

Årsredovisning för

# Global Solidarity Forest Fund AB

556690-3885



Räkenskapsåret

**2023-07-01 - 2024-06-30**

## Innehållsförteckning:

## Sida

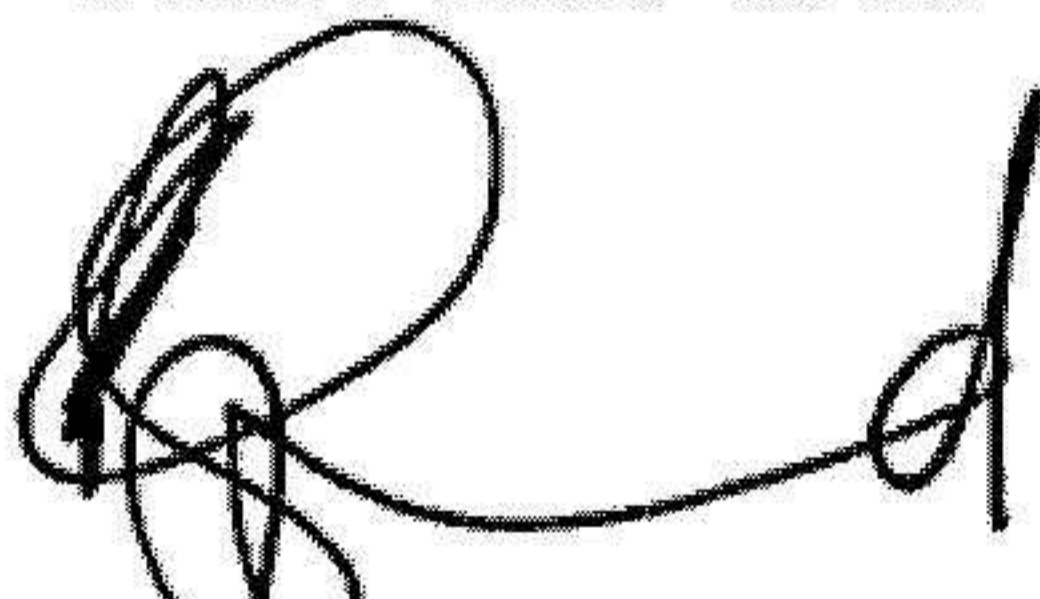
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## Fastställelseintyg

Undertecknad styrelseledamot i Global Solidarity Forest Fund AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2024-12-20.

Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Örebro 2024-12-20



Paul Ralph Speed  
Ordförande

## Förvaltningsberättelse

Styrelsen för Global Solidarity Forest Fund AB, 556690-3885 (GSFF) får härmed avge årsredovisning för 2023-07-01 - 2024-06-30. Företaget är helägt dotterföretag till Green Resources AS (GRAS), org nr 975 879 968 med säte i Oslo, Norge.

### Allmänt om verksamheten

GSFF etablerar och sköter skogsplanteringar i Moçambique genom de fyra dotterbolagen: Green Resources Niassa, Tectona Forests of Zambézia, Ntácua Florestas da Zambézia och Companhia Florestal de Massangulo, alla med säte i Moçambique.

GSFF bildades den 21 november 2006 då avtal träffades med ett antal investerare i syfte att etablera skogsplanteringar, främst i Moçambique. Sedermera fattades beslut om att all verksamhet skulle koncentreras till Moçambique. Investeringsavtalet upphörde i samband med försäljningen av GSFF AB till Green Resources AS den 1 maj 2014.

GSFF är en av de ledande skogsinvesterarna i Moçambique. Samtliga investeringar ska certifieras av Forest Stewardship Council (FSC). FSC är en tredjepartsverifiering av att skogsbruket bedrivs på ett miljöanpassat sätt, med socialt ansvarstagande och med ekonomisk livskraft.

Huvuddelen av marken i Moçambique tillhör staten, som i sin tur fördelar markrättigheter i form av DUATs (Direito de Uso e Aproveitamento de Terra), ett långsiktigt leasingavtal för rullande perioder om 49 år. DUATs kan bara erhållas efter konsultationer med de lokala samhällena och förutsätter deras godkännanden.

### Flerårsöversikt

	2023/2024	2022/2023	2021/2022	2020/2021	Belopp i kkr 2019/2020
Nettoomsättning	-	-	-	-	-
Resultat efter finansiella poster	-315	-111	46	-754	-39 068
Balansomslutning	235 064	235 379	235 490	235 443	236 203
Soliditet %	100	100	100	100	100

## Viktiga förhållanden

GSFF AB är moderföretag till Green Resources Niassa (GRN), och Ntácua Florestas da Zambézia.

Green Resources Niassa bildades genom sammanslagningen av Chikweti Forrests of Niassa, Florestas fo Planalto och Niassa Green Resources. GSFF äger 62,07 % av aktierna i Green Resources Niassa.

Ntácua Florestas do Zambezia är i ett framskridet stadium av avveckling med en slutlig skattereglering som ska genomföras. Inga större skulder förväntas.

GRN har bibehållit och i vissa fall utökat sina miljö- och sociala certifieringar och licenser för alla verksamhetsområden inklusive sin FSCTM-certifiering. GRN är ISO14001 och OSHAS45001 certifierad. Green Resources Niassa förvaltar 22 220 ha FSC-certifierad mark på ett totalt markinnehav på 40 370 ha.

GRN:s huvudsakliga verksamhet består av plantering och skötsel av tall- och eukalyptusplantager. Under verksamhetsåret 2023/24 sålde bolaget 39 400 m<sup>3</sup> stående tall och timmer, 30 800 m<sup>3</sup> furuprodukter samt 4 400 m<sup>3</sup> behandlade transmissionsstolpar.

GRN:s huvudkunder var en stor multinationell tobaksförädlare, det statliga energibolaget samt dess systerbolag Niassa GreenPly samt ett 100 % dotterbolag till Green Resources AS i Norge.

## Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

### *Operativa risker*

Operativa risker med att bedriva planteringsverksamhet i Moçambique är otillräcklig infrastruktur, korruption samt bränder och andra sedvanliga risker förknippade med skogsbruk. Utan de påbörjade järnvägsinvesteringarna från Lichinga till huvudspåret Tete till kusten, minskar investeringarnas värde. Brandrisken är hög i eukalyptusplanteringar och är extra hög i närheten av byar. Policy för brandvakter och brandgator finns.

De biologiska riskerna har minskats bl a genom förbättrad planteringsteknik och genom ökad kunskap. Etablerade skogsodlingsmetoder med hög tillförlitlighet används sedan några år.

Den sociala integrationen utökas väsentligt. Verksamheten sker i nära samarbete med myndigheter, lokala intressen i regionen samt nationellt vilket bidrar till att minska riskerna. En social policy och program finns och är antaget av styrelsen.

### *Valutaexponering och valutapolicy*

Större delen av koncernens verksamhet bedrivs i de utländska dotterbolagen. Dotterbolagens redovisning sker i lokal valuta som kan fluktuera stort gentemot den svenska kronan och US dollar. Dessutom sker betalningar till och från dotterbolagen i annan valuta än lokal valuta vilket också ger en valutaexponering. Säkringsredovisning tillämpas inte. Styrelsen har fastställt en valutapolicy.

### *Prisrisk, ränterisk och likviditetsrisk*

Prisrisk och ränterisk bedöms inte ha någon väsentlig påverkan på bolagets nuvarande verksamhet. Bolagets likviditet hanteras på moderbolagsnivå.

## Eget kapital

	<i>Aktie- kapital</i>	<i>Fritt eget kapital</i>
Vid årets början	640	234 694
Årets resultat		-314
<b>Vid årets slut</b>	<b>640</b>	<b>234 380</b>

## Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att till förfogande stående vinstmedel, kronor 234 379 969, disponeras enligt följande:

	<i>Belopp i KSEK</i>
Balanseras i ny räkning	234 380
<b>Summa</b>	<b>234 380</b>

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

## Resultaträkning

<i>Belopp i kkr</i>	<i>Not</i>	<i>2023-07-01- 2024-06-30</i>	<i>2022-07-01- 2023-06-30</i>
<b>Rörelsens intäkter</b>			
Övriga rörelseintäkter		1	32
		1	32
<b>Rörelsens kostnader</b>			
Övriga externa kostnader	2	-211	-142
Övriga rörelsekostnader		-17	-1
<b>Rörelseresultat</b>		<b>-227</b>	<b>-111</b>
<b>Resultat från finansiella poster</b>			
Nedskrivningar av finansiella anläggningstillgångar och kortfristiga placeringar		-88	-
<b>Resultat efter finansiella poster</b>		<b>-315</b>	<b>-111</b>
<b>Resultat före skatt</b>		<b>-315</b>	<b>-111</b>
<b>Skatt på årets resultat</b>		<b>-</b>	<b>-</b>
<b>Årets resultat</b>		<b>-315</b>	<b>-111</b>

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## Balansräkning

<i>Belopp i kkr</i>	<i>Not</i>	<i>2024-06-30</i>	<i>2023-06-30</i>
<b>TILLGÅNGAR</b>			
<b>Anläggningstillgångar</b>			
<i>Finansiella anläggningstillgångar</i>			
Andelar i koncernföretag	4	23 497	23 585
Fordringar hos koncernföretag	5	120 357	120 357
		<u>143 854</u>	<u>143 942</u>
<b>Summa anläggningstillgångar</b>		<u>143 854</u>	<u>143 942</u>
<b>Omsättningstillgångar</b>			
<i>Kortfristiga fordringar</i>			
Fordringar hos koncernföretag	6	91 210	91 437
		<u>91 210</u>	<u>91 437</u>
<b>Summa omsättningstillgångar</b>		<u>91 210</u>	<u>91 437</u>
<b>SUMMA TILLGÅNGAR</b>		<u>235 064</u>	<u>235 379</u>
<b>EGET KAPITAL OCH SKULDER</b>			
<i>Eget kapital</i>			
<i>Bundet eget kapital</i>			
Aktiekapital (639 605 aktier)		640	640
		<u>640</u>	<u>640</u>
<i>Fritt eget kapital</i>			
Överkursfond		74 518	74 518
Balanserad vinst eller förlust		160 176	160 287
Årets resultat		-315	-111
		<u>234 379</u>	<u>234 694</u>
<b>Summa eget kapital</b>		<u>235 019</u>	<u>235 334</u>
<i>Kortfristiga skulder</i>			
Upplupna kostnader och förutbetalda intäkter	7	45	45
		<u>45</u>	<u>45</u>
<b>SUMMA EGET KAPITAL OCH SKULDER</b>		<u>235 064</u>	<u>235 379</u>

## Kassaflödesanalys

<i>Belopp i kkr</i>	<i>Not</i>	<i>2023-07-01- 2024-06-30</i>	<i>2022-07-01- 2023-06-30</i>
<b>Den löpande verksamheten</b>			
Resultat efter finansiella poster		-315	-111
		-315	-111
<b>Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital</b>		<b>-315</b>	<b>-111</b>
<i>Kassaflöde från förändringar i rörelsekapital</i>			
Ökning(-)/Minskning (+) av rörelsefordringar		315	111
<b>Kassaflöde från den löpande verksamheten</b>		<b>-</b>	<b>-</b>
<b>Investeringsverksamheten</b>			
<b>Kassaflöde från investeringsverksamheten</b>			
<b>Årets kassaflöde</b>		<b>-</b>	<b>-</b>
<b>Likvida medel vid årets slut</b>		<b>-</b>	<b>-</b>

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## Noter

### Not 1 Redovisningsprinciper

Belopp i KSEK om inget annat anges.

#### **Allmänna redovisningsprinciper**

Årsredovisning upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFAR 2012:1 (K3).

#### **Värderingsprinciper m m**

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

#### **Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag**

Vid varje balansdag bedöms om det finns någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

#### **Utländsk valuta**

Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

#### **Finansiella tillgångar och skulder**

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 12 i BFAR 2012:1.

#### **Skatt**

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Bolaget redovisar inte uppskjuten skattefordran då väsentlig osäkerhet föreligger om när dessa kan utnyttjas. Detta omprövas varje balansdag.

## Not 2 Arvode och kostnadsersättning till revisorer

	2023-07-01- 2024-06-30	2022-07-01- 2023-06-30
<i>PwC</i>		
Revisionsarvode	35	28
Övriga uppdrag		16
<b>Summa</b>	<b>35</b>	<b>44</b>

## Not 3 Anställda och personalkostnader

Inga löner har utbetalats under året.

## Not 4 Andelar i koncernföretag

	2024-06-30	2023-06-30
Akkumulerade anskaffningsvärden:		
-Vid årets början	128 501	128 501
	128 501	128 501
Akkumulerade nedskrivningar:		
-Vid årets början	-104 916	-104 916
-Årets nedskrivningar	-88	
	-105 004	-104 916
<b>Redovisat värde vid årets slut</b>	<b>23 497</b>	<b>23 585</b>

### **Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag**

Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

<i>Dotterföretag</i>	<i>Antal andelar i %</i>	<i>Redovisat värde</i>
Green Resources Niassa	62,07	23 497
Tectona Forests of Zambezia	70,30	-
Ntácua Florestas da Zambézia	67,78	-
Companhia Florestal de Massangulo	35,00	-
		<b>23 497</b>

## Not 5 Fordringar hos koncernföretag

	2024-06-30	2023-06-30
Akkumulerade anskaffningsvärden:		
-Vid årets början	660 233	660 233
-Tillkommande fordringar		-
-Reglerade fordringar	-348 333	
	311 900	660 233
Akkumulerade nedskrivningar:		
-Vid årets början	-539 876	-539 876
-Reglerade fordringar	348 333	
	-191 543	-539 876
<b>Redovisat värde vid årets slut</b>	<b>120 357</b>	<b>120 357</b>

## Not 6 Kortfristiga fordringar till koncernbolag

	2024-06-30	2023-06-30
Lån till moderbolaget	63 101	63 312
Lån till övriga koncernbolag	28 109	28 125
	<u>91 210</u>	<u>91 437</u>

## Not 7 Upplupna kostnader och förutbetalda intäkter

	2024-06-30	2023-06-30
Revisionsärvode	25	25
Övriga poster	20	20
	<u>45</u>	<u>45</u>

## Not 8 Koncernuppgifter

Bolaget upprättar ingen koncernredovisning med hänsyn till undantaget i Årsredovisningslagen 7kap. 2§.

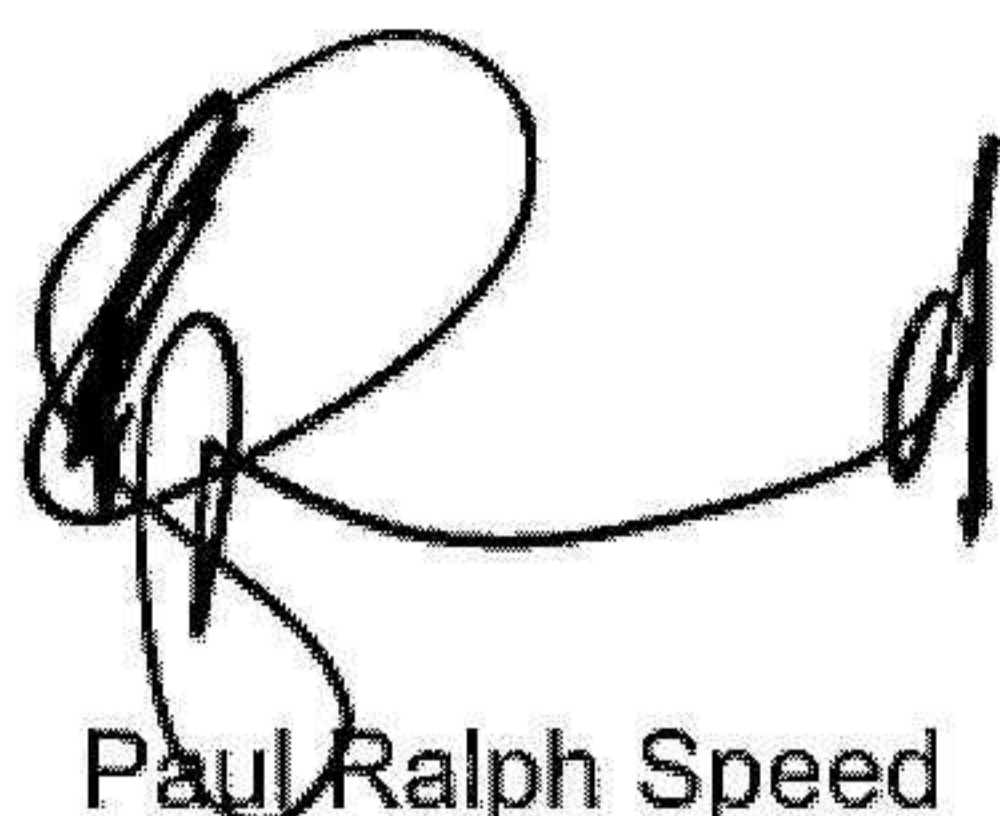
Bolaget är helägt dotterföretag till Green Resources AS, org nr 975 879 968 med säte i Oslo, Norge. Green Resources AS upprättar koncernredovisning för den största koncernen. Det utländska moderföretagets koncernredovisning finns att tillgå hos Green Resources AS.

