.25%, rates were negative, the cash flow exposure is minimal. The Group is exposed to cash flow interest rate risk in relation to its cash and cash equivalents which carry floating interest rates. Due to the nominal interest rates earned on the bank balances the management assessed that any sensitivity analysis to demonstrate the impact of changes in interest rates on the Group's results would be insignificant.

However, exposure from fair value interest rate risk arises from debt securities designated as financial assets at fair value through profit or loss. As at 31 December 2022, debt securities designated at fair value through profit or loss consist of fixed rate debt securities amounting to €67,760,201 (2021: €50,141,616).

Dunross Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At 31 December 2022 and at 31 December 2021, if interest rates on fixed rate debt securities held at fair value through profit or loss had been 10 basis points higher/lower with all other variables held constant, the net asset position would have been insignificantly lower/higher because of the debt securities small allocation in the overall asset portfolio of financial assets at fair value through profit or loss. Interest rate fluctuations are monitored on a continuous basis and actions are taken accordingly.

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6. Financial risk management (continued)

Financial risk factors (continued)

6.2 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, other receivables, and contractual cash flows of debt instruments at fair value through profit or loss.

(i) Risk management

Credit risk is managed on an individual basis. For banks and financial institutions, only parties whom management has internally assessed as financially healthy and stable are accepted. If there is no independent rating, management assesses the credit quality of the counterparty, taking into account its financial position, past experience and other factors. Debt securities at fair value through profit or loss (FVPL) are carried at fair value which also reflect any credit risk related write-downs and best represents the maximum exposure to credit risk. Debt securities at FVPL are not collateralized.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- receivables from related parties and other receivables

Other receivables at amortised cost, receivables from related parties and cash and cash equivalents– general expected credit loss model applied

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group uses the following categories for other receivables and cash and cash equivalents which reflect their credit risk and how the loss provision is determined for each of those categories. For counterparties which are externally rated, the Group uses external credit ratings. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

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6. Financial risk management (continued)

Financial risk factors (continued)

6.2 Credit risk (continued)

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

Over the term of the receivables, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data.

The Group provides for credit losses against other receivables, receivables from related parties and cash and cash equivalents. The following tables contain an analysis of the credit risk exposure of each class of financial instruments for which an ECL allowance is recognised. The gross carrying amounts below also represent the Group's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021.

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6. Financial risk management (continued)

Financial risk factors (continued)

6.2 Credit risk (continued)

Cash and cash equivalents

The credit quality of financial assets that are neither past due nor impaired, can be assessed by reference to external credit rating (if applicable) or to historical information about counterparty default rates:

Cash and cash equivalents 31 December 2022

	Aa2	Aa3	Ba2	Unrated	Total
	€	€	€	€	€
Skandinaviska Enskilda Banken Luxembourg Branch	**2,805,681**	**-**	**-**	**-**	**2,805,681**
Skandinaviska Enskilda Banken AB	**1,887,173**	**-**	**-**	**-**	**1,887,173**
Skandinaviska Enskilda Banken UK	**59,796**	**-**	**-**	**-**	**59,796**
BPR Rwanda (former KCB Rwanda) PLC	**-**	**-**	**-**	**9,122**	**9,122**
Swedbank AB	**-**	**74,685**	**-**	**-**	**74,685**
Bank of Cyprus Public Company Limited	**-**	**-**	**30,720**	**-**	**30,720**
Revolut Bank UAB	**-**	**-**	**-**	**11,881**	**11,881**
	4,752,650	**74,685**	**30,720**	**21,003**	**4,879,058**

No significant changes to estimation techniques were made during the reporting period.

Cash and cash equivalents 31 December 2021

	Aa2	Aa3	Ba2	B1	Unrated	Total
	€	€	€	€	€	€
Skandinaviska Enskilda Banken Luxembourg Branch	142,271	-	-	-	-	142,271
Skandinaviska Enskilda Banken AB	4,654,755	-	-	-	-	4,654,755
Skandinaviska Enskilda Banken UK	125,153	-	-	-	-	125,153
UBS Europe SE	561,627	-	-	-	-	561,627
JSC Galt & Taggart	-	-	-	-	676	676
BPR Rwanda (former KCB Rwanda) PLC	-	-	-	912	-	912
Swedbank AB	-	135,559	-	-	-	135,559
Bank of Cyprus Public Company Limited	-	-	43,463	-	-	43,463
	5,483,806	135,559	43,463	912	676	5,664,416

The rest of the statement of financial position item "Cash and cash equivalents" is cash in hand. All bank balances were performing (Stage 1) as of 31 December 2022 and 31 December 2021.

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6. Financial risk management

Financial risk factors (continued)

6.2 Credit risk (continued)

Receivables

Receivables	**2022**	2021
	€	€
Fully performing receivables		
Counterparties without external credit rating		
Group 1	**2,808,269**	852,871
	2,808,269	852,871

Group 1 – Counterparties with no defaults in the past.

