

Årsredovisning för
Global Solidarity Forest Fund AB

556690-3885



Räkenskapsåret
2021-07-01 - 2022-06-30

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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 *31 december 2022*

Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Hallstahammar *31/12-22*


Lasse David Nergaard
Styrelseledamot

Förvaltningsberättelse

Styrelsen för Global Solidarity Forest Fund AB, 556690-3885 (GSFF) får härmed avge årsredovisning för 2021-07-01 - 2022-06-30. 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: Chikweti Forests of 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 verksamheten 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

	2021/2022	2019/2020	2018/2019	2017/2018	Belopp i kkr 2016/2017
Nettoomsättning	-	-	-	-	-
Resultat efter finansiella poster	46	-754	-39 068	-30	-57
Balansomslutning	235 490	235 443	236 203	303 622	303 677
Soliditet %	100	100	100	90,6	90,6

Viktiga förhållanden

GSFF AB är moderföretag till Green Resources Niassa, Tectona Forests of Zambézia, Ntácuá Florestas da Zambézia och Companhia Florestal de Massangulo.

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.

Företaget har bibehållit och i vissa fall utökat sina miljö- och sociala certifieringar och licenser för alla verksamhetsområden inklusive sin FSCTM-certifiering. Verksamheten i Tanzania och Moçambique lade till ISO9001-certifiering, och verksamheten i Tanzania ökade sin FSC-certifierade yta med 10 505 ha medan ytterligare 10 000 ha håller på att läggas till i Moçambique. Green Resources förvaltar nu 48 555 ha FSC-certifierad mark. I Uganda fick sågverksverksamheten FSC Chain of Custody-certifiering som gör det möjligt för företaget att sälja FSC-certifierade produkter.

Projektet för återlämnande av land i Moçambique har påbörjats i juli 2020 och den 30 juni 2021 återlämnades cirka 150 000 hektar mark till staten, som äger all mark i Moçambique, samtidigt som gemenskapsrättigheterna till mark hade återställts. De återstående 25 000 ha mark kommer att återlämnas under räkenskapsåret 2021/22 och avveckling av företagen i Nampula- och Zambeziaprovinserna i Moçambique kommer att följa därifrån.

Efter markavlåtelsen kommer företaget att kvarstå med cirka 42 000 ha i Niassa-provinsen, varav en del är på permanenta DUATs medan för en del av markinnehavet kommer processen att förvärva Permanenta DUATs att fortsätta, men prioritet är återlämnandet av mark som måste avslutas först .

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.

Covid-19

Företaget har inte drabbats ekonomiskt av den pågående Corona-pandemin i någon större omfattning. Styrelsen följer dock utvecklingen och bedömer i dagsläget inte att pandemin kommer att få några större konsekvenser för bolagets ekonomi.

Eget kapital

	<i>Aktie- kapital</i>	<i>Fritt eget kapital</i>
Vid årets början	640	234 759
Årets resultat		46
Vid årets slut	640	234 805

Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att till förfogande stående vinstmedel, kronor 234 805 355, disponeras enligt följande:

	<i>Belopp i KSEK</i>
Balanseras i ny räkning	234 805
Summa	234 805

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>2021-07-01- 2022-06-30</i>	<i>2020-07-01- 2021-06-30</i>
Rörelsens intäkter			
Övriga rörelseintäkter		94	-
		<u>94</u>	<u>-</u>
Rörelsens kostnader			
Övriga externa kostnader	2	-48	-39
Övriga rörelsekostnader		-	-715
Rörelseresultat		<u>46</u>	<u>-754</u>
Resultat från finansiella poster			
Resultat efter finansiella poster		<u>46</u>	<u>-754</u>
Resultat före skatt		46	-754
Skatt på årets resultat		-	-
Årets resultat		<u>46</u>	<u>-754</u>