## Not 9 Nyckeltalsdefinitioner

Nettoomsättning	Rörelsens huvudintäkter, vidarefakturerade kostnader, sidointäkter och intäktskorrigeringar
Resultat efter finansiella poster	Resultat efter finansiella intäkter och kostnader
Balansomslutning:	Summan av tillgångar respektive skulder och eget kapital
Soliditet:	Totalt eget kapital / Totala tillgångar

## Underskrifter

Örebro 2024-12-20

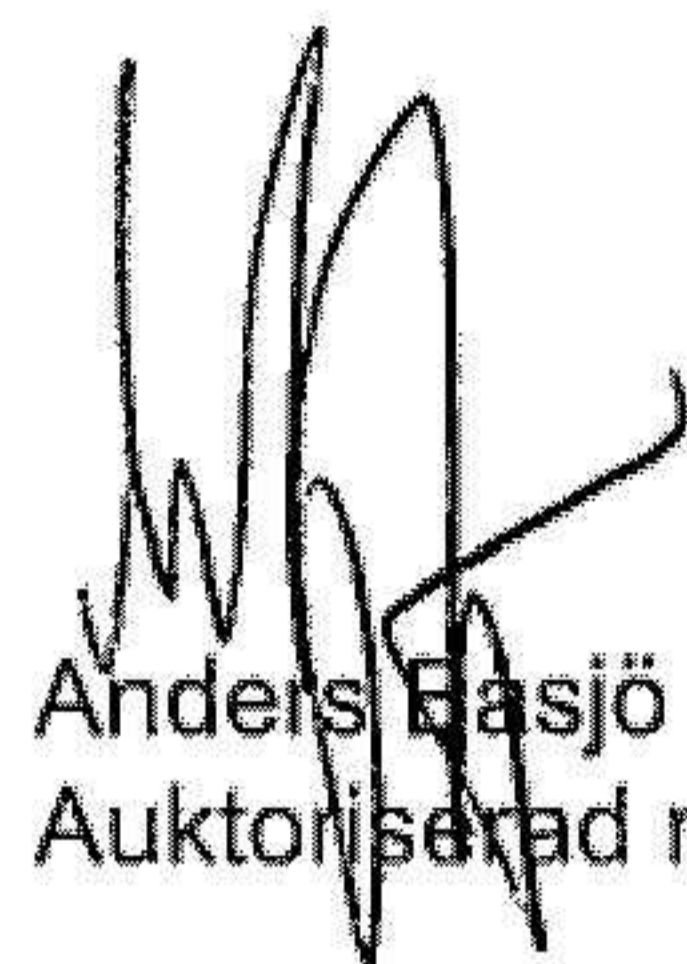


Paul Ralph Speed  
Ordförande

Terhi Koipijärvi  
Styrelseledamot

Vår revisionsberättelse har lämnats 2024-12-20

Öhrlings PricewaterhouseCoopers AB



Anders Easjö  
Auktoriserad revisor

## Underskrifter

Örebro 2024-12-20

Paul Ralph Speed  
Ordförande



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Öhrlings PricewaterhouseCoopers AB

Anders Båsjö  
Auktoriserad revisor

2025012205645

# Revisionsberättelse

Till bolagsstämman i Global Solidarity Forest Fund AB, org.nr 556690-3885

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Global Solidarity Forest Fund AB för räkenskapsåret 1 juli 2023 till 30 juni 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Global Solidarity Forest Fund ABs finansiella ställning per den 30 juni 2024 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 Global Solidarity Forest Fund AB.

### 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 Global Solidarity Forest Fund AB 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 ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen 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 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 beslut har fattats om att avveckla verksamheten.

### 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](http://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 förvaltning för Global Solidarity Forest Fund AB för räkenskapsåret 1 juli 2023 till 30 juni 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

## Grund för uttalanden

Vi har utfört revisionen enligt god revisionsred i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Global Solidarity Forest Fund AB enligt god revisionsred 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 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.

## 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 i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- 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 revisionsred 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](http://www.revisorsinspektionen.se/revisornsansvar). Denna beskrivning är en del av revisionsberättelsen.

Örebro den 20 december 2024

Öhrlings PricewaterhouseCoopers AB



Anders Båsjö  
Auktoriserad revisor

# **GREEN RESOURCES**

## **2023/2024 ACCOUNTS AND DIRECTORS REPORT**

(For the Financial Year 01.07.2023 – 30.06.2024)

## KEY METRICS

Revenue	USD 22.3m	2022/23: USD 26.3m ↓ 15.2%
EBITDA	USD 5.5m	2022/23: USD (37.0m) ↑ 115%
Operating Profit	USD 3.9m	2022/23: USD (38.6m) ↑ 110%
Cash flow from Operating Activities	USD 0.7m	2022/23: USD 1.5m ↓ 47.4%
Capex & Devex Spent	USD 5.4m	2022/23: USD 5.4m ↑ 0.6%
Biological Asset Value	USD 100.9m	2022/23: USD 94.0m ↑ 7.4%
Total Assets	USD 126.4m	2022/23: USD 123.1m ↑ 2.7%
Direct Employment	739	2022/23: 533 ↑ 38.6%
Lost Time Injury Frequency Rate (per 1m hrs)	1.8	2022/23: 2.1 ↓ 14.2%
Salaries Paid	USD 4.6m	2022/23: USD 4.6m ↓ 0.2%
Local Procurement (incl. smallholders)	USD 18.8m	2022/23: USD 19.4m ↓ 3.1%
Taxes, Fees, Duties, Levies & Royalties	USD 2.9m	2022/23: USD 3.7m ↓ 21.6%
Community Support Payments & Donations	USD 0.4m	2022/23: USD 0.4m → 0.0%
Landholding	85,558ha	2022/23: 93,186ha ↓ 8.2%
Certified Area	60,401ha	2022/23: 58,873ha ↑ 2.6%
Planted Area	32,999ha	2022/23: 33,192ha ↓ 0.6%

## DIRECTORS' REPORT 2023/24

### INTRODUCTION

2023/24 has presented significant challenges for the company due to headwinds across the region. The trading conditions remain extremely challenging, although there is an increasing positive outlook based on a growing order book.

At the conclusion of 2022/23, the Ugandan government implemented a timber export ban. This ban has remained effective throughout the entire 2023/24, leading to a considerable decline in the trade of timber products from Busoga Forestry Company (BFC).

Although formally the export ban is still in place, there has been a gradual relaxation since January 2024, with certain products being granted exempt status. However concurrently with the positive trend in export licensing from Uganda, Tanzania implemented a ban on the import of transmission poles, leading to a suspension of BFC's contract with Tanesco, the Tanzanian state-owned utility company.

In November 2023, KEMA sawmill in Mozambique announced its closure with immediate effect, resulting in a loss of sales of approximately 3,500m<sup>3</sup> of sawlogs per month (Sales revenue of USD 0.2 million per month). By March 2024, management had addressed this situation through contracts with several third-party sawmills; however, demand has remained erratic throughout most of the financial year. The cashflow impact of the closure created a knock-on effect in terms of ability to buy critical inputs for the pole treatment plant.

Timber trade in Tanzania has been impacted by heavy rains in the region, associated with the El Nino weather phenomenon, which has led to a slowdown in construction projects and demand for wood products. Additionally, there has been a decrease in demand from key export markets such as India, Vietnam, and UAE as a result of global slow wood trade linked to increase in interest rates and slowdown of construction activity.

The drop in pole sales, the Ugandan export ban, removal of a key customers and drop in sawn timber demand have resulted in depressed trading results across the group.

In 2023/24, the company outlined its strategic ambitions for the period 2024-2034, focusing on four value drivers: Forestry, Industry, Human Resources, and Environmental & Social Performance.

In alignment with the strategy, the group has successfully completed investments in industrial infrastructure in Tanzania and Uganda. Additionally, it has operationalized the Integrated Fire Management Plan, developed its Research Strategy, and carried out a comprehensive HR study to identify the enablers of the anticipated growth.

During the year under review, the company has made significant investments in a digitization initiative. This initiative aims to enhance data insights, thereby supporting transparency and decision-making processes. Furthermore, the digitization drive will facilitate the company's readiness for the CSRD project scheduled to commence in 2024/25.

### GREEN RESOURCES AS - HOLDING COMPANY RESULTS

The Company revenues were NOK 8.5 million for the year 2023/24. Results from operations were a loss of NOK 80.8 million (FY22/23 loss of NOK 126.9 million). Impairment of intercompany receivables included in the operation results is NOK 65.2 million (FY22/23 NOK 115.9 million). Net loss for the year was NOK 241.7 million (FY22/23 loss of NOK 258.9 million). The write-down of investment for the year was NOK 154.8 million for Niassa GreenPly (NGP) and Niassa Green Resources (GRN) of Mozambique and Sao Hill Industries (SHI) and Green Resources Limited (GRL) of Tanzania.

### GROUP CONSOLIDATED FINANCIAL PERFORMANCE

Group revenue was USD 22.3 million for the year 2023/24, a decrease of 15% compared to the year 2022/23. The decrease in revenue was a combination of factors highlighted in earlier section.

Operating profit for the year was USD 3.9 million (vs. a USD 38.6 million loss for 2022/23). The main driver of improved performance was a result of the Biological Asset revaluation to USD 100.9 million (vs. USD 94.0 million for 2022/23).

A currency loss of USD 1.3 million was a result of the weakening of local currencies mainly in Tanzania, where TZS depreciated by 9% against USD. During the year the NOK appreciated to 10.68 per USD compared to 10.75 for the FY22/23.

The company generated USD 0.4 million cash from operations and invested USD 3.1 million in Capex and USD 2.3 million in

plantation development.

The company entered into loan agreements with its shareholders for a total of USD 3.0 million and drew USD 1.5 million from its asset finance facilities to fund the industrial expansion projects in Tanzania and Uganda.

Green Resources manages its liquidity at corporate level, ensuring enough funds to cover group operational requirements. On 30<sup>th</sup> June 2024 the company had USD 0.5 million in cash and cash equivalents in its bank accounts with a commitment by its shareholders for new loan facilities for USD 2.4 million to be drawn over the course of 2024/25.

#### **GROUP OPERATIONAL PERFORMANCE**

Forestry sales increased from 232,000m<sup>3</sup> in 2022/23 to 262,000m<sup>3</sup> in 2023/24 with the biggest growth taking place in Mozambique with Tanzania and Uganda showing relatively stability on last year.

The group sold 90,000 poles during the year, down from 105,000 poles in 2022/23 which was the result of working capital challenges in Mozambique, low demand in Tanzania and Export restrictions for Uganda.

Timber sales declined from 26,700m<sup>3</sup> in 2022/23 down to 24,200m<sup>3</sup> for 2023/24 with the biggest decline attributed to the export ban in Uganda followed by subdued demand in Tanzania.

Veneer sales remained steady from the Mozambican operations with 5,500m<sup>3</sup> sold in 2023/24 (vs. 5,700m<sup>3</sup> in 2022/23). Operational performance of the veneer line remains the main bottleneck as markets continue to offer significant demand for the company's veneer products.

No carbon revenues were recorded during 2023/24 and the company's carbon projects have all reached their long term baseline.

Towards the end of 2023/24 the company had substantially completed its investment in Kiln Drying capacity in Tanzania which followed the commissioning of the new kilns in Uganda in September 2023. However, the envisaged follow on investment in sawmill capacity in Uganda had to be delayed until the export situation was resolved. Since then, this has been the case and the Board has now approved the investment to proceed in 2024/25 with commissioning expected in 2025/26.

Overhead costs continued to be contained despite some one-off transaction related costs and fees related to post-investment activities. During the year costs of main inputs have not increased as much as prior year however market prices have been under pressure due to competitive landscape as well as local currency depreciation (mainly in Tanzania).

No significant fire events occurred during the year and the plantation base declined marginally by 194 hectares (0.06%) from 33,192 hectares to 32,998 hectares. The decrease in hectares is linked to fire loss and remapping.

The operational leadership of the company did not change, and the CEO, CFO and Group Forest Manager remain in position however significant changes occurred on subsidiary level with the Country Manager for Tanzania moving into the same role in Uganda. New Country Managers were appointed in Mozambique and Tanzania. For 2024/25 a COO will join the company to strengthen the team in terms of industrial experience.

The group headcount for permanent staff at the end of the financial year was 739 (98 female), up from 533 Permanent staff (76 female) at the beginning of the financial year. Majority of plantation activities (planting, pruning, weeding and felling) continues to be undertaken by contractors. By year end 1,961 people (368 female) were employed through contractors. The Gender ratio at the group for permanent staff stood at 13% (19% for contractors); the company is not on track to meet its commitment to increase these numbers to 30% by the year 2026/27 and additional effort in female recruitment will need to be made.

Green Resources AS promotes equal employment opportunities irrespective of gender, sexuality, race or religion. All employees are given a chance to participate in all programs including training and development opportunities.

During the year the company recorded a total of 10 Lost Time Injuries (vs 9 in the previous year) and this reduced the Lost Time Incident Rate per million man-hours from 2.1 to 1.8. We are committed to drive down our accident statistics and management is continuously challenged to improve its safety performance through improved reporting, investigation and analysis of all incidents (LTIs as well as Non-Disabling Injuries and Near Misses). All reported incidents are circulated through

a "Flash" report to all company employees no later than 48 hours after the incident and are followed with a detailed accident investigation that provides corrective actions.

The company is subject to the rules in the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act), including the duty to report due diligence assessments. The report has been published on the company's own website ([www.greenresources.no](http://www.greenresources.no)) in parallel with the finalizing of the Annual Reports (Sustainability and Financial) and can be found here: [www.greenresources.no/media/reports/](http://www.greenresources.no/media/reports/)

#### **SUSTAINABILITY AND SOCIAL ECONOMIC IMPACT**

Green Resources is committed to sustainable and responsible investing and to create impact. We believe forestry is a unique industry as it combines financial returns with social and environmental impact. Green Resources has in place an ambitious Sustainability Agenda with pragmatic targets and actions to manage sustainability and to underpin the company's strategy.

Sustainability is fundamental to forest management and to maintain healthy and productive forests requires a long-term perspective, balancing the demands of surrounding communities, maintaining biodiversity & water courses and supplying products that meet a demand and are also financially viable (profitable?).

Our operations are typically located in remote and rural areas where employment opportunities are limited. Our forest products are not only used in our own factories but are also supplied to a large network of industries, small and large, where value is added to the raw materials, but also to the communities where these industries are located. During 2023/24 a total of USD 1.9m worth of forest products was sourced from smallholder farmers.

We believe that our plantations are contributing to the protection of natural forest areas and that wood from our plantations contributes to building much needed infrastructure in Eastern and Southern Africa.

All of Green Resources operations are ISO14001 and ISO45001 certified and our pole plants in all three countries are ISO9001 certified.

The forestry operations are largely FSC™ certified (60,401ha or 71% of forest landholding is certified) and in addition the Ugandan and Mozambican processing plants hold FSC™ Chain of Custody certification. All forestry operations underwent FSC audits during the year and certification was maintained at all locations. (any major CARs?)

In addition to the above we are working with New Forests on four impact targets aligned with their fund targets; climate (measured through net Carbon sequestration), Biodiversity (measured through increased quality habitat, gender and inclusivity (measured through 2X Challenge Framework) and improved and alternative livelihoods (measured by the company's quantifiable impact on communities)

The Sustainability Report for 2023/24 will be published on our website ([www.greenresources.no/media/reports/](http://www.greenresources.no/media/reports/)) and management has embarked on a journey to be fully compliant with the EU Corporate Sustainability Reporting Directive by the year 2025/26. The intention is to publish an integrated financial and sustainability report in 2025/26.