None of the financial assets that are fully performing have been renegotiated. The exposure is individual and in aggregate trivial as receivables form a minimal portion of the total asset position.

Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to debt instruments that are measured at fair value through profit or loss. Their fair value also reflects any credit-risk related write-downs and best represents the maximum exposure to credit risk. Debt securities at FVTPL are not collateralised.

Derivative financial assets represent a minimal portion of the financial asset's portfolio and accordingly credit exposure thereon is limited.

6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2022	**Less than 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
	€	**€**			**€**
Trade and other payables (excluding non-financial liabilities)	2,239,856	-	-	-	2,239,856
Lease liabilities	422,448	460,779	322,151	107,383	1,312,761
Borrowings	93,150,399	-			93,150,399
	95,812,703	460,779	322,151	107,383	96,703,016
31 December 2021					
Trade and other payables (excluding non-financial liabilities)	2,084,944	-	-	-	2,084,944
Lease liabilities	254,096	584,384	-	-	838,480
Borrowings	95,292,144	-	-	-	95,292,144
	97,631,184	584,384	-	-	98,215,568

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6. Financial risk management (continued)

Financial risk factors (continued)

6.4 Currency risk

The Group holds both monetary and non-monetary assets denominated in currencies other than the EUR, SEK and GBP, the functional currency for each relevant Group entity. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk and not a foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below provides analysis between monetary and non-monetary items to meet the requirements of IFRS 7.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date are as follows:

	2022	2021
	€	€
Euro	**19,057,959**	30,864,317
Georgian Lari	**-**	13,327,073
Great Britain Pound	**93,127,707**	80,798,639
Hong Kong Dollar	**4,471,447**	3,068,905
Indonesia Rupiah	**18,397,523**	8,559,317
Kenyan Shilling	**24,845,925**	31,725,708
Mexican Peso	**33,510,761**	41,558,017
Norwegian Krone	**564,209**	-
Philippine Peso	**47,516,601**	81,835,383
Russian Ruble	**6,430,580**	219,914,374
Rwandan Franc	**8,389,135**	7,211,139
South African Rand	**13,960,014**	-
South Korean Won	**30,884,560**	38,049,021
Swedish Krona	**12,427,246**	7,243,264
United States Dollar	**143,279,353**	225,772,652
Uruguayan Peso	**14,546,652**	-
Other currencies	**278**	226,027
	471,409,950	790,153,836

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The table below summarises the sensitivity of the Group's assets and liabilities in foreign exchange movements at 31 December 2022 and 31 December 2021. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below with all the other variables held constant. This represents management's best estimate of reasonable possible shift in the foreign exchange rates.

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6. Financial risk management (continued)

Financial risk factors (continued)

6.4 Currency risk (continued)

Currency	Shift in rate 2022	Movement in value 2022	Shift in rate 2021	Movement in value 2021
	+/-	€	+/-	€
Great Britain Pound	4.6%	4,283,875	3.8%	3,106,821
Georgian Lari	-	-	9.6%	1,278,586
Hong Kong Dollar	8.6%	384,544	4.5%	138,949
Indonesian Rupiah	6.9%	1,269,429	4.7%	400,251
Kenyan Shilling	13.6%	3,379,046	3.6%	1,156,160
Mexican Pesos	10.2%	3,418,098	5.0%	2,074,587
Norwegian Krone	5.4%	30,467	-	-
Philippine Peso	4.6%	2,185,764	3.2%	2,638,897
Russian Ruble	46.3%	2,977,359	6.8%	14,924,613
Rwandan Franc	9.3%	780,190	4.8%	344,669
South African Rand	8.7%	1,214,521	-	-
South Korean Won	4.3%	1,328,036	2.6%	982,713
Swedish Krona	4.3%	534,372	2.1%	155,502
United State Dollar	9.0%	12,895,142	4.8%	10,855,192
Uruguayan Peso	12.9%	1,876,518	-	-

6.5 Market price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the statement of financial position as at fair value through profit or loss. The Group is not exposed to commodity price risk.

The Group's equity investments are publicly traded in stock exchanges in the following countries; Hong Kong, Indonesia, Russia, the Philippines, Rwanda, Great Britain, Kenya, Slovenia, South Korea, Kazakhstan, Uruguay, Sweden, Norway and Mexico.

If the equity indexes had increased/decreased by 10% (2021: 10%) with all other variables constant and all the Group's equity instruments moved in line with index, then the pre-tax results would be increased/decreased by €39,044,153 (2021: €71,787,425).

If the unit price of the investments in equity funds had increased/decrease by 10% (2021: 10%) with all other variables constant, then the pre-tax results would be increased/decreased by €815,639 (2021: €1,645,586).

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group's Board of Directors.