2023011005264

Balansräkning

<i>Belopp i kkr</i>	<i>Not</i>	<i>2022-06-30</i>	<i>2021-06-30</i>
TILLGÅNGAR			
Anläggningstillgångar			
<i>Finansiella anläggningstillgångar</i>			
Andelar i koncernföretag	4	23 585	23 585
Fordringar hos koncernföretag	5	120 357	116 344
		<u>143 942</u>	<u>139 929</u>
Summa anläggningstillgångar		<u>143 942</u>	<u>139 929</u>
Omsättningstillgångar			
<i>Kortfristiga fordringar</i>			
Fordringar hos koncernföretag	6	91 548	95 514
		<u>91 548</u>	<u>95 514</u>
Summa omsättningstillgångar		<u>91 548</u>	<u>95 514</u>
SUMMA TILLGÅNGAR		<u>235 490</u>	<u>235 443</u>

EGET KAPITAL OCH SKULDER

Eget kapital

Bundet eget kapital

Aktiekapital (639 605 aktier)		<u>640</u>	<u>640</u>
		640	640

Fritt eget kapital

Överkursfond		74 518	74 518
Balanserad vinst eller förlust		160 241	160 995
Årets resultat		46	-754
		<u>234 805</u>	<u>234 759</u>

Summa eget kapital

235 445 235 399

Kortfristiga skulder

Upplupna kostnader och förutbetalda intäkter	7	<u>45</u>	<u>44</u>
		45	44

SUMMA EGET KAPITAL OCH SKULDER

235 490 235 443

Kassaflödesanalys

<i>Belopp i kkr</i>	<i>Not</i>	2021-07-01- 2022-06-30	2020-07-01- 2021-06-30
Den löpande verksamheten			
Resultat efter finansiella poster		46	-754
		<u>46</u>	<u>-754</u>
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		46	-754
<i>Kassaflöde från förändringar i rörelsekapital</i>			
Ökning(-)/Minskning (+) av rörelsefordringar		-46	759
Ökning(+)/Minskning (-) av rörelseskulder		-	-5
Kassaflöde från den löpande verksamheten		-	-
Investeringsverksamheten			
Kassaflöde från investeringsverksamheten			
Årets kassaflöde		-	-
Likvida medel vid årets slut		-	-

Noter

Not 1 Redovisningsprinciper

Belopp i KSEK om inget annat anges.

Allmänna redovisningsprinciper

Årsredovisning upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 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 BFNAR 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

	2021-07-01- 2022-06-30	2020-07-01- 2021-06-30
<i>PwC</i>		
Revisionsarvode	28	25
Summa	28	25

Not 3 Anställda och personalkostnader

Inga löner har utbetalats under året.

Not 4 Andelar i koncernföretag

	2022-06-30	2021-06-30
Akkumulerade anskaffningsvärden:		
-Vid årets början	128 501	128 501
	128 501	128 501
Akkumulerade nedskrivningar:		
-Vid årets början	-104 916	-104 916
	-104 916	-104 916
Redovisat värde vid årets slut	23 585	23 585

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	65,00	88
		23 585

Not 5 Fordringar hos koncernföretag

	2022-06-30	2021-06-30
Akkumulerade anskaffningsvärden:		
-Vid årets början	656 220	656 220
-Tillkommande fordringar	4 013	-
	660 233	656 220
Akkumulerade nedskrivningar:		
-Vid årets början	-539 876	-539 876
	-539 876	-539 876
Redovisat värde vid årets slut	120 357	116 344

Not 6 Kortfristiga fordringar till koncernbolag

	2022-06-30	2021-06-30
Lån till moderbolaget	63 455	63 503
Lån till övriga koncernbolag	28 093	32 011
	91 548	95 514

Not 7 Upplupna kostnader och förutbetalda intäkter

	2022-06-30	2021-06-30
Revisionsarvode	25	25
Övriga poster	20	19
	<u>45</u>	<u>44</u>