#### **GOVERNANCE AND ANTI-CORRUPTION**

Green Resources has a well-defined Business Ethics and Principles Policy which underpins the way we conduct ourselves in the countries we operate. This policy sets out the standards of conduct we strive to maintain at every level within Green Resources, our subsidiaries, joint ventures and associates. All contracts entered are accompanied with the Green Resources Terms and Conditions of doing business which includes, amongst others, information on business integrity but also issues such as Human Rights and Modern Slavery.

Feedback (both positive and negative) from our stakeholders is important for Green Resources and helps us to improve our relationships and improve the company's operating activities. To support this Green Resources has a functioning grievance mechanism and stakeholders are actively educated about the use and functioning of the same.

Green Resources, and subsidiaries of all tiers have a Directors and Officer's liability insurance policy placed with the global insurer Chubb European Group SE. The policy covers claims made against the insured worldwide on a basis of legal liability for financial loss emanating from wrongful managerial acts, caused by any past, present and future directors and officers within the group. The policy also covers legal costs and a range of loss-related expenses. The sum insured is at a level considered relevant for the Green Resources group of companies. For further information on corporate governance policies, refer to our website: [www.greenresources.no/media/policies/](http://www.greenresources.no/media/policies/)

Green Resources' report is prepared in compliance with the Norwegian Accounting Act and disclosures required by the Norwegian Transparency Act 2021 are provided in the published Transparency Report that can be found on our website. The reports include chapters on Human Rights, Own Workforce, Workers in the value chain and Affected communities. Supplementing information can also be found in the company's Sustainability Report.

#### **FINANCE, MARKET AND OPERATIONAL RISKS**

Green Resources operates across multiple markets and is exposed to a range of commercial, financial, regulatory, operational and political risks that may adversely affect its business. Financial risks include interest rates, credit, liquidity and exchange rates risks. The company manages credit and liquidity risks by keeping tight control over available liquidity, having committed credit lines available for the operational subsidiaries and by actively pursuing settlement of invoices from key customers.

The company is exposed to a range of regulatory and compliance risks, ranging from changes in national and international regulations as well as demands of certification programs such as FSC™ and ISO certificates.

Operational risks include silvicultural execution, weather, fire and health and safety, as well as risks normally associated with industrial and transport operations.

The company is exposed to environmental and social risks affecting its operations and reputation risk related to its land concessions and forest activities. Proactive engagement with communities and shared value activities are applied to reduce this uncertainty.

Political risks in Africa are often raised as an issue but have historically created few problems in East Africa. Risk management is an integral part of the company's operations and decision making.

GRAS' Board of Directors annually reviews the company's Risk Appetite Statement. The Risk Appetite Statement sets out a vision on how risks are to be viewed. GRAS' risk appetite provides the basis for setting acceptable levels of risk tolerance and thresholds and contributes to the identification and implementation of mitigation actions.

The Risk Appetite Statement and associated Risk Management Framework is updated bi-annually where major strategic risks are identified and incorporated in the company's management strategy. Management reports monthly on actions taken to control and mitigate risks through its set reporting framework.

#### **OUTLOOK FOR 2024/25**

The year 2023/24 was challenging and did not result in the growth originally projected mainly due to market access for the Ugandan operations, slowdown in regional and international timber markets as well as the closure of a key client in Mozambique.

Despite above the order book has been strengthening during the first two quarters of 2024/25 and we believe the company will experience growth in the coming year albeit with some uncertainty on the speed of recovery.

The Board has tasked management to execute the Strategic Plan to drive industrialization and diversification of the company's product mix and reduce dependency on transmission poles.

Capital Projects towards the expansion of the Ugandan sawmilling business have started and we believe that the Tanzanian sawmill expansion project may also start in the later stages of 2024/25. Feasibility work on possible Veneer and Plywood Expansion projects for Tanzania and Mozambique continue with an independent advisory body reviewing the validity of the investment models. It is believed that the first investment in plywood diversification may take place in the year 2025/26 but is subject to reaching financial and operational milestones set in the strategic plan.

The Uganda and Tanzanian operations continue to be self-funding as well as, partially, covering the cost of the corporate office. The Mozambican industrial operations will continue to draw on financial support from the group whilst it continues building its industrial operations whilst the forestry company has reached a position where it is cash neutral.

The financial statements for the Group and the parent company are presented using the going concern assumption and the Board confirms that this assumption is valid for both Green Resources AS and the Group. To manage liquidity requirements and to support the realisation of development plans, the group has obtained additional financing of USD 2.4m to be disbursed in tranches, repayable in August 2030 from New Forests Africa Investments VCC, its parent entity, with an interest rate of 10% per annum, which is payable annually. The Board believes that with the existing cash reserves together with this

additional funding, the Group has adequate financing in place to support its development plans and to bring the Group to a position where it is fully self-funding.

**SIGNATURES**

20<sup>th</sup> December 2024

*Kuda Phairah*

Kuda Phairah (Dec 28, 2024 14:46 GMT+2)

Kudakwashe Phairah  
Chairman

*Terhi Koipijarvi*

Terhi Koipijarvi (Dec 27, 2024 15:51 GMT+2)

Terhi Koipijarvi  
Director

*Paul Speed*

Paul Speed  
Director

*Yida Kemoli*

Yida Kemoli  
Director

*J. C. Lemm*  
Jornelis J.C. Lemm,  
CEO

GREEN RESOURCES CONSOLIDATED ACCOUNTS 30 June 2024

Consolidated income statement

	Notes	USD millions				
		Year ended 30-Jun-24	Year ended 30-Jun-23	Year ended 30-Jun-22	Year ended 30-Jun-21	Year ended 30-Jun-20
Industrial Sales	3	14.90	17.79	18.86	18.39	17.50
Forestry sales	3	4.46	4.41	2.72	4.12	2.45
Other operating income	3	2.96	4.08	3.42	1.80	3.34
<b>Total revenues</b>		<b>22.32</b>	<b>26.28</b>	<b>25.00</b>	<b>24.31</b>	<b>23.30</b>
Loss/Gain from biological asset value	10	5.04	(39.91)	(0.01)	2.55	3.75
Cost of sales	4.1	(8.43)	(11.76)	(11.41)	(11.87)	(10.91)
Industrial admin	4.2	(4.04)	(3.81)	(2.72)	(2.36)	(3.24)
Plantation indirect costs	4.3	(2.52)	(2.67)	(1.89)	(1.93)	(3.20)
Central Overhead	4.4	(6.88)	(5.08)	(5.97)	(5.39)	(6.75)
<b>EBITDA</b>		<b>5.49</b>	<b>(36.94)</b>	<b>3.00</b>	<b>5.30</b>	<b>2.95</b>
Depreciation	8	(1.52)	(1.56)	(1.71)	(1.29)	(1.73)
Depreciation on lease	11	(0.11)	(0.13)	(0.08)	(0.21)	(0.05)
<b>Operating profit</b>		<b>3.85</b>	<b>(38.64)</b>	<b>1.21</b>	<b>3.80</b>	<b>1.16</b>
Interest income/(expense)	6	1.48	(0.01)	(0.03)	1.25	(5.90)
Interest Expenses on lease	6	(0.09)	(0.10)	(0.11)	(0.11)	(0.11)
Currency gains/(losses)	6	(1.32)	5.39	17.69	(1.60)	(14.09)
Dividend income		0.00	0.00	0.33	0.00	0.00
Other gain/(losses) on impairment of assets	6	(0.96)	0.00	0.00	0.00	0.00
<b>Profit before tax</b>		<b>2.97</b>	<b>(33.35)</b>	<b>19.09</b>	<b>3.35</b>	<b>(18.93)</b>
Tax (charge) / credit	7	(0.94)	3.47	(0.40)	(3.02)	(2.03)
<b>Net profit</b>		<b>2.03</b>	<b>(29.87)</b>	<b>18.70</b>	<b>0.33</b>	<b>(20.96)</b>

Consolidated statement of comprehensive income

	Notes	USD millions				
		30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Net profit		2.03	(29.87)	18.70	0.33	(20.96)
Currency translation differences		2.37	(8.82)	(13.65)	2.77	15.49
Other adjustments		0.00	0.00	0.00	0.00	0.00
<b>Total comprehensive income for the year</b>		<b>4.40</b>	<b>(38.69)</b>	<b>5.04</b>	<b>3.10</b>	<b>(5.48)</b>

**Consolidated balance sheet**

		USD millions				
	Notes	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Non-current assets</b>						
Property, plant and equipment	8	15.36	14.88	13.33	14.26	9.73
Land	9	1.77	2.97	3.06	3.07	3.14
Biological assets	10	90.75	88.21	122.56	122.38	119.22
Right of Use asset	11	0.43	0.58	0.60	0.70	1.07
		108.31	106.64	139.55	140.42	133.17
<b>Current assets</b>						
Inventories	12	14.49	10.37	14.21	11.13	7.64
Receivables and prepayments	13	3.05	4.70	3.75	5.87	6.13
Income tax receivable		0.05	0.31	0.13	0.27	0.04
Cash and cash equivalents	20	0.53	1.04	3.35	5.65	1.62
		18.10	16.42	21.44	22.92	15.44
<b>Total assets</b>		<b>126.41</b>	<b>123.06</b>	<b>160.99</b>	<b>163.33</b>	<b>148.60</b>
<b>Capital employed</b>						
Share capital	14	0.41	0.41	0.41	0.41	0.13
Share premium		352.91	352.91	352.91	352.91	246.43
Translation reserve		(22.51)	(24.88)	(16.06)	(2.41)	(5.18)
Revaluation reserve		(0.18)	1.60	(1.15)	5.32	11.58
Other equity		4.60	4.60	4.60	4.60	4.60
Retained earnings		(233.03)	(234.38)	(204.51)	(223.20)	(223.53)
<b>Shareholders' funds</b>		<b>102.19</b>	<b>100.26</b>	<b>136.20</b>	<b>137.63</b>	<b>34.03</b>
<b>Non current liabilities</b>						
Borrowings	15	0.00	2.48	0.61	0.71	0.08
Deferred tax	16	11.43	11.19	14.21	15.22	11.59
Long term loans	15	6.78	0.00	0.00	0.00	90.25
Lease Liabilities	17	0.50	0.63	0.64	0.71	0.75
<b>Total non current liabilities</b>		<b>18.71</b>	<b>14.30</b>	<b>15.45</b>	<b>16.64</b>	<b>102.67</b>
<b>Current liabilities</b>						
Trade and other payables	18	5.51	8.34	9.16	8.87	8.67
Short term loans	15	0.00	0.15	0.18	0.19	3.22
<b>Total current liabilities</b>		<b>5.51</b>	<b>8.49</b>	<b>9.34</b>	<b>9.06</b>	<b>11.89</b>
<b>Total liabilities</b>		<b>24.22</b>	<b>22.80</b>	<b>24.79</b>	<b>25.69</b>	<b>114.56</b>
<b>Total equity and liabilities</b>		<b>126.41</b>	<b>123.06</b>	<b>160.99</b>	<b>163.33</b>	<b>148.60</b>

 20<sup>th</sup> December 2024

*Kuda Phairah*  
 Kuda Phairah (Dec 28, 2024 14:46 GMT+2)  
 Kudakwashe Phairah  
 Chairman

*Terhi Koipijarvi*  
 Terhi Koipijarvi (Dec 27, 2024 19:01 GMT+2)  
 Terhi Koipijarvi  
 Director

*Paul Speed*  
 Paul Speed  
 Director

*Yida Kemoli*  
 Yida Kemoli  
 Director

*Cornelis J.C. Lemm*  
 Cornelis J.C. Lemm,  
 CEO

**Consolidated cash flow statement**

		USD millions				
	Notes	Year ended 30-Jun-24	Year ended 30-Jun-23	Year ended 30-Jun-22	Year ended 30-Jun-21	Year ended 30-Jun-20
<b>Profit before taxation</b>		2.97	(33.35)	19.09	3.35	(18.93)
<b>Adjustment for non-cash income items</b>						
Depreciation	8	1.52	1.56	1.71	1.29	1.73
Tax paid		(0.68)	(0.21)	(0.15)	(0.35)	0.00
Depreciation on lease		0.11	0.13	0.08	0.21	0.05
Gains/loss arising on changes in fair value of biological assets	10	(5.04)	39.91	0.01	(2.55)	(3.75)
Interest accrued not paid	6	(1.41)	0.02	0.03	(1.22)	5.90
Other loss/(gain)		0.96	0.09	1.12	0.61	2.85
Foreign currency gains		1.32	(5.39)	(17.69)	1.60	14.09
<b>Net cash after adjustments</b>		<b>(0.24)</b>	<b>2.76</b>	<b>4.20</b>	<b>2.94</b>	<b>1.94</b>
<b>Change in working capital items</b>						
Change in inventories	12	(0.41)	0.54	(0.72)	(1.71)	2.16
Adjustment for current biological assets		0.00	0.00	0.00	(1.77)	(3.64)
Change in receivables and prepayments	13	1.65	(0.95)	2.12	0.26	(2.76)
Change in payables and accrued expenses		(0.61)	(0.81)	0.29	0.20	(0.20)
<b>Net change in working capital</b>		<b>0.64</b>	<b>(1.21)</b>	<b>1.69</b>	<b>(3.02)</b>	<b>(4.43)</b>
<b>Net cash used by operating activities</b>		<b>0.39</b>	<b>1.54</b>	<b>5.88</b>	<b>(0.08)</b>	<b>(2.50)</b>
<b>Investment activities</b>						
Purchase of property, plant and equipment	8	(3.11)	(3.17)	(2.53)	(4.61)	(2.65)
Purchase of biological assets	10	(2.33)	(2.24)	(2.65)	(3.16)	(1.63)
Other investments/adjustments		0.00	0.00	(1.40)	0.00	0.00
<b>Net cash outflow from investing activities</b>		<b>(5.44)</b>	<b>(5.41)</b>	<b>(6.58)</b>	<b>(7.77)</b>	<b>(4.28)</b>
<b>Financing activities</b>						
New loans		4.49	2.05	0.00	0.63	3.30
Loan repayments, cash		(0.59)	(0.18)	(0.10)	(0.03)	0.00
Issue of shares, cash		0.00	0.00	0.00	10.25	0.00
Lease payments	11	(0.21)	(0.34)	(0.27)	(0.24)	(0.61)
<b>Cash inflow from financing activities</b>		<b>3.69</b>	<b>1.53</b>	<b>(0.37)</b>	<b>10.61</b>	<b>2.69</b>
Increase in cash and cash equivalents		(1.36)	(2.34)	(1.07)	2.75	(4.08)
<b>Cash and cash equivalents at beginning of year</b>		<b>1.04</b>	<b>3.35</b>	<b>5.65</b>	<b>1.62</b>	<b>3.79</b>
Foreign currency translation effects		0.84	0.03	(1.23)	1.27	1.92
<b>Cash and cash equivalents at end of year</b>	20	<b>0.53</b>	<b>1.04</b>	<b>3.35</b>	<b>5.65</b>	<b>1.62</b>

**Consolidated changes in equity**

USD millions	Share Capital	Share Premium	Advance		Revaluation Reserve	Other equity	Retained Earnings	Total
			towards share capital	Translation Reserve				
At start of year	0.41	352.91	0.00	(24.88)	1.60	4.60	(234.38)	100.26
Translation gain/(loss) for the year	0.00	0.00	0.00	0.00	(1.78)	0.00	0.00	(1.78)
Net profit	0.00	0.00	0.00	0.00	0.00	0.00	2.03	2.03
Unrealised Profit on Inventories	0.00	0.00	0.00	0.00	0.00	0.00	(0.68)	0.00
Currency translation differences in OCI	0.00	0.00	0.00	2.37	0.00	0.00	0.00	2.37
<b>At end of June 2024</b>	<b>0.41</b>	<b>352.91</b>	<b>0.00</b>	<b>(22.51)</b>	<b>(0.18)</b>	<b>4.60</b>	<b>(233.03)</b>	<b>102.19</b>

USD millions	Share Capital	Share Premium	Advance		Revaluation Reserve	Other equity	Retained Earnings	Total
			towards share capital	Translation Reserve				
At start of year	0.41	352.91	0.00	(16.06)	(1.15)	4.60	(204.51)	136.20
Translation gain/(loss) for the year	0.00	0.00	0.00	0.00	2.75	0.00	0.00	2.75
Net profit	0.00	0.00	0.00	0.00	0.00	0.00	(29.87)	(29.87)
Currency translation differences in OCI	0.00	0.00	0.00	(8.82)	0.00	0.00	0.00	(8.82)
<b>At end of June 2023</b>	<b>0.41</b>	<b>352.91</b>	<b>0.00</b>	<b>(24.88)</b>	<b>1.60</b>	<b>4.60</b>	<b>(234.38)</b>	<b>100.26</b>

## NOTES TO CONSOLIDATED ACCOUNTS

### NOTE 1 ACCOUNTING POLICY

#### (a) Basis of Preparation

The Financial Statements are prepared in compliance with International Financial Reporting Standards (IFRS). The Financial Statements are presented in the functional currency, US Dollar (USD), rounded to the nearest million and prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment. As from 1 January 2013 the group's accounting year was changed from following the calendar year to the period 1 July to 30 June. The change is a consequence of wanting to better reflect the group's business seasons, where the planting year runs from July-June. The preparation of Financial Statements in conformity with IFRS requires the use of estimates and 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 the Directors' best knowledge of current events and actions, actual results, ultimately, may differ from those estimates.