6.6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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6. Financial risk management (continued)

Financial risk factors (continued)

6.6 Capital risk management (continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2022 and 2021 were as follows:

	2022	2021
	€	€
Total borrowings (Note 27)	**93,150,399**	95,292,144
Less: Cash and cash equivalents (Note 24)	**(4,879,386)**	(5,667,162)
Net debt	**88,271,013**	89,624,982
Total equity	**389,024,298**	709,918,106
Total capital	**477,295,311**	799,543,088
Gearing ratio	**18%**	11%

6.7 Fair value estimation

The fair value of financial instruments traded in active markets, such as publicly traded trading financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

Fair value measurements recognised in the statement of financial position. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	€	**€**	**€**	**€**
Financial assets				
Financial assets at fair value through profit or loss	451,605,797	1,533,945	13,390,822	466,530,564
	451,605,797	**1,533,945**	**13,390,822**	**466,530,564**

31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Financial assets at fair value through profit or loss	769,364,653	2,102,793	13,020,607	784,488,053
	769,364,653	2,102,793	13,020,607	784,488,053

For transfers between levels during the year refer to comments further below.

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6. Financial risk management (continued)

Financial risk factors (continued)

6.7 Fair value estimation (continued)

The Group's equity investments included in Level 1 consist of (a) equity securities publicly traded in stock exchanges in the following countries Russia, the Philippines, Georgia, Slovenia, Rwanda, Great Britain, Kazakhstan, Kenya, South Korea, Indonesia, Hong Kong, Uruguay and Mexico amounting to €448,004,677 (2021: €764,979,945) as well as (b) an investment in an open-ended mutual fund that qualifies as Level 1 investment amounting to €3,601,120 (2021: €4,384,708). Management has assessed the classification of the open-ended mutual funds to Level 1 with reference to the frequency of publication of the unit price (NAV), which has been daily, as well as sufficient subscriptions and redemptions occurring at NAV, that further support the assessment that an active market exists.

In respect to the investments in equity funds included in Level 3 these have been valued by reference to the unit price as this was derived by regulated fund managers. Total value was then derived by multiplication of the unit price mentioned above to the total quantity of units held by the Company. Management has assessed the classification of the investments in equity funds included in Level 3 based on the frequency of publication of the unit price (NAV), which has been for some funds weekly and for others monthly, and limited subscription and redemption possibilities currently, which however might be redeemable at a future date.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Relationship of unobservable inputs to fair value

Description	Unobservable input: Number of units held 31 Dec 2022	Number of units held 31 Dec 2021	Unit price (NAV) 31 Dec 2022 €	Unit price (NAV) 31 Dec 2021 €	Fair value at 31 Dec 2022 €	Fair value at 31 Dec 2021 €
NRGLa[1]	3,083,550	3,083,550	0.025690	0.580503	79,216	1,790,010
NRGLb[1]	15,503,283	15,503,283	0.009809	0.387002	152,072	5,999,801
East Capital Baltic Property Fund[1]	350	350	7463.20	7,915.754	2,612,120	2,770,514
Turquoise VCIC Investment Fund[1]	872,454	872,454	1.962130	1.772963	1,711,868	1,546,829
Navegar I[1]	960,070	948,284	0.872092	0.462416	837,269	438,501
Navegar II[1]	659,949	404,780	1.090457	1.173356	719,646	474,951
					6,112,191	**13,020,606**

Nature of fund; [1] Unlisted equity securities, [2] Listed equity securities.
If unit price was 10% higher or lower, the fair value would increase/decrease by €611,219 (2021: €1,302,061).

The additional level 3 investments are presented further below.

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6. Financial risk management (continued)

Financial risk factors (continued)

6.7 Fair value estimation (continued)

During the year the Group transferred the investments [2] from Level 1 to Level 3 as following the Russian invasion in Ukraine the relevant Fund's Russian securities have been closed since 24 February 2022 and there has been no normal management on trading in the fund. The fund manager estimated the value of the fund based on a valuation technique that incorporated unobservable inputs given the lack of access to adequate prices for the Fund's underlying holdings. As a direct consequence of the prevailing uncertainties to value the Russian part of the Fund's portfolio of the Group the Board of Directors has decided to make an 95% impairment charge of the value on the Russian equities and Rouble cash by the end of 2022. The impairment charge in EnergyO Solutions Invest AB is 100% as the trading has not resumed since 7 March 2022.

The reason for the impairment decided by the Group is not that the market values of the Russian holdings are unreliable based on the quotations on the Moscow Stock Exchange (MOEX) and Nasdaq First North Growth Market (Nasdaq First North) but that the securities are currently not accessible to the Group.

The following table shows the market values of the Group's Russian holdings based on the closing prices on MOEX and Nasdaq First North.