Not 8 Koncernuppgifter

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

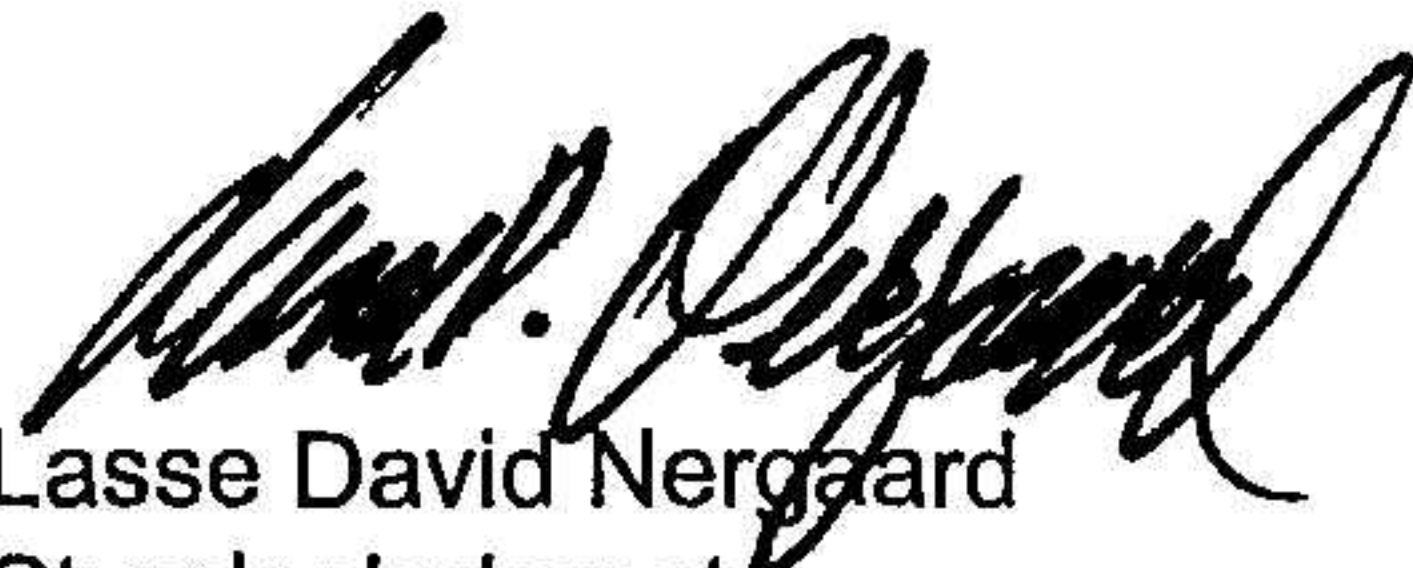
Bolaget är helägt dotterföretag till Green Resources AS, org nr 975 879 968 med säte i Oslo, Norge. Green Resources AS upprättar koncernredovisning för den största koncernen. Det utländska moderföretagets koncernredovisning finns att tillgå hos Green Resources AS.

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

Hallstahammar 2022-12-21



Lasse David Nergaard
Styrelseledamot

Vår revisionsberättelse har lämnats 31/12-22

Öhrlings PricewaterhouseCoopers AB



Anders Båsjö
Auktoriserad revisor



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 2021 till 30 juni 2022.

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 2022 och av dess finansiella resultat och kassaflöde 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 styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

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

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



Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Global Solidarity Forest Fund AB för räkenskapsåret 1 juli 2021 till 31 juni 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

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

Grund för uttalanden

Vi har utfört revisionen enligt god revisions sed 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 revisors sed 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
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