#### (b) Translation of Foreign Currencies

##### (i) 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'). The consolidated Financial Statements are presented in USD Dollars.

Translation reserve is computed at year to eliminate the impact of currency movement from the equity's opening balance. This reinstatement is posted under other comprehensive income.

##### (ii) Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the Balance Sheet date, which are expressed in foreign currencies, are translated into the functional currency at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

##### (iii) Group Companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet are translated at the closing rate at the date of that Balance Sheet;
- share capital and share premium are translated at historical rate;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

The presentation currency of the Group is US Dollar (USD). The subsidiaries' accounting records are maintained in the legal currency of the country in which they operate (Tanzania Shilling (TZS), Uganda Shilling (UGX), Mozambique Meticals (MZN), Swedish Kroner (SEK) and Norwegian Kroner (NOK)). The currency translation rates for the consolidated financial statements are the following:

**Table 1.1 Exchange rates, year end**

in USD	30-Jun-24	30-Jun-23	June 2022	June 2021	June 2020
1 TZS	2,630.26	2,404.63	2,324.39	2,319.09	2,316.69
1 UGX	3,706.72	3,667.40	3,756.24	3,574.19	3,713.45
1 MZN	63.91	63.88	63.86	63.42	70.09
1 GBP	0.79	0.79	0.82	0.77	0.81
1 SEK	10.53	10.83	10.25	8.53	9.33
1 NOK	10.68	10.75	9.89	8.58	9.69

**Table 1.2 Exchange rates, average**

in USD	30-Jun-24	30-Jun-23	June 2022	June 2021	June 2020
1 TZS	2,530.32	2,341.11	2,315.17	2,316.86	2,295.52
1 UGX	3,776.45	3,775.99	3,571.73	3,658.57	3,729.74
1 MZN	63.83	63.83	63.79	69.95	57.89
1 GBP	0.79	0.83	0.75	0.75	0.78
1 SEK	10.60	10.29	8.94	8.63	9.27
1 NOK	10.65	10.56	9.17	8.82	8.86

**(c) Biological Assets**

Biological assets are measured on initial recognition and at each Balance Sheet date at fair value less estimated point-of-sale costs. Any gains/losses arising on initial recognition of biological assets and from subsequent changes in fair value less estimated point-of-sale costs are recognised in the Profit and Loss Account in the year in which they arise.

The fair value of the trees is determined based on the net present values of expected future cash flows, discounted at current market-determined pre-tax rates. Those trees which are available for harvesting within the next 12 months are classed as current assets, with the remainder as non-current assets.

Costs of planting, upkeep and maintenance of biological assets which are not recognised in the Profit and Loss Accounts are capitalised.

**(d) Land and Land Improvements**

All categories of land investments are recorded at historical cost. Land acquisition costs include business plan development and social and environmental impact assessments (SEIA) as required by national authorities, government communication, mapping and surveying, land compensation and government fees incurred in the process of obtaining land titles. Furthermore, various community development costs as mandated by the land purchase agreements are part of the land acquisition costs.

**(e) Property, Plant and Equipment**

All categories of property, plant and equipment are initially recorded at cost. Buildings and freehold land are subsequently shown at market value, based on triennial valuations by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost, less depreciation

Depreciation is calculated on the straight-line basis to write-down the cost of each asset or the revalued amount, to its residual value over its estimated useful life as follows:

**Table 1.3 Depreciation policy**

Buildings	25 years
Machinery	15 years
Motor vehicles	4 years
Computer equipment	3 years
Office furniture and equipment	3-8 years

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately, to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

**(f) Revenue Recognition**

Revenue represents the fair value of the consideration receivable for sales of goods and services and is stated net of value added tax (VAT), rebates and discounts. Revenue is recognised as follows:

- (i) Sales of goods are recognised in the period in which the Company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Interest income is recognised on a time proportion basis, using the effective interest method.

**(g) Receivables**

Receivables are carried at original invoice amount, less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due, according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Profit and Loss Account.

**(h) Income Tax**

Income tax expense is the aggregate of the charge to the Profit and Loss Account in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the tax regimes that the individual entities in the Group operate. Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

**(i) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

**(j) Cash and Cash Equivalents**

For the purpose of the Cashflow Statement (indirect method), cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of bank overdrafts. In the Balance Sheet, bank overdrafts are included in borrowings in current liabilities.

**(k) Pension obligations**

The Group has defined contribution plans. A defined contribution plan is a pension plan under which the company pays a fixed contribution into a separate entity. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

**(l) Government grants**

Grants received in the form of cash is presented as other income in the statement of profit and loss, either separately or under a general heading such as 'Other Gain/(losses)'. The grants are recognised once the grants are received.

**(m) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the Profit and Loss Account over the period of the borrowings. Specific borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time

to get ready for their intended use or scale, are added to the costs of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(n) Contingent assets and liabilities**

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

**(o) Leasing**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets, The recognition and measurement of right-of-use assets is presented on note 11.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease-incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The recognition and measurement of right-of-use assets is presented on note 11.

**(p) Consolidation**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

Consolidated accounts are including the following subsidiaries:

- (i) Norway: Green Resources AS, Nortan AS
- (ii) Sweden: GSSF AB
- (iii) Tanzania<sup>1</sup>: GRL Tanzania Ltd, Lindi Forests Ltd, Sao Hill Industries Ltd and Tanga Forests Ltd
- (iv) Uganda: Busoga Forestry Company Ltd
- (v) Mozambique<sup>2</sup>: Ntacia Florestas Da Zambezia, Green Resources Niassa SA and Niassa GreenPly

**(q) Critical Accounting Estimates and Judgments**

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

*Biological Assets*

Critical assumptions are made by the Directors in determining the fair values of biological assets. The key assumptions are set out in Note 10.

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<sup>1</sup> Lindi Forests Limited and Tanga Forests Limited are in the final stages of being wound up

<sup>2</sup> Ntacia Floresta's Da Zambezia LDA is in the process of being wound up

## **(r) Cash Flow Statement**

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

## **NOTE 2 RISK FACTORS**

### **(a) Strategic Risks**

#### *Political Risks*

Africa is considered to be volatile with a high level of political risk. East Africa is a relative peaceful part of Africa, with little significant political turmoil for more than two decades.

In March 2021 the President of Tanzania passed away and he was succeeded by the Vice President in line with the Constitution of the country. The operating environment and business climate in Tanzania has improved significantly since this transition with the new President advocating a pro-business policy.

Green Resources operates in North Western Mozambique that is located approximately 1,000km away from Cabo Delgado where there continues to be an Islamic Insurgency linked to Islamic State. Board and Management believe that the statement made last year still holds and there is no evidence the unrest in Cabo Delgado will spread into the Niassa Province although some isolated incidents have been observed. The international intervention force, consisting of, amongst others, South African and Rwandan forces, appears to have been successful and there has been a decline in incidents.

#### *Domestic Competition*

In Tanzania competition in the market continues to be stiff with several new sawmills, treatment plants and (private and smallholder) plantations coming online. As a result, we see a very competitive landscape with significant pressure on market prices. In order to remain competitive and be recognized as a producer of quality wood products SHI invests in its industrial infrastructure and has introduced initiatives to be a lower cost producer than it historically has been. SHI has been successful in growing its export portfolio with sawn timber sales to Middle East, India and Vietnam. Going forward SHI will increasingly target export markets.

The Ugandan market experiences competitive pressure, both in the poles business and the timber, however BFC continues to be a quality poles supplier for Umeme (the national utility). During the year a significant portion of BFC's sawn timber products have been exported to Kenya as well as further into the region following a contract for supply to the United Nations.

In Mozambique Green Resources has had some success in the pole market and sold around 6,000 poles during the year however it will take time to break into this market due to tender criteria applied. Despite this the company is in advanced discussions with EDM, World Bank as well as Southern African Buyers and the company is confident that in coming years it will become a dominant player in the Mozambican pole market. The veneer market for company products is now well established and it is up to the company to deliver and satisfy demand for its products. All veneer sales are destined for export markets.

### **(b) Operational Risk**

#### *Ability to Recruit and Retain Employees*

Green Resources is continuously on the lookout for talented staff either by attracting new talent or by grooming talent in its operation.

Green Resources offers competitive salaries and offers staff members opportunity for training as well as personal and professional growth. One of the benefits of operating a multi-country business is that it allows members of staff to gain experience working in different environments.

During the financial year the company has made significant progress in attracting local talent and has reduced its dependency on expatriates in senior leadership roles. A bonus system for all staff of level C5 and has been successfully introduced and most Sr staff managers are benefitting from a performance related bonus linked to financial year 2021/22. The performance

bonus is based on a combination of operational and financial indicators with progressively heavier weighting on financial indicators depending on the seniority of the employee.

#### *Health and Safety Risks*

The company is operating in remote areas with relatively poor infrastructure and low levels of education which offers challenges in terms of fostering a culture of health and safety. The company puts significant efforts in training of its staff and regularly brings in industry experts to assess the safety of its operations. This is an ongoing program that will require continuous focus and dedication from the most senior managers of our team. The commitment of the company's senior leadership is a pre-requisite for the implementation of industry best practices and to minimise the risk of accidents in the workplace.

#### *Forest Fire*

Risk of fires in Green Resources is generally reduced due to the diversification of the plantation portfolio into several national regions and countries. Since 2009, the company has implemented a new fire management procedure that splits each plantation into blocks that are separated by fire breaks. Detailed fire plans are drawn up each year on a plantation level and during the fire season there are permanent fire crews deployed at strategic locations. Green Resources has adopted the Fire Danger Index system to guide its operational activities during the "fire season". Further priority will be given to improvement in community relations, infield communication, firefighting capacity and the reduction of the fire fuel load within the plantations. Regardless of the preventative measures, fires remain one of our biggest risks in our industry.

During the year a significant fire event took place in Tanzania which led to the loss of 1,719ha of forest where salvage operations are currently ongoing.

Since the above event the company has initiated a number of measures in collaboration with industry stakeholders, as fires affected almost all plantation operators in the Southern Highlands of Tanzania, and the company believes that collaborative efforts will further strengthen its fire prevention systems.

#### *Insects and Fungal Attacks*

In common with all agricultural (forestry) operations, there are threats of insect and fungal attacks on forest plantations. In Uganda, blue gum chalcid has been observed, representing a threat to the eucalyptus plantations but has not made any significant impact so far. In general, weak and poorly planted and maintained trees are typically most exposed to attacks. Green Resources is doing its utmost to improve the quality and genetic diversity of its plantations, spreading the risk with planting a variety of species and provenances with different seed origins and providing the necessary remedies when problems are identified.

#### *Wood Supply Costs and Land Prices*

Sao Hill Industries, Green Resources' Tanzanian industrial operations, procures all of its raw material from Sao Hill Forest Project, a Government plantation where wood prices are set by the Government for one year at a time. The land rents on the 50-year and 99-year land leases are fixed annually at the discretion of the Government. The rental cost for leased land is set on a national basis for all farmers and other land owners, and large changes with a material effect on our business are believed to be unlikely.

During the year SHI discontinued to buy pine sawlogs from GRL as rising fuel costs made this operation uneconomical however in future years it is believed this operation will resume; SHI maintains its long term goal of procuring up to 30% of its (pine) raw materials from GRL. Procurement of Transmission Poles from GRL continues.

#### *East African Business Environment*

Green Resources believes that overall the business climate in East Africa has improved over the years however we have seen shifts in priorities in various countries which has, from time to time, forced the company to adapt. Countries in the region are looking at diversifying their tax base and become independent of donor funding which at times results in shifts in taxation regimes.

Following the change in leadership in Tanzania we have witnessed a significant shift towards Pro-Business Policies in Tanzania and during a recent Presidential Address the Forest Industry (Engineered Wood Products specifically) were designated as a Strategic Priority Investment Area.

#### *Working Capital Requirement*

Green Resources has at times been short of cash, leading to interruption of industrial production and planting programs, this has affected the company in previous years however since beginning of 2018 the company has been able to execute its plans without interruptions. Green Resources now has adequate resources to realize its development plans with a mix of own capital commercial bank, and Shareholder's funding at a subsidiary level.

#### *Significance of Largest Customers*

Large national utility companies and associated Electrification Agencies dominate the transmission pole business, and in 2022/23 the largest customers accounted for 36% of revenues for the industrial operations. Green Resources is broadening the customer base and participating in all regional tenders, but the reliance on a small number of customers is an integral part of operating in this market segment.

#### **(c) Financial Risks**

The Company and Group activities potentially expose it to a variety of financial risks, including credit risk, interest rate risk and the effects of the changes in foreign currency exchange rates. The Company's and the Group's Management Programme takes account of the unpredictability of foreign exchange rate trends and seeks to minimise potential adverse effects on its financial performance.

#### *Exchange Rate Risks*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily, with respect to the Tanzania and Uganda shillings and Mozambique meticaís. This risk is not hedged.

The key exposures include almost all sales transactions where the majority of sales contracts are in local currencies, many of the major capital expenditure projects which are contracted in USD or EUR and the main purchased raw materials such as chemicals, fertilizer and senior management salaries are based on USD contracts. The majority of the operating costs which are generally denominated in the local currencies.

Green Resources' assets are denominated in Eastern African currencies. Based on the risk of currency changes and the corresponding year end value of the assets, there are arguments for creating a currency hedge for these assets by borrowing in local currencies. However, there is currently no market for long term hedges in East Africa currencies. Green Resources' biological asset valuation model is a USD based model.

The large majority of the Company's costs are denominated in East African currencies and many of the revenues are generated in other currencies. Thus, the value of Green Resources is likely to benefit long term from depreciating East African currencies, irrespective of any short-term balance sheet related currency losses. Thus, Green Resources' will concentrate the long-term borrowing in EUR and USD. The high real interest rate in the East African economies supports this decision.

#### *Interest Rate Risks*

Green Resources' investments have been combination of equity and external debt and fluctuating interest rates have direct impact on the P&L. To date, the interest rate level has directly influenced the value of the company through the discount rate used in the Biological Asset Valuation Model. A higher interest rate, and discount rate, will reduce the value of Green Resources' Forest land. On the other hand, higher interest rates are often associated with higher inflation, and increased inflation is believed to lead to expectations of higher future wood prices, offsetting the negative effect on the biological asset value of higher interest rates.

#### *Credit Risks*

The local pole contracts in Mozambique, Tanzania, and Uganda with EDM, Tanesco, and Umeme respectively as well as with Rural Electrification Agency's (REA) contractors may pose larger than normal credit risk due to customer credit history. During FY19/20 the company had to impair 1bn TZS (+/-USD 0.4 million) of customer receivables related to a single REA contractor in Tanzania. A further impairment for a similar customer and value (USD 0.4 million) had to be made during FY20/21. No impairments were made during the last two years (FY21/22 and FY22/23)

The amount that best represents the Group's maximum exposure to credit risk at 30 June 2024 is made up as follows:

**Table 2.1 Credit risk maximum exposure**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Cash and cash equivalents	0.53	1.04	3.35	5.65	1.62
Trade and other receivables	2.48	3.84	3.12	5.23	5.92
Prepayments	0.56	0.86	0.63	0.64	0.21
	3.57	5.74	7.10	11.52	7.75

*Liquidity Risks*

Prudent liquidity risk management includes keeping tight control over available liquidity, credit facilities and monitoring incoming funds at subsidiaries and matching this with ongoing commitments. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines or funding from holding company. Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group.