Description	Quantity	Unit price	Market value
Beluga Group PJSC[2]	180,000	2,768.00[3]	6,279,583
En + Group International PJSC[2]	1,751,255	374.50[3]	8,265,962
EnergyO Solutions Invest AB[2]	1,833,948	4.90[4]	804,985
Gazprom Ordinary[2]	9,127,825	162.72[3]	18,719,767
Globaltra-Spons GDR REG S[2]	2,787,288	270.25[3]	2,291,280
Inter RAO JSC[2]	743,831,800	3.40[3]	31,874,682
Polymetal International PLC[2]	2,243,840	369.90[3]	10,460,885
United CI Rusal International[2]	22,400,050	40.12[3]	11,326,666
RusHydro PJSC[2]	833,949,000	0.76[3]	7,995,490
Sberbank of Russia[2]	14,419,230	141.21[3]	25,662,545
TCS Group Holding-GDR REG S[2]	484,743	2,540.00[3]	1,445,853
			125,127,698
		Impairment[5]	(117,849,066)
			7,278,632

[2]Listed equity securities
[3]Closing price Moscow Stock Exchange as of 31 December 2022
[4]Closing price Nasdaq First North Growth Market, Sweden as of 7 March 2022
[5]Based on 95% impairment on market value on Russian listed equities and 100% impairment on EnergyO Solutions Invest AB.

The Group has during 2022 received dividends from the Group's Russian portfolio companies. The total amount of these dividends is RUB 636,753,764. The Russian Rubles are currently blocked in an account with Raiffeisen Bank International in Moscow and the Group cannot transfer, exchange or in any other way access these funds. For this reason, the Group has decided on an impairment charge of 95% on the value of these Russian Rubles.

Dividend received RUB	Dividend received EUR	Dividend received after 95% impairment EUR Classified as restricted bank balances (Note 24)
636,753,764	8,023,098	401,155

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7. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Initial recognition of related party transactions**

In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgment is applied in determining if transactions are priced at market or non-market interest rates where there is no active market for such transactions. The basis for judgment is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 30.

- **Fair value of Russian Investments**

An impairment charge of 95% on the quoted prices of MOEX was recorded on the Group's Russian security holdings as part of 'Net (loss)/gain on trading in financial instruments' (Note 8) of as well as on dividends received that are blocked in an S-type bank account as part of 'Impairment of balances in blocked bank account' (Note 11). For detailed information regarding the basis for this fair value estimation refer to Note 6.7. Had an impairment charge of 100% been applied on the Group's Russian security holdings and dividend received the relevant impairment charges would have been €7,318,787 higher.

8. (Loss)/profit from trading in investments

	2022	2021
	€	€
Net (loss)/gain on trading in financial instruments	**(345,617,447)**	158,979,613
Dividend income	**45,920,407**	27,992,575
Interest income	**3,964,463**	4,865,362
Other (costs)/income	**(97,052)**	176,747
Brokerage and custodian fees	**(330,191)**	(700,434)
	(296,159,820)	191,313,863

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9. Expenses by nature

	2022	2021
	€	€
Directors' fee	**72,352**	65,273
Staff costs (Note 10)	**3,886,585**	3,505,743
Depreciation and amortisation (Notes 14-16)	**309,899**	281,766
Rent	**421,636**	387,251
Administration expenses	**56,718**	73,852
Annual Levy	**9,580**	8,780
Electricity	**18,306**	16,094
Water supply and cleaning	**28,355**	28,187
Insurance	**56,200**	44,298
Telephone and postage	**24,722**	44,009
Stationery and publications	**2,211**	5,180
Subscriptions	**4,675**	7,340
Computer supplies and maintenance	**123,336**	123,637
Sundry staff costs	**321,484**	327,388
Computer software and support	**216,135**	210,539
Auditor's remuneration (1)	**128,875**	95,671
Legal fees	**116,915**	6,830
Other professional fees	**203,233**	349,865
Overseas travelling	**102,979**	32,289
Entertaining	**20,215**	11,926
Business supplies	**320,329**	340,507
Other office costs	**58,335**	69,540
Investment advisory	**33,854**	16,312
Bank charges	**25,612**	20,297
VAT expense	**60,337**	88,226
Donations (2)	**835,338**	-
Other expenses	**57,209**	47,300
Total expenses	**7,515,425**	6,208,100

(1) The audit fees charged by the Group's statutory audit firm for the statutory audit of the annual and consolidated financial statements of the Company/Group for the year ended 31 December 2022 amounted to €28,100 (2021: €25,500). The total fees charged by the Group's statutory audit firm for the year ended 31 December 2022 for tax advisory, other assurance and for other non-assurance services amounted to €18,950 (2021: €27,187).

(2) Donations made to Foundation Stiftelsen Dunross & Co a non-profit organisation that provides grants to sports clubs.