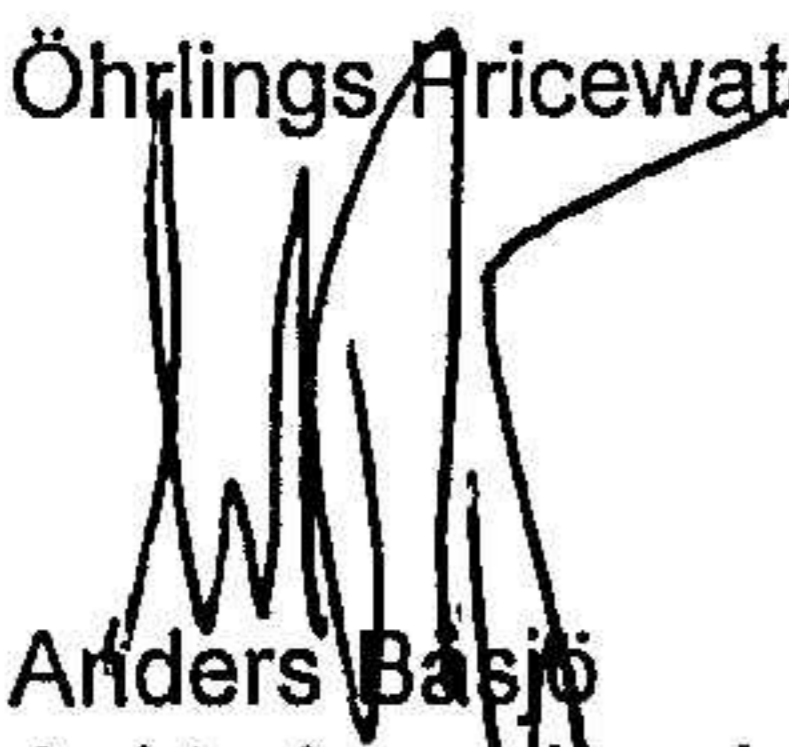
Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

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

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

Örebro den 31 december 2022

Öhrlings PricewaterhouseCoopers AB



Anders Basjö
Auktoriserad revisor



2023011005273

GREEN RESOURCES

2021/2022 ACCOUNTS AND DIRECTORS REPORT

(For the Financial Year 01.07.2021 – 30.06.2022)

Directors' Report 2021/22

Dear Shareholder,

We are pleased to present the financial accounts for the year 2021/22.

Group revenue was USD 25.0 million for the year 2021/22, an increase of 3% compared to the year 2020/21. The increase in revenue was mainly driven by improved performance in Tanzania whilst the Ugandan operations saw a decline in revenue due to reduced demand for transmission poles. The Mozambican operations recorded a slight increase in sales compared to the prior year.

Operating profit for the year was USD 1.2 million (vs. FY20/21 of USD 3.8 million) whilst Profit before Tax increased to USD 19.09 million mainly driven by currency gains (USD 17.7 million currency gains).

The USD 17.7 million in currency gains are primarily due to depreciation of the NOK versus the USD. During the year the NOK depreciated from 8.6 to 9.9 per USD. Local currencies in the operating countries remained relatively stable.

Industrial activities across the group are growing and during the year the Creosote and Veneer Plants were commissioned in Lichinga, Mozambique. Sales from these operations added USD1.0 million to the group revenue and sales volumes are expected to increase significantly over the coming years. The pole market in Tanzania recovered following a poor year 2020/21 while timber sales across the group have shown strong performance. Unfortunately the Ugandan pole market declined by 57% compared to prior year and is expected to remain depressed into year 2022/23. Despite this we anticipate continued growth of revenue across the group and new industrial projects are under preparation to add capacity to the Tanzanian and Ugandan sawmilling operations.

Sales from plantations continue to grow, with standing, roadside and firewood sales doubling from around 111,000m³ in 2020/21 to 223,000m³ in 2021/22. Sales of treated transmission poles (excl. Raw Pole Sales and Building & Fencing Poles), declined by 18% from about 121,000 poles in 2020/21 to 100,000 poles in 2020/21. Sawn timber sales improved by 45% from 17,555m³ in 2020/21 to 25,372m³ in 2021/22. The Tanzanian operations recorded USD 1.9 million in Carbon Revenue.