*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. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio:

**Table 2.2 Total capital and gearing ratio**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Total borrowings (incl overdraft)	6.78	2.63	0.79	0.90	93.56
Less cash and cash equivalents	0.53	1.04	3.35	5.65	1.62
Net debt	6.3	1.6	-	-	91.9
Equity	102.2	100.3	136.2	137.6	34.0
Total Capital	108.4	101.8	136.2	137.6	126.0
Gearing ratio	6%	2%	0%	0%	73%
Equity ratio	94%	98%	100%	100%	27%

Gearing ratio increased due to new shareholders loan disbursed during the period

**NOTE 3 REVENUE**

The following items have been charged in arriving at the operating profit:

**Table 3 Sales**

USD million	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Industrial sales</b>					
Sawn timber	4.86	4.55	5.57	3.98	3.32
Poles	8.89	11.85	12.52	14.41	14.19
Veneer	1.14	1.39	0.77	0.00	0.00
<b>Total Industrial</b>	<b>14.90</b>	<b>17.79</b>	<b>18.86</b>	<b>18.39</b>	<b>17.50</b>
<b>Forestry sales</b>					
Pine	3.46	2.74	1.00	3.64	1.59
Eucalyptus	1.00	1.66	1.72	1.05	0.86
<b>Total Forestry</b>	<b>4.46</b>	<b>4.41</b>	<b>2.72</b>	<b>4.69</b>	<b>2.45</b>
<b>Other Income</b>					
Carbon	0.00	1.46	1.93	0.34	1.52
Seedlings	0.04	0.14	0.14	0.04	0.02
Resin / Other	2.92	2.48	1.35	0.85	1.80
<b>Total Other</b>	<b>2.96</b>	<b>4.08</b>	<b>3.42</b>	<b>1.23</b>	<b>3.34</b>

The Group presents revenue based on the type of goods/services delivered to customers and the timing of transfer of the goods/services.

**NOTE 4 COST OF SALES, INDUSTRIAL ADMIN & PLANTATION INDIRECT COSTS**
**Table 4.1 Cost of sales**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Pole Production	3.19	5.72	4.38	6.10	6.61
Timber Production	3.11	3.48	4.55	3.22	2.31
Seedling Growing Costs	0.02	0.01	0.02	0.01	0.00
Other Cost of Sales	1.72	2.01	2.00	2.09	1.82
Transport Costs	0.39	0.53	0.46	0.46	0.18
<b>Total</b>	<b>8.43</b>	<b>11.76</b>	<b>11.41</b>	<b>11.87</b>	<b>10.91</b>

Cost of sales includes the cost incurred on raw materials, fuel, electricity, personnel, maintenance, distribution, and other production-related expenses. Depreciation incurred for Plant machines and equipment is presented separately in note 8

**Table 4.2 Industrial Admin**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Staff costs	0.64	0.61	0.61	0.58	0.69
Repair and Maintenance	0.47	0.49	0.49	0.46	0.47
Other Industrial expenses	2.93	2.72	1.62	1.32	2.08
<b>Total</b>	<b>4.04</b>	<b>3.81</b>	<b>2.72</b>	<b>2.36</b>	<b>3.24</b>

**Table 4.3 Plantation Indirect Costs**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Staff costs	0.94	0.92	0.75	0.80	1.33
Repair and Maintenance	0.19	0.36	0.31	0.24	0.26
ESG Cost	0.05	0.04	0.04	0.03	0.05
Other Plantation expenses	1.34	1.34	0.79	0.86	1.56
<b>Total</b>	<b>2.52</b>	<b>2.67</b>	<b>1.89</b>	<b>1.93</b>	<b>3.20</b>

**Table 4.4 Central Overhead**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Staff costs	3.59	3.55	3.70	3.27	3.98
Consultancy costs	1.32	1.38	1.28	1.25	1.35
Other administrative expenses	1.97	0.15	0.99	0.87	1.42
<b>Total</b>	<b>6.88</b>	<b>5.08</b>	<b>5.97</b>	<b>5.39</b>	<b>6.75</b>

**Table 4.5 Staff costs**

The following items are included in staff costs:

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Salaries and wages	4.76	4.61	4.76	4.42	5.15
Social security	0.41	0.47	0.30	0.23	0.47
Pension cost - defined contr. plans	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>5.18</b>	<b>5.08</b>	<b>5.06</b>	<b>4.65</b>	<b>5.62</b>

The Company has 511 permanent employees as of June 2024 (2023:533). In the 12 months to June 2023, Board fees are paid to Independent Non-Executive Directors and for 2023/24 only Terhi Koipijärvi received a remuneration with a total of USD 35,000.

A total of USD 244,824 was paid to Cornelis J.C. Lemm for services as CEO for the financial year ending June 2024, nil was paid in the form of shares.

The CEO was awarded a bonus of USD 265,614 in relation to the February 2023 transaction.

In addition the CEO is eligible for consideration of an annual performance bonus of up to 25% of his salary depending on the overall performance of the Company and subject to approval by the Annual General Meeting. No bonus was paid.

The CEO and the Board do not have any termination benefit plan other than the statutory terminal benefits under respective labour laws.

## NOTE 5 OPERATIONAL COST BY NATURE

**Table 5.1 Operational costs by nature**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Cost of raw material and other purchased goods	3.28	3.67	4.10	5.04	4.23
Salary and wages (note 4)	5.18	5.08	5.06	4.65	5.62
Depreciation and write offs (note 8)	1.52	1.56	1.71	1.29	1.73
Freight	0.80	1.06	0.85	0.58	0.32
Repair and maintenance cost	0.66	0.86	0.80	0.70	0.73
Marketing costs	0.05	0.09	0.08	0.04	0.02
Rent and leasing costs	0.02	0.02	0.03	0.05	0.15
Exceptional costs	-	-	-	-	-
Other operational costs	11.89	12.54	11.07	10.48	13.03
<b>Total operational cost</b>	<b>23.39</b>	<b>24.88</b>	<b>23.71</b>	<b>22.85</b>	<b>25.82</b>

**Table 5.2 Audit Remuneration**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Audit fee	0.25	0.23	0.22	0.24	0.24
Other services	0.02	0.02	0.01	0.03	0.01
Audit related fee	0.02	0.02	0.02	0.04	0.02
<b>Total</b>	<b>0.29</b>	<b>0.28</b>	<b>0.26</b>	<b>0.31</b>	<b>0.26</b>

The cost for statutory audits for the 12 months to June 2024 was USD 0.25 million (June 2023: USD 0.23 million). Tax advisory service was USD 0.02 million (June 2023: USD 0.02), and other service fees related to the financial statements as of June 2023 were USD 0.02 million. (June 2023: USD 0.02 million)

## NOTE 6 FINANCE COST

**Table 6.1 Finance cost**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Interest income	0.08	0.01	0.00	0.03	0.01
Other financial income/(expenses)	(0.96)	0.00	0.00	0.00	0.00
Interest expense	1.41	(0.02)	(0.03)	1.22	(5.90)
Foreign exchange differences	(1.32)	5.39	17.69	(1.60)	(14.09)
Interest Expenses on lease	(0.09)	(0.10)	0.11	(0.11)	(0.11)
<b>Total finance costs</b>	<b>(0.88)</b>	<b>5.29</b>	<b>17.78</b>	<b>(0.45)</b>	<b>(20.09)</b>

## NOTE 7 INCOME TAX EXPENSE

There is no payable tax charge for the year in view of the loss incurred and brought forward tax losses in the individual entities of the group. Income tax is calculated using the actual tax rate of 32% in Mozambique, Tanzania, and Uganda 30%. In Norway, the corporate tax rate was 22% up to 30 June 2024. See note 16 for further specification.

**Table 7.1 Income tax expense**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Profit before tax in the financial statement	2.97	(33.35)	19.09	3.35	(18.93)
Calculated tax (domestic tax rates on the PBT for the subsidiaries)	2.09	(9.20)	2.11	0.07	1.12
Tax in the consolidated financial statements	0.94	(3.47)	0.40	3.02	2.03
<b>Difference</b>	<b>1.15</b>	<b>(5.73)</b>	<b>1.72</b>	<b>(2.95)</b>	<b>(0.91)</b>
Difference consists of the following					
Tax rate (local) on non-deductables	3.15	2.85	0.11	2.85	0.05
Other differences	(3.61)	3.86	(2.08)	3.86	0.86
Exchange rate differences	(0.69)	(0.98)	0.25	(0.98)	0.00
<b>Sum explained differences</b>	<b>(1.15)</b>	<b>5.73</b>	<b>(1.72)</b>	<b>5.73</b>	<b>0.91</b>

**NOTE 8 PROPERTY, PLANT AND EQUIPMENT**

30-Jun-24

USD millions	30-Jun-24					Total
	Buildings	Motor Vehicles	Plant and Equipment	Fittings and Office Equipment	Work In Progress	
<b>Cost</b>						
At start of year	10.49	3.23	16.35	1.76	3.68	35.52
Acquisition assets	0.00	0.00	0.00	0.00	0.00	0.00
Additions	0.00	0.57	0.00	0.08	2.46	3.11
Transfer	2.93	0.00	1.31	0.03	(4.26)	0.00
Reclassification	0.00	0.00	0.00	0.00	0.00	0.00
Disposal	(0.11)	(0.11)	(0.28)	(0.15)	0.00	(0.65)
Exchange differences	(2.51)	(1.00)	0.02	0.24	(0.27)	(3.53)
<b>Costs at end of June 2024</b>	<b>10.80</b>	<b>2.69</b>	<b>17.39</b>	<b>1.97</b>	<b>1.61</b>	<b>34.45</b>
<b>Depreciation</b>						
At start of year	5.10	3.09	11.31	1.13	0.00	20.64
Acquisition assets	0.00	0.00	0.00	0.00	0.00	0.00
Charge for the year	0.37	0.10	1.01	0.04	0.00	1.52
Transfer/Disposal	(0.03)	(0.11)	(0.24)	(0.14)	0.00	(0.52)
Writedown	0.00	0.00	0.00	0.00	0.00	0.00
Exchange differences	(2.24)	(1.04)	0.03	0.71	0.00	(2.54)
<b>Depreciation at end of June 2024</b>	<b>3.19</b>	<b>2.05</b>	<b>12.11</b>	<b>1.73</b>	<b>0.00</b>	<b>19.09</b>
<b>Net book value 30 June 2024</b>	<b>7.61</b>	<b>0.64</b>	<b>5.27</b>	<b>0.24</b>	<b>1.61</b>	<b>15.36</b>

The capital work in progress relates to the ongoing projects of the new Kiln Dry in Tanzania. Some Property and equipment of the Group have been pledged as security for third-party loans.

**NOTE 9 LAND**

At the end of the financial year, land acquisition costs on the balance sheet were USD 0.22m for Mozambique and USD 1.54m for Tanzania, the decrease is due to land return.

**Table 9.1 Land**

USD millions	Translation			Translation			Translation			Translation			
	30-Jun-24	Changes	Differences	30-Jun-23	Changes	Differences	30-Jun-22	Changes	Differences	30-Jun-21	Changes	Differences	30-Jun-20
<b>Mozambique</b>													
Lurio Green Resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Niassa Green Resources	0.22	0.00	0.00	0.22	0.00	0.00	0.22	(0.20)	0.00	0.42	0.00	0.00	0.00
GSFF Group companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.06)	0.00	0.48
<b>Tanzania</b>													
Green Resources Ltd	1.54	(1.21)	0.00	2.75	(0.82)	0.51	3.06	(0.11)	0.51	2.66	(0.52)	0.51	2.66
Lindi Forest Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tanga Forest Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1.77</b>	<b>(1.20)</b>	<b>0.00</b>	<b>2.97</b>	<b>(0.82)</b>	<b>0.51</b>	<b>3.28</b>	<b>(0.31)</b>	<b>0.51</b>	<b>3.08</b>	<b>(0.58)</b>	<b>0.51</b>	<b>3.14</b>

**NOTE 10 BIOLOGICAL ASSET VALUATIONS**
**(a) Summary**

Green Resources has engaged an experienced third-party service provider to conduct the valuation of the forest plantations.

According to IAS 41, biological assets are to be valued annually at fair value. The gain or loss in fair value of these biological assets is reported as revenues in the profit and loss statement. The fair value of Green Resources' biological assets at 30 June 2024 was assessed to be USD 100.94m (2023: USD 93.9m).

For the year, the movement in the valuation was a gain of USD 7.65m (2023: USD 39.91m loss) the main contributors to this gain include Biological Asset growth (appr. USD 6.4m) and product pricing (appr. USD 1.2m)

For the year, the movement in the valuation was a loss of 7.65m (2023: 39.91m loss) with three main drivers: a) the Uchindele Fire (appr. \$7.3m net loss), Increase in Discount Rates (appr. \$8.1m reduction in value) and product pricing and allocation (appr. \$17.9m reduction in value).

Planted area decreased by 193ha resulting in a net standing forest of 32,999 ha (33192 ha FY22/23) This decrease is resulting from 1,886ha of new planting, 1,466ha of harvesting, 351.8ha of losses due to fire and 120 ha of corrections and write-offs. The average net value per ha of the forest is USD 3,059 per ha, a decrease from USD 2,831 in 2023.

**Table 10.1 Biological Asset Valuation**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
At start of year	93.97	131.67	129.03	124.19	119.82
Increases due to acquisitions					
Development Expenditure	2.33	2.24	2.65	2.25	1.63
Harvesting	(8.66)	(19.91)	(13.12)	(6.56)	(1.96)
Resin	-	-	5.04	-	-
Loss/Gains arising from changes in fair value, net	13.70	(20.00)	8.06	8.34	3.75
Exchange difference	(0.39)	(0.03)	0.01	0.81	0.95
Provision	-	-	-	-	-
<b>Carrying amount</b>	<b>100.941</b>	<b>93.966</b>	<b>131.665</b>	<b>129.027</b>	<b>124.19</b>
of which					
Biological Asset Available for Sale	10.19	5.75	9.11	6.75	4.98
Biological Asset	90.75	88.21	122.56	122.28	119.21
<b>Net change in fair value of biological assets</b>	<b>(6.98)</b>	<b>37.70</b>	<b>(2.64)</b>	<b>(4.84)</b>	<b>(4.36)</b>

The Biological Asset Valuation model (BAV) estimates the net present value of Green Resources' plantations in Tanzania, Uganda, and Mozambique. For Tanzania, this includes plantations under the subsidiary company GRL Tanzania Ltd. In

Uganda, it consists of the plantations under Busoga Forestry Company Ltd while in Mozambique; it includes Green Resources Niassa.

When arriving at the net present value (NPV) of the forest, projected future costs are deducted from the projected future revenues. The future maintenance costs include field maintenance, land leases, fire protection, road maintenance, and administration costs. Direct planting costs of USD 2.33m in 2023/2024 have been expensed against the gross change in BAV. Those areas of the forest that will be available for harvesting during the coming 12 months are classified as current assets available for sale.

**Table 10.2 Biological asset value per ha**

USD '000s	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Mozambique</b>					
Net Present Value	34,732	31,169	38,266	40,766	40,591
Area (in ha)	13,373	13,846	13,939	12,904	13,246
NPV/planted area	2,597	2,251	2,745	3,159	3,064
<b>Tanzania</b>					
Net Present Value	32,915	30,341	47,700	48,597	49,492
Area (in ha)	13,053	12,685	12,535	14,402	15,624
NPV/planted area	2,522	2,392	3,805	3,374	3,168
<b>Uganda</b>					
Net Present Value	33,294	32,455	47,294	39,665	34,109
Area (in ha)	6,572	6,661	6,621	6,691	6,454
NPV/planted area	5,066	4,872	7,143	5,929	5,285
	32,999	33,192	33,095	33,996	35,324

**(b) Planted area**

Planting included in the BAV is verified by our mapping and inventory department through a combination of GPS tracking, imagery collected from a camera drone, and high-resolution satellite images. All data is documented in a compartment register and digital maps in a central database hosted by a professional data management company. Green Resources has a total net planted area of 32,999 ha as of 30 June 2024 (33,192 ha as of 30 June 2023) in the subsidiaries covered by the consolidated accounts.