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10. Staff salaries

	2022	2021
	€	€
Wages and salaries	**3,056,527**	2,707,725
Pension	**391,317**	379,367
Social insurance costs and other funds	**438,741**	418,651
	3,886,585	3,505,743
Average number of employees (including Directors in their executive capacity)	**34**	35

11. Other losses

	2022	2021
	€	€
Investments in associates:		
Impairment of Isogenica Ltd (Note 19)	**(292,185)**	-
Impairment reversal of XQS International AB (Note 19)	**16,934**	-
	(275,251	-
Impairment of balances in blocked bank account (Note 6.7)	**(7,621,943)**	-
Total other losses	**(7,897,194)**	-

12. Finance income/(cost) and foreign exchange losses

	2022	2021
	€	€
Interest income	**40,576**	7,027
Finance income	**40,576**	7,027
Interest expense	**(18,381)**	(21,090)
Finance cost	**(18,381)**	(21,090)
Foreign exchange losses - net	**(15,368,409)**	(3,099,610)
	(15,368,409)	(3,099,610)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2022

13. Tax

	2022	2021
Current tax:	**€**	€
Corporation tax – current year	**68,195**	95,303
Withholding tax	**3,188,963**	1,711,511
Defence contribution	**4,884**	663
Total current tax	**3,262,042**	1,807,477

	2022	2021
	€	€
(Loss)/Profit before tax	**(324,832,829)**	183,874,667
Tax calculated at the applicable tax rates	**(40,604,104)**	22,984,333
Tax effect on expenses not deductible for tax purposes	**41,656,549**	2,583,703
Tax effect of allowances and income not subjected to tax	**(1,026,493)**	(25,484,381)
Withholding tax	**3,188,963**	1,711,511
Special contribution for defence	**4,884**	663
Other tax adjustments	**42,243**	11,648
Tax charge	**3,262,042**	1,807,477

Cyprus

The corporate income tax rate in Cyprus is 12.5%.

Brought forward losses of only five years may be utilised. Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

In certain cases, dividends received from abroad may be subject to special contribution for defence at the rate of 17%. In addition, in certain cases, dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

Sweden

The corporate income tax in Sweden is 20.6% from 1 January 2021. Until 31 December 2020 corporate income tax rate was 21.4%. Gains on disposal of qualifying titles (including shares in associated companies etc) are exempt from Swedish income tax.

No tax charges arise on items of the other comprehensive income.

Luxembourg

Under legislation and regulation prevailing in Luxembourg, SIF-funds are subject to an annual subscription tax *(tax d'abonnement)* at a rate of 0.01% calculated on the basis of the net asset value of the fund at the end of each quarter. Such tax is payable at the end of each relevant calendar quarter. The income and gains of the fund are not subject to income tax in Luxembourg.

UK

The corporate income tax in UK is 19%.

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Year ended 31 December 2022

14. Property, plant, and equipment

	Land	Building	Computer Equipment	Plant & Machinery	Total
	€	€	€	€	€
At 1 January 2021					
Cost	600,000	744,692	351,092	1,695,820	3,391,604
Accumulated depreciation and impairment	-	(208,725)	(309,427)	(1,402,883)	(1,921,035)
Net book amount	**600,000**	**535,967**	**41,665**	**292,937**	**1,470,569**
Year ended 31 December 2021					
Opening net book amount	600,000	535,967	41,665	292,937	1,470,569
Additions	-	974,264	8,222	91,704	1,074,190
Impairment charge	-	-	-	(72,253)	(72,253)
Foreign exchange difference	-	-	7,403	58,667	66,070
Depreciation charge	-	(22,346)	(16,745)	(70,142)	(109,233)
Closing net book amount	**600,000**	**1,487,885**	**40,545**	**300,913**	**2,429,343**
At 31 December 2021/ 1 January 2022					
Cost	600,000	1,718,956	366,717	1,773,938	4,459,611
Accumulated depreciation	-	(231,071)	(326,172)	(1,473,025)	(2,030,268)
Net book amount	**600,000**	**1,487,885**	**40,545**	**300,913**	**2,429,343**
Year ended 31 December 2022					
Opening net book amount	600,000	1,487,885	40,545	300,913	2,429,343
Additions	-	-	17,881	312,754	330,635
Disposals	-	-	-	(34)	(34)
Foreign exchange difference	-	-	(484)	(14,201)	(14,685)
Depreciation charge	-	(46,704)	(17,825)	(74,101)	(138,630)
Closing net book amount	**600,000**	**1,441,181**	**40,117**	**525,331**	**2,606,629**
At 31 December 2022					
Cost	600,000	1,718,956	384,114	2,072,457	4,775,527
Accumulated depreciation	-	(277,775)	(343,997)	(1,547,126)	(2,168,898)
Net book amount	**600,000**	**1,441,181**	**40,117**	**525,331**	**2,606,629**

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15. Investment property

	Building	Total
	€	€
At 1 January 2021		
Cost	744,692	744,692
Accumulated depreciation and impairment	(208,725)	(208,725)
Net book amount	**535,967**	**535,967**
Year ended 31 December 2021		
Opening net book amount	535,967	535,967
Depreciation charge	(17,475)	(17,475)
Closing net book amount	**518,492**	**518,492**
At 31 December 2021		
Cost	744,692	744,692
Accumulated depreciation	(226,200)	(226,200)
Net book amount	**518,492**	**518,492**
Year ended 31 December 2022		
Opening net book amount	518,492	518,492
Depreciation charge	(17,475)	(17,475)
Closing net book amount	**501,017**	**501,017**
At 31 December 2022		
Cost	744,692	744,692
Accumulated depreciation and impairment	(243,675)	(243,675)
Net book amount	**501,017**	**501,017**