Costs have stabilized following two intensive years of reorganization and streamlining of the company operations. The company generated USD 6.1 million Cash from Operations and continued its investment plans whereby USD 2.5 million was invested in Capex and USD 2.7 million in plantation development. The BAV increased to USD 131.6 million (current and non-current) from USD 129.0 million in the previous financial year. This increase was mainly driven by the addition of resin tapping income which is now an established business practice across the operations. During the year the Tanzanian operations were impacted by a significant fire event that resulted in 1,703ha write off. While having planted 2,276ha during the year, the overall plantation area across the three countries yet declined to 33,095ha from 33,996ha.

Green Resources manages its liquidity at corporate level, ensuring enough funds to cover group operational requirements. On 30th June 2022 the company had USD 3.35 million in cash and cash equivalents in its bank accounts.

The operational leadership of the company did not change, and the CEO and CFO remain in position similar to key managers of subsidiary companies. In Tanzania a new Country Manager joined in July 2022, in charge of Sao Hill Industries and GRL Tanzania

The group headcount for permanent staff at the end of the financial year was 555 (92 female), up from 494 Permanent staff (64 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 5 temporary/seasonal staff were employed by the company whilst 1,732 people were employed through contractors. The Gender ratio at the group for permanent staff stood at 17% and the company has a commitment to increase this number to 30% by the year 2026/27.

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 11 Lost Time Injuries (vs 21 in the previous year) which consequently decreased the Lost Time Incident Rate per million man-hours from 13.1 to 9.2. It is important to note that this rate is calculated against permanent staff whilst it includes all accidents report (irrespective if the accident occurred at a contractor or an "own ops" operations). 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.

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.

Sustainability is fundamental to forest management and to maintain healthy and productive forests requires a long-term perspective, balancing the demands of surrounding communities, maintain biodiversity & water courses and supply products that serve a demand and are financially viable.

Our operations are typically located in remote and rural areas where employment opportunities are limited. Our forest products are not only procure 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.

We believe that our plantations are contributing to the protection of natural forest areas and that wood from our plantations contributes to building the future of Eastern Africa and beyond.

During the year we concluded a number of large projects but also initiated new ones that build on the success of earlier activities.

By far our largest project, during FY21/22, was the return of 174,291ha of land to the State in Mozambique. Under Mozambican Law all land is owned by the State. Not only did we return land to the State we pro-actively restored land rights to the communities surrounding the returned areas. This land return is part of a strategic initiative by the company to consolidate our landholding and match it to our future ambitions. The area is part of a total area of 238,852 ha returned, affecting 117 villages (approximately 500,000 people) of which 64,561 ha had been returned in 2018.

During the year Green Resources launched its Sustainability Agenda which aims to provide GRAS' shareholders, Board of Directors, Management and Employees with a strategic roadmap of how the company wishes to perform its operations in the next decade.

The Sustainability Agenda is formulated around 7 themes linked to 22 ambitious goals which can be found on our website and forms the reporting framework of our Sustainability Report for the year 2021/22.

The company manages its operations in line with the Principles and Criteria of the Forest Stewardship Council (FSC™) and hold ISO certification in Uganda and is in the process of adding Mozambique and Tanzania to its ISO certified operations. Green Resources complies with the environmental laws and regulations applicable to our activities.

By the end of 2021/22 Green Resources manages 57,606ha of FSC certified land. In addition to the Ugandan operations the Mozambican operations also received their FSC™ Chain of Custody certification.

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.

Green Resources implements business ethic and principles procedures and guidelines according to relevant national and international laws. The company subscribes to the requirements of international best practice standards in terms of anti-corruption and anti-bribery, business partners due diligence and operates according to a set of principles as laid down in our Business Ethics and Principles Policy which can be found on our website.

Green Resources renewed its Director's and Officers Liability Insurance on 1st March 2022 for a period of twelve months. The Insurance policy (No. SEF00043622B) provides a limit of liability of 20m NOK as well as an additional limit of 0.5m NOK for Non-Executive Directors. The Policy is issued by Allianz Protect and is underwritten by Allianz Global Corporate & Specialty.