During 2023/24, Green Resources harvested 1,893ha and re-planted 1,890ha plantations. The most widespread genus present in Green Resources' plantations is pine (59.8%), followed by eucalyptus (39.7%) and a small proportion of teak and other hardwoods (<0.5%).

**Table 10.3 Planted area and net new planting by region**

Hectares (ha)	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Eucalyptus &amp; Others</b>					
Mozambique	7,138	7,548	7,529	6,908	6,241
Tanzania	4,754	4,494	4,168	4,999	5,496
Uganda	1,608	1,691	1,725	1,747	1,626
Total	13,499	13,733	13,422	13,655	13,362
<b>Pine</b>					
Mozambique	6,236	6,298	6,410	5,996	7,005
Tanzania	8,299	8,191	8,368	9,402	10,129
Uganda	4,964	4,970	4,896	4,943	4,828
Total	19,499	19,459	19,674	20,341	21,962
<b>Total</b>					
Mozambique	13,373	13,846	13,939	12,904	13,246
Tanzania	13,053	12,685	12,535	14,402	15,624
Uganda	6,572	6,661	6,621	6,691	6,454
Total	32,999	33,192	33,095	33,996	35,324

### (c) Growth and yield assumptions

During 2016 an independent forest consulting company conducted extensive numerical and graphical analysis of both temporary sample plots (TSP) and permanent sample plots (PSP) data from GRAS plantations, in order to identify distinct productivity classes for both pine species and eucalyptus species.

Growth models were calibrated for each productivity class by species and country using non-linear regressions. This involved fitting dominant height, basal area, and trees per hectare curves through the TSP and PSP data for each of the productivity classes. All fits were weighted by effective area. The growth equations used in the fitting were widely used growth formulae, initially applied in South Africa, and are similar to those used in the Microforest software. For the 2022 valuation the company used the growth models in Microforest.

At the time of writing GRAS has embarked on a project with Microforest to update growth and yield models in Microforest based on long term monitoring data obtained from our own plantations. These new growth and yield tables are currently being tested and are expected to be incorporated in GRAS forest management software before the end of FY23/24.

Whilst above project is underway GRAS continues to enumerate and calibrate growth forecasts in stands, and this is the most appropriate way to ensure accurate forecasts of future wood availability. These present classifications represent the best available forecasts available at present.

### d) Wood Prices

The independent valuer has applied market assumptions that reflect both the current established timber, veneer, biomass and pole markets in Mozambique, Tanzania & Uganda.

At each plantation location specific regimes have been applied to generate a mix of products (pine sawlogs, eucalyptus poles, peeler logs and biomass or pulpwood). The product mix has been matched to management views on current and future market capacities. Each of the end products has been priced per locations, such that the inherent component value of each tree can be captured.

With most of Green Resources' sales occurring domestically, the local markets in the immediate term have a much greater impact on the price forecasts than global pricing indices. Wherever possible, the valuation has used current local pricing evidence (e.g. published prices or prices realised in recent wood sales by Green Resources) as the basis for its stumpage revenue calculations. Where local pricing is not available or is not relevant to the end-markets which Green Resources is targeting, then a wood-paying capability (WPC) has been calculated for the proposed end-markets.

**Table 10.4 Wood prices at mill gate**

In USD/m3	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Pine sawlogs</b>					
Mozambique (delivered mill)	27.1	57.0	52.0	52.0	57.0
Tanzania (delivered mill)	N/A	N/A	N/A	N/A	N/A
Tanzania (standing up to 2025)	19.0	15.9	15.9	12.0	14.2
Tanzania (standing from 2026)	26.5	22.0	23.0	19.7	23.1
Uganda (delivered mill)	46.5	44.3	46.0	41.0	41.0
<b>Eucalyptus utility poles</b>					
Mozambique - Niassa (stump)	115.0	115.0	131.0	163.5	135.6
Tanzania (delivered mill)	83.6	91.8	115.0	104.7	100.5
Uganda (delivered mill)	141.0	136.0	135.0	137.4	128.8

The Tanzanian Pine model has adapted a standing sale model rather than a model that assumed delivery of different products to different customers and as a result the wood price table was changed in the previous financial year.

In Tanzania, the pine saw log pricing has been based upon the current government pricing, the prices that saw millers are paying for traded SHFP permits and private transactions undertaken by Green Resources.

Eucalyptus pole pricing is based upon prices paid by Sao Hill Industries, the stumpage price having been calculated taking into account the harvesting and transport costs.

Pricing for sawlogs in Uganda has been established by working backwards from the sawn timber prices achieved at Busoga Forestry Company's sawmill in Jinja.

Pole pricing in Uganda are based upon actual prices achieved in the market. Utility poles are priced in UGX.

Pricing for sawlogs in Mozambique have been based on upon prices paid by Kema Lda sawmill in Lichinga, the stumpage price has been calculated taking into account the harvesting and transport costs.

Pole pricing in Mozambique is based upon actual prices achieved in the market. Utility poles are priced in MZN.

Peeler log prices in Mozambique have been calculated using the Veneer Plant Business Model which includes an arm's length transfer price of Peeler Logs between Green Resources Niassa and Niassa GreenPly.

#### (e) General Economic and Financial Assumptions

The model assumes a range of nominal discount rates in the range of 12.5% - 16.00%, lower for all three countries compared to previous year.

The differences between the discount rates reflect the risk associated with each location. For instance, Tanzanian and Ugandan investments are assumed to have less risk than Mozambique. The differential discount rate recognises the differing risks associated with operating in each of the individual countries where GRAS has plantations.

The WACC approach is the most widely used approach to establishing a discount rate for IAS 41 and benefits from being based on relative objective inputs. It is used by most major companies worldwide, including European forestry companies that disclose assumptions behind their BAV calculations according to IAS 41. The discount rates applied to the biological assets in Mozambique, Tanzania and Uganda are 16.00%, 13.5%, and 12.5%, respectively.

The basis for estimation of fair value according to IAS 41 is limited to the current living tree crop, thus we have included one rotation only for pine and for eucalyptus. The last year included in the NPV is 2084. The underlying landholding will have a value following harvesting, which is not reflected in the BAV.

The valuation has been undertaken in USD terms, with prices and costs set at FY23/24 values and then forecast in USD. The prices and costs applied in the report are expressed in real USD values. No inflationary component or exchange rate adjustments are included in future projections.

**Table 10.5 General economic and financial assumptions**

Criteria	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Discount rate</b>					
Mozambique	16.00%	16.25%	14.10%	13.60%	13.89%
Tanzania	12.50%	12.50%	12.00%	10.10%	10.06%
Uganda	13.50%	12.75%	10.50%	10.50%	10.92%
Last year included for NPV of Pine	2084	2048	2039	2037	2036
Last year included for NPV of Eucalyptus	2084	2048	2035	2034	2035
<b>Exchange rate</b>					
TSH/USD	2,630.26	2,405	2,324	2,319	2,317
UGX/USD	3,706.72	3,667	3,757	3,574	3,713
MZN/USD	63.91	63.88	63.86	63.42	70.09

#### (f) Management of biological risks

Forest plantations are subject to different types of risks, the most important being fires, pests & and diseases, and windfall. Green Resources seeks to reduce fire risk through a range of measures, including prevention (e.g., community awareness programs), protection (e.g., clearing internal and external fire breaks on all plantations), early detection (e.g. Fire Danger Index

calculations and manned fire towers), and the ability to respond effectively (e.g. radio communication networks, mobile water bowsers with pumps and hoses, plus trained fire-fighting teams).

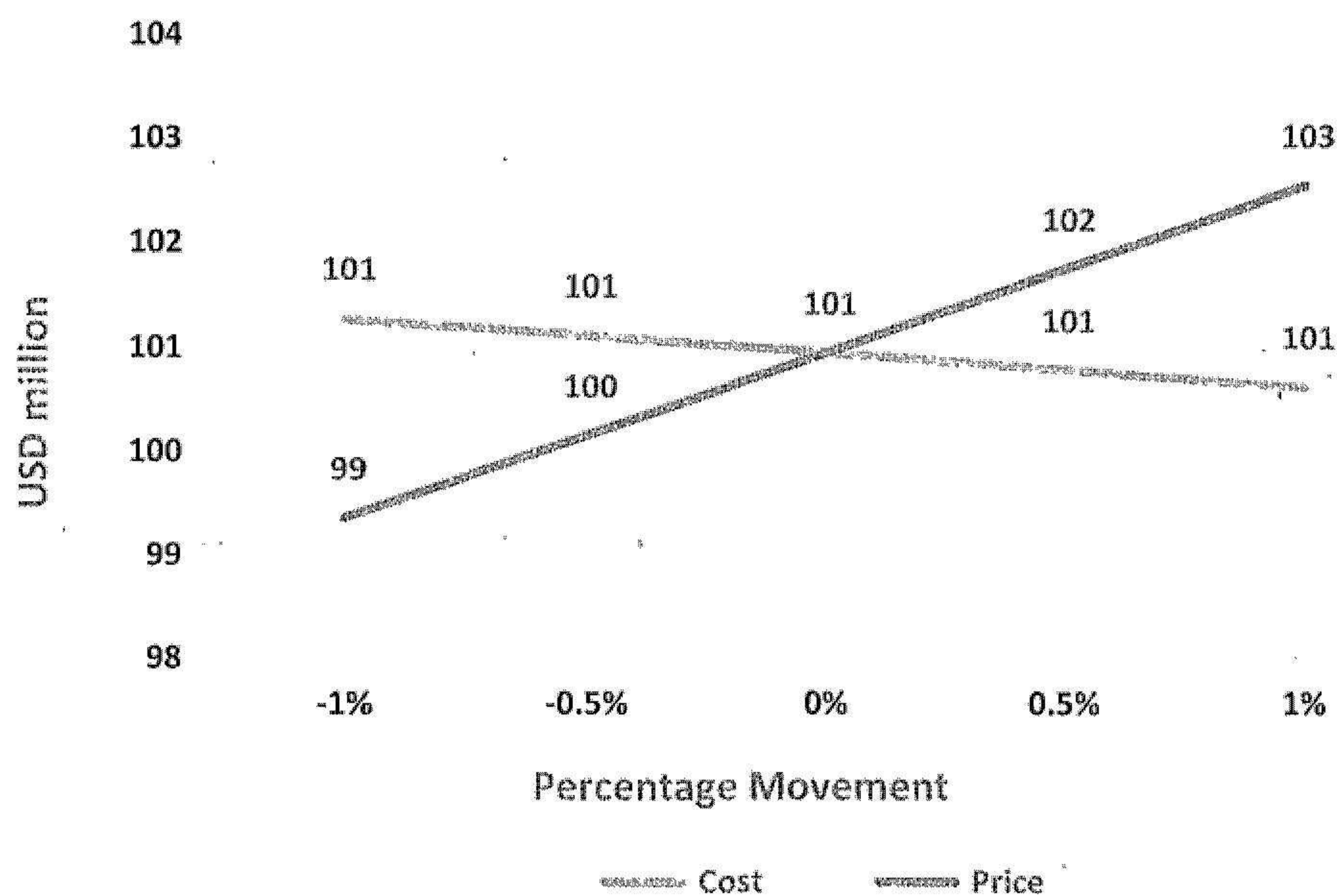
Green Resources monitors its plantations for signs of pests or diseases. Where appropriate, outbreaks may be treated with approved pesticides, however, the best approach is generally to ensure that the tree crop is not under stress and that vigorous tree growth is maintained. This is achievable by following rigorous silvicultural best practices (including site-species matching, stocking levels, weed control, etc.). Diversification using a variety of species and provenances is of key importance to limiting exposure should any one tree type become vulnerable to attack. In determining the BAV, the independent valuer has not adjusted wood production forecasts or cash flows to reflect these risk factors. Instead, the risk is incorporated into the discount rate.

#### (g) Sensitivity analysis

The fair value estimate for GRAS's current biological (plantation) assets of 35,216 ha, using a DCF approach with a 16%, 12.5%, and 13.5% real pre-tax discount rate for Mozambique (Niassa), Tanzania, and Uganda respectively is USD 100.94 million.

The IAS 41 standard requires that a sensitivity analysis of the most important parameters be carried out. The most critical assumptions in Biological Asset Valuations are wood prices, costs, and discount rates. The following charts illustrate these sensitivities.

#### Sensitivity analysis, price & cost assumptions



#### Discount rate sensitivity

Region		-1%	-0.5%	Base Rate	0.5%	1%
Uganda	mUS\$	34.9	34.1	33.3	32.6	31.8
Tanzania	mUS\$	34.5	33.7	32.9	32.2	31.4
Mozambique	mUS\$	36.3	35.5	34.7	34.0	33.3
<b>Total</b>	<b>mUS\$</b>	<b>105.6</b>	<b>103.3</b>	<b>100.9</b>	<b>98.7</b>	<b>96.6</b>

**NOTE 11 RIGHTS OF USE ASSET**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	June 2021	30-Jun-20
At start of the year (Cost)	0.88	0.86	1.03	1.25	1.25
Additions	0.00	0.17	0.00	0.00	0.00
Disposal	0.00	(0.13)	0.00	(0.22)	0.00
Exchange differences	(0.02)	(0.02)	(0.17)	0.00	0.00
<b>Total</b>	<b>0.86</b>	<b>0.88</b>	<b>0.86</b>	<b>1.03</b>	<b>1.25</b>
Accumulated lease depreciation (Start)	0.30	0.26	0.39	0.18	0.13
Depreciation charge for the year (note 5)	0.11	0.13	0.08	0.21	0.05
Depreciation charge from disposal	0.00	0.00	0.00	0.00	0.00
Exchange differences	0.01	(0.09)	(0.21)	0.00	0.00
<b>Total</b>	<b>0.43</b>	<b>0.30</b>	<b>0.26</b>	<b>0.39</b>	<b>0.18</b>
<b>Net carrying value</b>	<b>0.43</b>	<b>0.58</b>	<b>0.60</b>	<b>0.65</b>	<b>1.07</b>

The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease, less any lease incentives received. The right of use assets is recognised under property and equipment. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

The Group applied a discounted cashflow method to determine the present value of the leases. The discount rates applied are linked to the borrowing rates obtained from commercial Banks in the respective countries and are applied to the lease period. The period over which the discounted cash flow is applied is linked to the contractual period.

**NOTE 12 INVENTORIES**
**Table 12.1 Inventory**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Raw material	0.00	0.00	0.00	0.00	0.65
Biological assets available for sale	10.21	5.82	9.11	6.75	4.98
Work in progress	0.00	0.00	0.00	0.00	0.00
Finished goods	4.96	4.55	5.10	4.38	2.02
Provision on Unrealised profit	(0.68)	0.00	0.00	0.00	0.00
Consumables	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>14.49</b>	<b>10.37</b>	<b>14.21</b>	<b>11.13</b>	<b>7.64</b>

Biological assets available for sale include standing forest available for harvest within the next 12 months. Please refer to note 10 for further specifications. During the year 2024, none of the Group's inventory balances was pledged as collateral for loan.

**NOTE 13 RECEIVABLES AND PREPAYMENTS**
**Table 13.1 Receivables and prepayments**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Trade receivables	2.48	3.84	3.12	5.23	5.92
Prepayments and other receivables	0.56	0.86	0.63	0.64	0.21
<b>Total</b>	<b>3.05</b>	<b>4.70</b>	<b>3.75</b>	<b>5.87</b>	<b>6.13</b>

Trade receivables are non-interest bearing and are generally on payment terms of 30 to 90 days.

As at 30 June 2024, the Group has receivables of USD 3m (2023: USD 4.7m) which is net of an allowance for expected credit losses of USD 1.7m (2023: USD 1.85m).

**NOTE 14 SHARE CAPITAL**

The movement in share capital was as follows:

**Table 14.1 Movement in Share Capital**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Balance at 1 July	0.41	0.41	0.41	0.13	0.13
Issue of shares	0.00	0.00	0.00	0.29	0.00
Warrant Exercise	0.00	0.00	0.00	0.00	0.00
Less shares capital write down	0.00	0.00	0.00	0.00	0.00
registered end of period	0.00	0.00	0.00	0.00	0.00
<b>Balance End Period</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>0.13</b>

The number of ordinary shares registered in VPS was 3,528,418 as of 30 June 2024 (2023: 3,528,418). The total number of authorised shares at the end of June 2024 was 3,528,418 (2023: 3,528,418) with a par value of NOK 1.00 per share with a total book value of NOK 3,528,418. All issued shares are fully paid as of 30 June 2024.