The investment property represents a new office building in an old part of an urban area. Part of the building is used by the Group ("own use") whilst the remaining part (almost 50%) is leased to third parties. It is unique in its architecture considering the location and there is no turnover of similar buildings in the nearby areas. Management has determined that the fair value of the Group's building as at the year-end was equal to approximately €1,165,000 (2021: €1,165,000). The Group's building was valued by an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment property valued. The current use of the building equals to the highest and best use. The Group's building had been valued using the comparative method of valuation in combination with the contractor's method. During 2022 there have been limited number of similar sales and as a result the valuation technique used significant unobservable input, being market value per square meter. Accordingly, the fair value was classified as level 3.

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16. Intangible assets

	Patents, licenses and trademark	Total
	€	€
At 1 January 2021		
Cost	715,850	715,850
Accumulated amortisation and impairment	(156,792)	(156,792)
Net book amount	**559,058**	**559,058**
Year ended 31 December 2021		
Opening net book amount	559,058	559,058
Additions	258,138	258,138
Amortisation charge	(155,058)	(155,058)
Foreign exchange difference	(10,211)	(10,211)
Closing net book amount	**651,927**	**651,927**
At 31 December 2021		
Cost	963,777	963,777
Accumulated amortisation and impairment	(311,850)	(311,850)
Net book amount	**651,927**	**651,927**
Year ended 31 December 2022		
Opening net book amount	651,927	651,927
Additions	142,448	142,448
Amortisation charge	(153,794)	(153,794)
Foreign exchange difference	(44,278)	(44,278)
Closing net book amount	**596,303**	**596,303**
At 31 December 2022		
Cost	1,106,225	1,106,225
Accumulated amortisation and impairment	(509,922)	(509,922)
Net book amount	**596,303**	**596,303**

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17. Leases

(i) The Group's leasing arrangements

Certain of the Group's subsidiaries lease office premises in their respective location, Luxembourg, and the metropolitan area of Gothenburg (Sweden). The rental contract in Luxembourg is a 6-year contract. The rental contracts in Gothenburg are valid until September 2024 and January 2025 respectively.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The property leases can contain variable payment terms.

The consolidated statement of financial position shows the following amounts relating to leases:

	2022	2021
	€	€
Right-of-use-assets		
Buildings and offices	**1,312,761**	838,480
Total right-of-use-assets	**1,312,761**	838,480
Lease liabilities		
Current	**422,448**	254,096
Non-current	**890,313**	584,384
Total lease liabilities	**1,312,761**	838,480

This note provides information on leases where the Group is a lessee.

18. Details of subsidiaries

The Group's subsidiaries are as follows:

			2022	**2021**
Name	**Country**	**Activities**	**Ownership percentage held by the Group**	
Dunross & Co S.A., SICAV-SIF	Luxemburg	Investment activities	100.0	100.0
Dunross & Co AB	Sweden	Administrative services/ Investment advice	100.0	100.0
Dunross Investment Ltd	Cyprus	Investment activities	100.0	100.0
Ägir Invest AB	Sweden	Investment activities	100.0	100.0
Cellectricon AB	Sweden	Life Science	96.53	96.53
Dunross International AB	Sweden	Investment activities	100.0	100.0
Dunross Research & Support AB	Sweden	Administrative services	-	100.0
Dunross & Co Advisory Ltd	UK	Investment advice	100.0	100.0
Speaking Partners AB	Sweden	Investment activities	-	100.0

On 5 November 2021, Dunross Investment Ltd made an investment in Dunross & Co S.A., SICAV-SIF through a direct share issue subscription corresponding to 29.5% of the issued shares of Dunross & Co S.A, SICAV-SIF. Nevertheless, the direct and indirect shareholding to Dunross & Co S.A, SICAV-SIF remains at 100%. On 17 December 2021, the subsidiary Dunross Popvision AB was liquidated.

On 21 February 2022, the subsidiary Speaking Partners AB was liquidated and on 12 December 2022 the subsidiary Dunross Research & Support AB was liquidated.