**Table 14.2 Number of issued shares**

No. of shares	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Balance at Start of Period	3,528,418	3,528,418	3,528,418	1,064,163,336	1,064,163,336
Issue of new shares and reverse split	-	-	-	-1,060,634,918	-
<b>Balance End of Period</b>	<b>3,528,418</b>	<b>3,528,418</b>	<b>3,528,418</b>	<b>3,528,418</b>	<b>1,064,163,336</b>

The movement in the number of issued shares is as follows:

**Table 14.3 Movement in shares**
**Table 14.3 Movement in shares**

No. of shares	New shares issued	Avg. share price (NOK)	Issued shares at End Period	Avg. no of shares
June 2024	-	0.00	3,528,418	3,528,418
June 2023	-	0.00	3,528,418	3,528,418
June 2022	-	0.00	3,528,418	3,528,418
January 2021 (Reverse Split)	(3,524,889,582)	0.00	3,528,418	1,765,973,209
December 2020 (Rights Issue)	742	0.41	3,528,418,000	3,528,417,629
November 2020 (Rights Issue)	222,780,336	0.41	3,528,417,258	3,417,027,090
October 2020 (DFI Debt Conversion)	2,033,707,586	0.41	3,305,636,922	2,288,783,129
October 2020 (Shareholder Loan Conversion)	207,766,000	0.10	1,271,929,336	1,168,046,336
June 2020	-	0.01	1,064,163,336	1,064,163,336

No additional shares were issued for the period ending June 2024,

## NOTE 15 BORROWINGS

The borrowings are made up of the following:

**Table 15.1 Borrowings**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
<b>Non-current</b>					
Norfund mezzanine loan	0.00	0.00	0.00	0.00	44.56
Finnfund mezzanine loan	0.00	0.00	0.00	0.00	34.60
Norfund A-loan	0.00	0.00	0.00	0.00	11.09
Other long term loans	6.78	2.48	0.60	0.71	0.08
	6.78	2.48	0.61	0.71	90.34
<b>Current</b>					
Other short term loans	0.00	0.00	0.00	0.00	1.05
Shareholder loans	0.00	0.15	0.19	0.19	2.17
	0.00	0.15	0.18	0.19	3.22
<b>Total Borrowing</b>	6.78	2.63	0.79	0.90	93.56

As of June 2024, the only borrowing at the Holdco level was a balance of USD 3.0m of shareholder loans (AFIP) and individual shareholders who have not supplied their bank account for loan repayment. At the subsidiary level GRN has shareholder loan amounting USD 148,347, SHI in Tanzania and BFC in Uganda entered an Asset Finance Facility towards their respective sawmill and Kiln Dry expansion projects.

## NOTE 16 DEFERRED TAXES

Deferred Income tax is calculated using the actual tax rate of 32% in Mozambique, 30% in Tanzania and Uganda. In Norway the corporate tax rate is 22%. In Mozambique (on the basis of an Investment Promotion Certificate) the processing operations are tax exempt for the first five years of operations, benefit from a 50% discount of the income tax for the 6th through the 10th year and 25% discount thereafter, according to article 48 in Law no. 4/2009 Code of Fiscal Benefits.

**Table 16.1 Deferred taxes**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
At start of the year	11.19	14.21	15.22	11.59	10.44
Charge to profit and loss account	0.94	-3.47	0.40	3.02	2.03
Exchange differences	-0.70	0.46	-1.41	0.61	-0.88
At end of the year	11.43	11.19	14.21	15.22	11.59

**Table 16.2 Charge to profit and loss by country**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Tanzania	0.00	0.06	0.03	0.12	0.11
Uganda	0.93	-3.50	2.66	2.16	1.04
Mozambique	0.01	-0.04	-2.26	0.74	0.88
	0.94	-3.48	0.44	3.02	2.03

Deferred income tax assets and liabilities and deferred income tax credit in the profit and loss account are attributable to the following items:

**Table 16.3 Deferred tax assets and liabilities**

USD millions	30-Jun-24	30-Jun-23	Charged /credited to profit		
			30-Jun-22	30-Jun-21	30-Jun-20
<b>Deferred income tax liabilities</b>					
Fair Value gains	11.27	11.16	14.72	14.91	7.50
Exchange differences	0.01	0.06	0.10	0.00	0.36
Tax on asset revaluations	0.02	0.02	(0.16)	0.03	1.59
Accelerated tax depreciation	0.00	0.00	(0.45)	0.33	0.15
	11.30	11.24	14.21	15.26	9.61
<b>Deferred income tax assets</b>					
Other timing differences	0.00	0.00	0.00	0.00	1.78
Tax Losses	0.00	0.00	0.00	(0.05)	0.00
Exchange differences brought forward	0.00	(0.05)	0.00	0.00	0.00
Tax losses, not recognised	0.00	0.00	(6.73)	0.00	(17.54)
	0.00	(0.05)	6.73	0.00	17.74
	0.00	(0.05)	0.00	(0.05)	1.98
<b>Deferred income tax liability</b>	<b>11.30</b>	<b>11.19</b>	<b>14.21</b>	<b>15.22</b>	<b>11.58</b>

**NOTE 17 LEASE LIABILITIES**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
As at 1 July	0.63	0.64	0.71	0.75	0.00
Addition	0.00	0.24	0.08	0.09	1.25
Accretion of Interest	0.09	0.09	0.11	0.11	0.11
Payments	(0.21)	(0.34)	(0.27)	(0.24)	(0.61)
<b>Total</b>	<b>0.50</b>	<b>0.63</b>	<b>0.64</b>	<b>0.71</b>	<b>0.75</b>

The Group has lease contracts of Office and House space, land for Plantation and factory area. Leases of land generally have lease terms starts from 33 years to 99 years, for office and House space normally is for 2 years but renewable

**NOTE 18 TRADE AND OTHER PAYABLES**
**Table 18.1 Trade and Other Payables**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Trade payables	3.92	6.98	7.21	6.60	5.20
Accrued expenses	1.87	1.64	1.90	2.38	2.60
Other payables	(0.27)	(0.27)	0.04	(0.12)	0.87
BAV Provision	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>5.51</b>	<b>8.34</b>	<b>9.16</b>	<b>8.87</b>	<b>8.67</b>

Trade payables are non-interest bearing and are normally settled by the Group on 30-60-day payment terms.

**NOTE 19 RELATED PARTY TRANSACTIONS**

Loans worth USD 3.15m were outstanding to shareholders in June 2024 (June 2023: USD 0.15m). Shareholder loans are unsecured and rank pari passu with all other unsecured and subordinated debt.

**NOTE 20 CASH AND CASH EQUIVALENTS**

For the purpose of the cash flow statement, the year-end bank and cash equivalents comprise the following:

**Table 20.1 Cash and cash equivalents**

USD millions	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Bank and cash balances	0.53	1.04	3.35	5.66	1.64
ECL on bank balance	(0.00)	(0.00)	(0.00)	(0.02)	(0.01)
Bank overdraft	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.53</b>	<b>1.04</b>	<b>3.35</b>	<b>5.65</b>	<b>1.62</b>

Danske Bank Cash at banks earns interest at floating rates based on the daily bank balance paid at the end of December, other Banks cash at bank are non-interest-bearing deposits.

**NOTE 21 INCORPORATION**

The Company is incorporated in Norway as a private company with limited liability.

**NOTE 22 OWNERS**

The company had issued 3,528,418 shares at the balance sheet date (June 2024: 3,528,418 shares). New Forests Africa Investment VCC is the sole shareholder.

30-Jun-24	Beneficial owner	Shares	%
New Forests Africa Investments VCC	AFIP- Singapore	3,528,418	100.0%
<b>Total</b>		<b>3,528,418</b>	<b>100.0%</b>

Share issued and fully paid in the 12 months to June 2024 and are registered in Foretaksregisteret as of 30 June 2024.

**NOTE 23 TRANSLATION RESERVE**

Group translated equities to the original cost due to fluctuation in exchange rates. The translation differences were posted to the translation reserve, and the net movement on the Translation reserve was transferred to Other Comprehensive Income. The adjusted equity comprises Share Capital, retained earnings, and share premium.

**NOTE 24 GOING CONCERN**

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. New Forests Africa Investments VCC, has committed to provide additional funding in case of any financial obstacles as there is uncalled capital commitment from its shareholders.

**NOTE 25 EVENTS AFTER THE REPORTING PERIOD**

There are no material adverse events to report on.

The company entered into a loan agreement with its shareholder, New Forests Africa Investments VCC, for USD 2.4 million to be drawn in three tranches from August to December 2024. The loan is priced at the interest rate of 10% per annum and will become payable on the (6th) anniversary of the drawdown date. The Board believes that with the existing cash reserves together with this additional funding, the Group has adequate financing in place to support its development plans and to bring the Group to a position where it is fully self-funding.

# Green Resources AS Annual Report June 2024 (final)











Final Audit Report

2025-01-06


2025012205681


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**Green Resources AS**
**Holding Company Financial accounts June 30, 2024**
**Income statement**

MNOK	Notes	Year ended 30-Jun-24	Year ended 30-Jun-23
<b>Sales</b>			
Other operating income	2	8.526	6.750
<b>Total operating Income</b>		<b>8.526</b>	<b>6.750</b>
<b>Raw materials and consumables used</b>			
Staff costs	3	13.001	8.976
Other operating expenses	4	11.130	11.482
Write down of receivables	5	65.203	115.932
<b>Total operating expenses</b>		<b>89.334</b>	<b>136.390</b>
<b>Results of operations</b>		<b>(80.808)</b>	<b>(129.640)</b>
Forex Gain(Losses)	6	(4.155)	41.531
Write down of investment in subsidiary	7	(154.813)	(170.890)
Other financial Income/ Expense	8	(1.897)	0.060
Depreciation	9	(0.032)	(0.032)
<b>Profit/(loss) before tax</b>		<b>(241.705)</b>	<b>(258.971)</b>
Tax (charge)/Credit	10	(0.029)	(0.019)
<b>Results for the year</b>		<b>(241.735)</b>	<b>(258.990)</b>
<b>Transfer</b>			
Other equity	11	(241.735)	(258.990)
<b>Total</b>		<b>(241.735)</b>	<b>(258.990)</b>

**Balance sheet**

MNOK	Notes	Year ended 30-Jun-24	Year ended 30-Jun-23
<b>Non-current assets</b>			
Property, Plant and Equipment	10	0.166	0.198
Investment in shares	12	526.240	681.054
Loans to group companies	13	387.662	433.645
<b>Total non-current assets</b>		<b>914.068</b>	<b>1,114.897</b>
<b>Current assets</b>			
Receivables			
Loans to group companies			
Prepayment and Other Receivables	14	3.043	2.499
<b>Total receivables</b>		<b>3.043</b>	<b>2.499</b>
Bank deposits, cash in hand, etc	15	3.171	5.582
<b>Total current assets</b>		<b>6.215</b>	<b>8.082</b>
<b>Total assets</b>		<b>920.283</b>	<b>1,122.979</b>
<b>Equity</b>			
Share capital	11	3.528	3.528
Share premium	11	2,494.192	2,494.192
Other equity	11	(1,697.325)	(1,455.591)
<b>Total equity</b>		<b>800.395</b>	<b>1,042.129</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other long-term liabilities	16	32.051	0.000
<b>Total non-current liabilities</b>		<b>32.051</b>	<b>0.000</b>
<b>Current liabilities</b>			
Short term loans	17	2.680	0.009
Trade and other payables	18	2.156	1.484
Loans from group companies	13	82.942	79.357
Public duties payable		0.059	0.000
<b>Total current liabilities</b>		<b>87.837</b>	<b>80.850</b>
<b>Total liabilities</b>		<b>119.888</b>	<b>80.850</b>
<b>Total equity and liabilities</b>		<b>920.283</b>	<b>1,122.979</b>

20<sup>th</sup> December 2024

Kuda Phairah  
Kuda Phairah (Dec 28, 2024 14:44 GMT+2)  
Kudakwashe Phairah  
Chairman

Terhi Koipijarvi  
Terhi Koipijarvi (Dec 27, 2024 19:01 GMT+2)  
Terhi Koipijarvi  
Director

Paul Speed  
Paul Speed  
Director

Yida Kemoli  
Yida Kemoli (Jan 9, 2025 12:40 GMT+3)  
Yida Kemoli  
Director

Cornelis J.C. Lemm  
Cornelis J.C. Lemm  
CEO

**Cash flow statement**

MNOK	Notes	Year ended 30-Jun-24	Year ended 30-Jun-23
<b>Profit before taxation</b>		<b>(241.705)</b>	<b>(258.971)</b>
<b>Adjustment for non-cash income items</b>			
Provision for doubtful receivables interco		65.203	115.932
Shares impairment		154.813	170.890
Interest accrued not paid		2.671	0.000
Foreign currency (gains)/losses		5.545	(41.019)
Depreciation		0.032	0.032
Other Non Cash		0.000	0.001
<b>Net cash after adjustments</b>		<b>(13.441)</b>	<b>(13.135)</b>
<b>Movement in working capital:</b>			
Change in short term receivables/payables		(8.822)	(5.068)
Change in payables and accrued exp		0.000	0.000
<b>Cash used by operating activities</b>		<b>(22.263)</b>	<b>(18.203)</b>
Tax Paid		(0.029)	(0.019)
<b>Net cash used by operating activities</b>		<b>(22.292)</b>	<b>(18.222)</b>
<b>Investment activities</b>			
Purchases of shares in subsidiaries		0.000	0.000
Property, Plant and Equipment		0.000	0.000
Proceed on sale of Investment		0.000	0.000
Loan to subsidiaries, net		(10.585)	5.832
Dividend Received		0.000	0.000
<b>Net cash outflow</b>		<b>(10.585)</b>	<b>5.832</b>
<b>Financing activities</b>			
Issue of shares, incl advance towards share capital		0.000	0.000
Loans proceeds, net		30.466	0.000
Loan repayment		0.000	0.000
<b>Net cash inflow</b>		<b>30.466</b>	<b>0.000</b>
Increase/(decrease) in cash and cash equivalents		(2.411)	(12.390)
<b>Cash/cash equivalents start of year</b>		<b>5.582</b>	<b>17.973</b>
<b>Cash/cash equivalents at end of year</b>		<b>3.171</b>	<b>5.582</b>

## NOTES TO HOLDING COMPANY ACCOUNTS

### NOTE 1 ACCOUNTING PRINCIPALS

#### (a) Basis of Preparation

The annual report is set up in accordance with the laws of accounting and in accordance with good accounting practices and terms in Norway.

#### (b) Revenue Recognition

Revenue represents the fair value of the consideration receivable for the sales of services and is stated net of value-added tax (VAT), rebates, and discounts. Revenue is recognized as follows:

(i) Sales of services are recognised in the period in which the Company delivers products to the customer, the customer has accepted the products, and the collectability of the related receivables is reasonably assured.

(ii) Interest income is recognised on a time proportion basis, using the effective interest method. Dividends are recognised as income in the period in which the right to receive payment is established.

(iii) Management fee is recognised on allocation of management time and other operating expenses in proportion basis to subsidiaries.

#### (c) Translation of Foreign Currencies

##### (i) Functional and Presentation Currency

The holding company's Financial Statements are presented in NOK, which is the holding company's presentation currency.

##### (ii) Transactions and Balances

Foreign currency transactions are translated into NOK using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the Balance Sheet date, which are expressed in foreign currencies, are translated into the functional currency at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### (d) Pension obligations

The company has defined contribution plans. A defined contribution plan is a pension plan under which the company pays a fixed contribution into a separate entity. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

#### (e) Income Tax

Income tax expense is the aggregate of the charge to the Profit and Loss Account in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Norwegian tax law. Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available, against which, the temporary differences can be utilised.

#### (f) Cash and Cash Equivalents

For the purpose of the flow statement (indirect method), cash and cash equivalents comprise cash in hand, deposits held at call with banks, and net of bank overdrafts. In the Balance Sheet, bank overdrafts are included in borrowings in current liabilities.

#### (g) Investment in Subsidiaries

Investment in subsidiaries is recorded at cost and classified under non-current assets on the Balance Sheet. Investments are regularly tested with impairment to prevent overstatement on the balance sheet.