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19. Investments in associates

	2022	2021
	€	€
Balance at 1 January	**1,584,248**	3,449,019
Dividends	**-**	(1,617,606)
New share issue Isogenica Ltd	**-**	227,030
Liquidation Ararat Life Portfolio AB	**-**	(529,343)
Impairment of Isogenica Ltd	**(292,185)**	-
Impairment reversal of XQS International AB	**16,934**	-
Share of profit/(loss) in associates	**68,811**	(6,072)
Foreign exchange difference	**22,078**	61,220
Balance at 31 December	**1,399,886**	1,584,248

Details of the Group's associates which are accounted for using the equity method are as follows:

Name	**Place of business/ Country of incorporation**	**Activities**	**% Ownership interest**		**Carrying amount**	
			2022	**2021**	**2022**	**2021**
Isogenica Ltd	UK	Biotherapeutics	35.86	35.86	1,212,465	1,473,111
XQS International AB	Sweden	Snuff	25.00	25.00	128,055	31,219
Svarta Båden AB	Sweden	Real estate	32.30	32.30	-	50,357
Envirochem IEC AB	Sweden	Chemicals	22.60	22.60	59,366	29,561
					1,399,886	**1,584,248**

The management has assessed that as the interests in the above associates are individually and in aggregate immaterial the disclosures of summarised financial information of associates required by IFRS 12 are not applicable.

20. Financial assets at fair value through profit or loss

	2022	2021
	€	€
Balance at 1 January	**784,488,053**	601,024,697
Additions	**181,366,792**	516,453,009
Disposals	**(155,650,142)**	(480,480,959)
Change in fair value	**(344,172,661)**	147,281,404
Interest in bonds	**498,522**	209,902
Balance at 31 December	**466,530,564**	784,488,053

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20. Financial assets at fair value through profit and loss (continued)

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2022	2021
	€	€
Bonds	**67,760,201**	50,141,616
Equity market funds	**8,156,385**	16,455,862
Equity securities	**390,441,530**	717,874,250
Derivative financial instruments	**172,448**	16,325
	466,530,564	784,488,053

The financial instruments at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December 2022 and 2021 respectively by reference to Stock Exchange quoted bid prices subject to any impairment. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

Refer to Note 6.7 for key information on the fair value of the equity securities.

In the consolidated cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in (Loss)/profit from trading in investments.

21. Financial assets at amortised cost

	2022	2021
	€	€
Receivable from related parties (Note 30.1)	**148,987**	357,549
Other receivables	**2,659,282**	495,322
	2,808,269	852,871

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of receivables and the Group's exposure to credit risk can be found in Note 6.

None of the financial assets at amortised cost was either past due or impaired as at 31 December 2022 and 2021.

The maximum exposure to credit risk at the consolidated statement of financial position date is the carrying value of each class of financial assets at amortised cost mentioned above.

The Group does not hold any collateral as security.

22. Other assets

	2022	2021
	€	€
Deposits and prepayments	**347,421**	388,917
VAT Receivable	**84,029**	77,283
	431,450	466,200

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23. Current tax receivables

	2022	2021
	€	€
Corporation tax	**92,434**	85,507
	92,434	85,507

24. Cash and cash equivalents

	2022	2021
	€	€
Cash at bank and in hand	**4,879,386**	5,667,162
	4,879,386	5,667,162

For the purposes of the consolidated cash flow statement, the cash and cash equivalents include the following:

	2022	2021
	€	€
Cash at bank and in hand	**4,879,386**	5,667,162
Restricted bank balances (Note 6.7)	**(401,155)**	-
Bank overdrafts (Note 27)	**(399)**	(2,679)
	4,477,832	5,664,483

Cash and cash equivalents are denominated in the following currencies:

	2022	2021
	€	€
Euro	**3,768,844**	2,300,589
Great Britain Pound	**60,730**	123,187
Hong Kong Dollar	**-**	9,006
Indonesian Rupiah	**-**	2,188,184
Kenyan Shilling	**-**	19,386
Korean Won	**-**	-
Mexican Peso	**1,564**	168
Russian Ruble	**401,269**	-
Rwandan Franc	**-**	104
Swedish Krona	**626,998**	882,063
United States Dollar	**16,790**	143,902
South African Rand	**2,911**	-
Other currencies	**280**	573
	4,879,386	5,667,162

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in Note 6 of the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2022

25. Share capital

	2022 Number of shares	**2022 €**	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	**20,000**	**20,000**	20,000	20,000
Issued and fully paid				
Balance at 1 January	**20,000**	**20,000**	20,000	20,000
Balance at 31 December	**20,000**	**20,000**	20,000	20,000

The total authorised number of ordinary shares is 20,000 shares (2021: 20,000 shares) with a par value €1 per share. All issued shares are fully paid.

26. Other reserves

	Share premium €	**Shareholder contribution €**	**Total €**
Balance at 1 January 2021/31 December 2021/ 1 January 2022/31 December 2022	**190,000**	**11,930,498**	**12,120,498**

The Company's shareholder has not contributed additional capital for the year ended 31 December 2022 (2021: €nil).

The shareholder's capital contribution is treated as equity in the consolidated financial statements.