## OPERATIONAL PERFORMANCE

The Company revenues were NOK 8.5 million for the year 2023/24. Results from operations were a loss of NOK 80.8 million (FY22/23 loss of NOK 126.9 million). Impairment of intercompany receivables included in the operation results is NOK 65.2 million (FY22/23 NOK 115.9 million). Net loss for the year was NOK 241.7 million (FY22/23 loss of NOK 258.9 million). The write-down of investment for the year was NOK 154.8 million for Niassa GreenPly (NGP) and Niassa Green Resources (GRN) of Mozambique and Sao Hill Industries (SHI) and Green Resources Limited (GRL) of Tanzania.

## NOTE 2 REVENUES

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Carbon Revenue	0.000	0.000
Management Fees to subsidiaries	8.526	6.750
Grant Revenue	0.000	0.000
<b>Total</b>	<b>8.526</b>	<b>6.750</b>

Company revenue for the year consisted of Management fee recharges to subsidiaries in Tanzania, Uganda, and Mozambique.

## NOTE 3 EMPLOYEES' REMUNERATION

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Salaries and wages	8.973	6.884
Social security	0.000	0.000
Board fees / Expenses	3.418	1.696
Other salary expenses	0.000	0.000
Other Pension	0.610	0.396
<b>Total</b>	<b>13.001</b>	<b>8.976</b>
Number of employees	7	6

A total of NOK 2,607,900 was paid to Cornelis J.C. Lemm for services as CEO for the financial year ending June 2024, of which nil was paid in the form of shares. NOK 376,613 has been booked as compensation to a board member for services rendered for FY23/24. No Compensation was paid to the Board Chair. The CEO and the Board do not have any termination benefit plan. The CEO is eligible for consideration of an annual performance bonus of up to 25% of his salary depending on the overall performance of the Company and subject to approval by the Annual General Meeting. For the period under review, NOK 2,816,690 was paid to the CEO as compensation linked to the closure of the GRAS transaction. The company operates a defined contribution plan which includes 7 permanent employees as of 30 June 2024.

## NOTE 4 OTHER OPERATING COSTS

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Consultancy fees	6.884	5.147
Travel cost	1.115	0.906
Office costs (rent, subscriptions, lease)	1.879	2.367
Insurance	0.284	0.177
Other costs	0.966	2.886
<b>Total</b>	<b>11.130</b>	<b>11.482</b>

The auditor has been paid NOK 1,252,000 (2023: NOK 1,089,849), ex VAT, for statutory audits, NOK 176,906 (2023: NOK 60,000) for attestation and other services.

## NOTE 5 IMPAIRMENT OF RECEIVABLES

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Lurio	0.000	113.535
Nortan	0.112	0.071
Lindi Forest	0.069	2.283
Tanga Forest	0.404	0.043
Niassa Green Resources	40.850	0.000
Niassa GreenPly	23.768	0.000
Sao Hill Industries	0.000	0.000
GRL Tanzania	0.000	0.000
<b>Total</b>	<b>65.203</b>	<b>115.932</b>

**NOTE 6 FOREX GAINS AND LOSSES**

MNOK	Year ended	Year ended
	30-Jun-24	30-Jun-23
Intercompany Balances	(3.960)	40.737
Bank Balances	1.303	0.751
Accounts Payable -Trade	0.087	0.043
Loans	(1.585)	0.000
<b>Total</b>	<b>(4.155)</b>	<b>41.531</b>

NOK appreciated by 1% resulting in a forex loss of NOK 4.2m mainly from intercompany receivables denominated in dollars.

**NOTE 7 IMPAIRMENT OF INVESTMENT**

MNOK	Year ended	Year ended
	30-Jun-24	30-Jun-23
Green Resources Limited	2.855	71.596
Sao Hill Industries	109.972	27.580
Green Resources Niassa	27.375	0.000
Niassa GreenPly	14.611	0.000
Global Solidarity Forest Fund	0.000	71.714
<b>Total</b>	<b>154.813</b>	<b>170.890</b>

**NOTE 8 FINANCIAL INCOME/EXPENSES**

MNOK	Year ended	Year ended
	30-Jun-24	30-Jun-23
Other interest Expense- Loan	(2.671)	0.000
Other interest Income - Bank balances	0.818	0.106
Bank Charges	(0.045)	(0.046)
<b>Total</b>	<b>(1.897)</b>	<b>0.060</b>

**NOTE 9 PROPERTY, PLANT, AND EQUIPMENT**

USD millions	Buildings	Motor	Furniture and	Total
		Vehicles	Fittings	
<b>Cost</b>				
At start of year	0.000	0.000	0.257	0.257
Additions	0.000	0.000	0.000	0.000
<b>Costs at end of June 2024</b>	<b>0.000</b>	<b>0.000</b>	<b>0.257</b>	<b>0.257</b>
<b>Depreciation</b>				
At start of year	0.000	0.000	0.059	0.059
Charge for the year	0.000	0.000	0.032	0.032
<b>Depreciation at end of June 2024</b>	<b>0.000</b>	<b>0.000</b>	<b>0.091</b>	<b>0.091</b>
<b>Net book value 30 June 2024</b>	<b>0.000</b>	<b>0.000</b>	<b>0.166</b>	<b>0.166</b>

Property Plant and Equipment are depreciated to write off the original costs on a straight-line basis over the expected economic useful lives of the assets concerned. Furniture and Fittings are depreciated at the rate of 12.5% over the life span of eight (8) years.

**NOTE 10 INCOME TAXES**

The company has an accumulated taxable deficit of NOK 400m (2023: NOK 686m) giving a tax credit of NOK 88m (2023: NOK 151m) which is not reflected in the current balance account as the company does not expect to realise taxable profits in the foreseeable future. In Norway, the corporate tax rate is 22%.

**TABLE 10.1 Income tax expense result for the year**

MNOK	Year ended	Year ended
	30-Jun-24	30-Jun-23
Taxes payable	0.029	0.019
Unrecognized deferred tax	0.000	0.000
<b>Income tax expense</b>	<b>0.029</b>	<b>0.019</b>

NOK 29k was paid by the GRAS branch located in Tanzania as an Alternative minimum tax. This is equivalent to 0.5% of the gross turnover.

**TABLE 10.2 Calculation of deferred tax/deferred tax asset**

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Net temporary differences		
Investments	0.000	283.265
Fixed Assets	(0.034)	(0.034)
Long Term Receivables	0.000	(94.364)
Tax losses carried forward	369.346	466.813
Interest Deduction Limitation	31.021	31.021
Total	400.333	686.702
22% deferred tax	88.073	151.074
Deferred tax assets not recognised	(88.073)	(151.074)
Deferred tax in the balance sheet	0.000	0.000

**TABLE 10.3 Basis for income tax expense, changes in deferred tax, and tax payable**

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Profit/loss before income tax	(241.705)	(258.971)
Permanent differences	220.016	277.998
Interest deduction limitation	0.000	0.000
Basis for the tax		
Expense of the year	(21.689)	19.027
Changes in temporary differences	94.373	(94.373)
Basis for tax payable		
Basis for tax payable in the profit and loss statement	72.684	(75.346)
+/- Group contributions		
paid/received	0.000	0.000
Change in tax losses carried forward	(72.684)	75.346
Basis for tax payable liability	0.000	0.000

**NOTE 11.1 EQUITY**

MNOK	Share equity	Share premium reserve	Other equity	Paid, not registered equity	Total equity
Equity 01/07/2023	3.528	2,494.192	(1,455.591)	0.000	1,042.129
This years result	0.000	0.000	(241.734)	0.000	(241.734)
Equity 30/06/2024	3.528	2,494.192	(1,697.325)	0.000	800.395

During the year, the Company generated a net loss of NOK 191.2 million, primarily due to the impairment of investments in subsidiaries.

**NOTE 11.2 SHAREHOLDERS' AND DIRECTORS' SHARE OWNERSHIP**

The total number of shares registered in VPS on 30.06.2024 was 3,528,418 ordinary shares, whereby the New Forests Africa Investment VCC is the sole shareholder.

30-Jun-24	Beneficial owner	Shares	%
AFIP- Singapore	New Forests Africa Investments VCC	3,528,418	100.0%
Total		3,528,418	100.0%

GRAS is managed by the board which is composed of three board members. Chairman of the Board, Paul Speed represents New Forest's shareholding in the company of 3,528,418 shares.

## NOTE 12.1 INVESTMENTS IN SHARES

Name of Subsidiary	Office location	Investment (MNOK)	Ownership %	Voting rights %	Results for the year	
					Equity	
Green Resources Ltd- GRL	Tanzania	235.266	100%	100%	(351.918)	(51.393)
Sao Hill Industries Ltd-SHI	Tanzania	25.606	100%	100%	154.792	20.116
Lindi Forests Ltd- LFC	Tanzania	0.000	100%	100%	(7.029)	0.550
Busoga Forestry Company Ltd- BFC	Uganda	61.759	100%	100%	(436.406)	(4.828)
Nortan AS	Norway	0.000	100%	100%	(1.522)	0.112
Green Resources Niassa SA	Mozambique	(0.000)	100%	100%	950.921	(59.659)
Niassa GreenPly	Mozambique	0.000	100%	100%	12.509	19.337
Ntacula Florestas Da Zambezia LDA	Mozambique	0.000	100%	100%	48.575	(0.002)
GSFF AB	Sweden Stockholm	203.609	100%	100%	(424.744)	28.975
<b>Sum</b>		<b>526.240</b>				

During FY23/24 Green Resources AS concluded the winding up of three Mozambican entities namely, Companhia Florestal De Massangulo LDA, Tectona Forests of Zambezia LDA, and Lurio Green Resources SARL. Ntacula Florestas Da Zambezia LDA is in its final stages of being wound up.

In Tanzania, the winding up of Lindi Forest Limited is in the final stages of completion, whereas the closure of Tanga Forest Limited was concluded at the end of September 2024.

For Going Concern purposes, Green Resources AS assured entities in Tanzania and Mozambique that will provide financial support to ensure working capital and capital expenditure commitments are met as they become due for at least 12 months from the date of the accounts for the year ended 30<sup>th</sup> June 2024. This commitment is also disclosed under note 19 of Contingency Liabilities.

## NOTE 12.2 SENSITIVITY ANALYSIS

During FY23/24, an impairment of NOK 154 million was recorded against GRAS investments in subsidiaries, of which NOK 109.5 million relates to Sao Hill Industries (SHI). The impairment for SHI is based on the five-year financial plan (FINPLAN). Key variables included in the FINPLAN are final year EBITDA, Working Capital, and the Discount rate of 12.5%. Following this impairment, the net carrying value in SHI is revised to NOK 25.6 million. Below is a sensitivity analysis illustrating the changes in the net carrying value of SHI investment resulting from variations of variables included in the assumptions.

### Sensitivity due to the change in Final year EBITDA and Working Capital

Movement		Terminal Value - EBITDA/Working Capital	
-10.0%	MNOK	19.290	14.763
-5.0%	MNOK	22.448	20.184
0.0%	MNOK	25.606	25.606
5.0%	MNOK	28.764	31.028
10.0%	MNOK	31.923	36.450

### Sensitivity due to the change in Discount rate

		10.5%	11.5%	12.5%	13.5%	14.5%
GRAS Investment in Shares	MNOK	40.167	32.686	25.606	18.903	12.553
	<b>MNOK</b>	<b>40.167</b>	<b>32.686</b>	<b>25.606</b>	<b>18.903</b>	<b>12.553</b>

## NOTE 13 INTERCOMPANY TRANSACTIONS AND BALANCES

As of 30 June 2024, the company had the following loan balances with its subsidiaries:

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Busoga Forestry Co Ltd	0.000	(3.693)
Sao Hill Industries Ltd	110.428	113.820
Green Resources Ltd	116.396	113.614
Lindi Forest Company Ltd	0.642	0.650
Green Resources Niassa SA	137.667	167.161
Niassa GreenPLY	22.529	42.093
<b>Loans to group companies</b>	<b>387.662</b>	<b>433.645</b>

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
GSFF AB	64.427	62.995
Busoga Forestry Co Ltd	18.515	16.362
<b>Loans from group companies</b>	<b>82.942</b>	<b>79.357</b>

**NOTE 14 PREPAYMENTS AND OTHER RECEIVABLES**

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Prepayment	0.708	0.696
Input VAT	0.044	0.064
Other Receivables	2.292	1.740
<b>Prepayment and Other Receivables</b>	<b>3.043</b>	<b>2.499</b>

Prepayment and other receivables consisted of prepaid rent, Insurance, and National Social Security Fund (NSSF) contribution receivables.

**NOTE 15 CASH AND CASH EQUIVALENT**

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Bank and Cash Balances	3.176	5.591
Bank Overdraft	0.000	0.000
Expected Credit Losses	(0.005)	(0.009)
<b>Total</b>	<b>3.171</b>	<b>5.582</b>

**NOTE 16 LONG TERM BORROWINGS**

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Shareholder Loan AFIP	32.051	0.000
<b>Total</b>	<b>32.051</b>	<b>0.000</b>

Movement in Borrowings MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Balance as at Jun 2023	0.000	0.000
Loan Drawdown during the year	30.466	0.000
Interest Expense	0.000	0.000
Loan Repayment	0.000	0.000
Loan Transfer	0.000	0.000
Other Non Cash	1.585	0.000
<b>Balance as at Jun 2024</b>	<b>32.051</b>	<b>0.000</b>

The company had NOK 32.051m of borrowings at the end of June 2024 (NIL June 2023). This balance refers to the shareholders loan granted to GRAS in August 2023 and is repayable on the 6<sup>th</sup> anniversary of the drawdown.

**NOTE 17 SHORT TERM BORROWINGS**

MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
FMO	0.000	0.000
Interest on Shareholders Loan	2.671	0.000
Short term shareholder loans	0.009	0.009
<b>Total</b>	<b>2.680</b>	<b>0.009</b>

Movement in Borrowings MNOK	Year ended 30-Jun-24	Year ended 30-Jun-23
Balance as at Jun 2023	0.009	0.008
Loan Drawdown during the year	0.000	0.000
Interest Expense	2.671	0.000
Loan Repayment	0.000	0.000
Loan Transfer	0.000	0.000
Other Non Cash	0.000	0.001
<b>Balance as at Jun 2024</b>	<b>2.680</b>	<b>0.009</b>

NOK 2.68 million of short-term borrowing refers to the accrued interest on a shareholder's loan that is payable annually.

**NOTE 18 TRADE AND OTHER PAYABLES**

MNOK	Year ended	Year ended
	30-Jun-24	30-Jun-23
Trade Payables	0.916	0.480
Accrued Audit Fee	1.176	1.040
Withholding Tax and Other	0.064	(0.036)
<b>Total</b>	<b>2.156</b>	<b>1.484</b>

**NOTE 19 CONTINGENT LIABILITIES**

The Company has committed to providing financial support to its subsidiaries in Tanzania and Mozambique whilst its Ugandan operations are self-funding. The support provides assurance in case of any obligations that the subsidiaries may not be able to honour by themselves. This is disclosed as contingent liabilities and is regarded as an off-balance Sheet item.

**NOTE 20 GOING CONCERN**

The financial statements parent company are presented using the going concern assumption and the Board confirms that this assumption is valid for both Green Resources AS. New Forests Africa Investments VCC has committed to providing additional funding in case of any financial obstacles, as there is an uncalled capital commitment from its shareholders.

**NOTE 21 EVENTS AFTER THE REPORTING PERIOD**

No event or transaction will have a material impact on the company after the balance sheet date.

To manage liquidity requirements and to support the realization of development plans, the company entered into a loan agreement with its shareholder, New Forests Africa Investments VCC, for USD 2.4 million to be drawn in three tranches from August to December 2024. The loan is priced at the interest rate of 10% per annum and will become payable on the (6th) anniversary of the drawdown date. The Board believes that with the existing cash reserves together with this additional funding, the Group has adequate financing in place to support its development plans and to bring the Group to a position where it is fully self-funding.

2025012205692

# Green Resources AS accounts HoldCo June 2024 (final)











Final Audit Report

2025-01-09


2025012205693

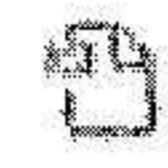
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By:	Hans Lemm (hans.lemm@greenresources.no)
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