27. Borrowings

	2022 €	2021 €
Current borrowings		
Bank overdrafts (Note 24)	**399**	2,679
Borrowings from related parties (Note 30.3)	**93,150,000**	95,289,465
Total current borrowings	**93,150,399**	95,292,144

On 31 December 2020, the Holding Company acquired a bank loan from UBS Luxembourg for the total principal amount of €334,088. The loan carried interest at a rate of 0.682% and had a maturity on 29 January 2021. The loan was prolonged to the 26 February 2021 and fully settled on the same day.

The borrowings from the shareholder which are denominated in Euro, are subject to a yearly interest of EURIBOR 1M + 0.25%, calculated and paid at the maturity date. The repayment date was on 31 January 2022. Since the EURIBOR 1M rates have been negative since the inception of the borrowings and until recently no interest has been accrued. The loan was prolonged on 31 January 2022 for a further one year, with its maturity date extended to 31 January 2023.

The carrying amounts of the Group's borrowings are denominated in Euro.

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28. Trades and other payables

	2022	2021
	€	€
VAT payable	**52,228**	45,653
Accruals	**1,421,412**	1,071,470
Payables to related parties (Note 30.2)	**240,402**	675,490
Other creditors	**578,042**	337,984
	2,292,084	2,130,597

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

29. Current tax liabilities

	2022	2021
	€	€
Corporation tax	**22,470**	51,466
	22,470	51,466

30. Related party transactions

The Company's immediate and ultimate controlling party is Mr Sven Norfeldt, a resident of Cyprus.

The following transactions were carried out with related parties:

30.1 Receivable from related parties (Note 21)

	2022	2021
	€	€
Dunross Research & Support AB (liquidation proceeds)	**12,354**	-
Svarta Båden AB	**136,633**	357,549
	148,987	357,549

The receivable balances bear no interest and are repayable on demand.

30.2 Payable to related parties (Note 28)

	2022	2021
	€	€
Sven Norfeldt (shareholder)	**240,402**	675,490
	240,402	675,490

30.3 Borrowings from related parties (Note 27)

	2021	2021
	€	€
Sven Norfeldt (shareholder)		
At beginning of year	**95,289,465**	95,289,465
Repayments	**(2,139,465)**	-
At end of year	**93,150,000**	95,289,465

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30. Related party transactions (continued)

30.3 Borrowings from related parties (continued)

The borrowings from the shareholder which are denominated in Euro, are subject to a yearly interest of the average EURIBOR 1-M + 0.25%, calculated and paid at the maturity date. Since the EURIBOR 1-M rates were negative and no interest has been accrued. The loan was prolonged on 31 January 2022 for a further one year, with its maturity date extended to 31 January 2023.

31. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2022 and 31 December 2021.

32. Commitments

As at 31 December 2021 the Group had a capital commitment of €32,725 in a purchase agreement for a new apartment in the residential property Uptown Residences in Paphos. As at 31 December 2022, the Group had the following commitments in private equity:

Commitment (in USD)	Total	Called	Uncalled
Navegar I	1,000,000	960,070	39,930
Navegar II	1,500,000	659,949	840,051

33. Events after the reporting period

Depending on the duration of the Coronavirus disease (COVID-19) pandemic, the bank failures described in Note 1 and continued negative impact on economic activity, the Group might experience negative results, and liquidity restraints and incur further impairments on its assets in future periods. The exact impact on the Group's activities in the future cannot be predicted with certainty. For more information refer to Note 1.

The Russian Military invasion of Ukraine which started in February 2022 resulted in various economic sanctions imposed on Russia. The directors consider that the ongoing conflict between Russia and Ukraine currently has impacted the short-term financial performance and assets of the company/group and the underlying investees, which may further raise the risks and uncertainties relevant to business profitability/viability. The medium/long term financial impact is harder to define, however management will continue to assess any developments and financial impact to the Group's operations. Management is closely monitoring the situation and is ready to act depending on the developments.

The majority of the Group's assets consist of assets held directly by the Dunross & Co S.A., SICAV-SIF, the Fund incorporated in Luxembourg. Other investment held by the Group, besides the investment fund, usually see low turnover. They are equity investments in companies with a long-term investment horizon. In summary, the investment operations of the Group are expected to continue without disruptions.

Besides investments in global markets, the Group holds a portfolio of private equity investments. In April 2023 the Danish firm Scandinavian Tobacco Group A/S acquired the main assets in the Swedish company XQS International AB, in which the Group owns 25% via its private equity arm in Sweden (Dunross & Co AB/Ägir Invest AB). The total purchase price of the assets of XQS International AB, assuming relevant targets are met, is estimated to be about 150 million Danish krone. Effective from 31 May 2023 Scandinavian Tobacco Group A/S has completed the acquisition of substantially all assets of XQS International AB.

In the beginning of 2023 both Dunross & Co S.A., SICAV-SIF and Dunross & Co Advisory Ltd moved into new office premises in Luxembourg and London, respectively.

There were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent auditor's report on pages 17 to 19.

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Dunross & Co Holding Ltd - Consol FS- Final

Final Audit Report 2023-06-20

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