GREEN RESOURCES AS

Green Resources AS is incorporated in Norway as a private company with limited liability. Revenues were NOK 5.8m in the year to June 2022 (FY20/21 NOK 5.7m) resulting from management fees charged to the operating subsidiaries. Operating loss before writing down of intercompany receivables was NOK 11.1m (NOK 8.2m loss for the FY20/21)

Write down of intercompany receivables of NOK 1.7m (FY20/21 NOK 18.7m) was related to Sao Hill Energy, Sao Hill Agriculture, Lindi Forest and Tanga Forest, which have been earmarked to be wound up¹.

Net profit for the year is NOK 52.7m from a loss of NOK 38.1m in June 2021. The profit mainly attributed by forex gain following the depreciation of NOK against USD.

As of June 30th, Green Resources AS had NOK 1.31m (FY20/21 NOK 1.26m) of equity, this increase is attributed by the profit for the period. There was no distributable equity for the period.

FINANCE, MARKET AND OPERATIONAL RISK

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 rate, credit, liquidity and exchange rate 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 wide range of regulatory risks, ranging from changes in international regulations and certification schemes for forestry, carbon and other parts of the operations, to the local implementation of national laws and regulations.

Operational risks include a variety of silviculture risks, fire risk and health and safety risks, in addition to 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 risk. 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.

AFIP TRANSACTION

Green Resources AS' board of directors was approached by Sydney headquartered investment manager New Forests in April 2021 with an expression of interest to acquire 100% of the shares in Green Resources AS.

Following a due diligence process, which was concluded in May 2022, and subsequent negotiations, an offer was made by New Forests through New Forests Africa Investments VCC acting for the purpose of African Forestry Impact Platform ("AFIP") an investment platform established by New Forests which is focused on investments in Sub-Saharan Africa.

The board and the majority shareholders in Green Resources AS have negotiated and on 29th of July 2022 entered into a transaction agreement with New Forests Africa Investment VCC, regulating the terms and conditions of an offer to be made by New Forests Africa Investment VCC to acquire all the shares in Green Resources AS (the 'Offer').

On the 11th of October 2022 an offer was made to the minority shareholders of Green Resources AS with a Board recommendation that the shareholders of Green Resources AS accept the Offer. The completion of the Offer will be subject to customary conditions, including regulatory approval (in Tanzania).

On 22nd of October the Tanzanian operations experienced a significant plantation fire which has damaged up to 2,300ha of forest plantation. The full assessment of the fire, including valuation, is ongoing and will not be complete till after the rainy season. This assessment is ongoing and AFIP is regularly and closely informed about the situation. The transaction agreement contains provisions addressing such situations.

OUTLOOK FOR 2022/23

The successful 2021/22 provides a launching platform for continued growth in 2022/23 whereby the pole markets in Tanzania are expected to continue to deliver good results whilst we believe that a full year of veneer production in Mozambique will further boost top line results. Unfortunately we believe that the pole market in Uganda will remain depressed whilst it may take longer to see significant poles sales in Mozambique as a result of complicated tender procedures. On balance we believe that the 2022/23 will show further improvements in terms of Operating Profit and EBITDA margins.

Capital Projects towards investment in the Ugandan and Tanzanian Sawmilling entities are expected to commence in 2022/23 and depending on access to finance and construction timelines mill improvements will become operational towards the end of 2022/23. These projects were expected to be initiated during 2021/22 but were delayed due to the ongoing transaction with New Forests and the African Forestry Investment Platform (AFIP).

¹ Sao Hill Energy and Sao Hill Agriculture windup was concluded by end of August 2022

The Uganda and Tanzanian Operations are expected to be self-funding as well as, partially, covering the cost of the Corporate Office. The Mozambican operations will continue to draw on financial support from the group whilst it continues building its industrial operations.

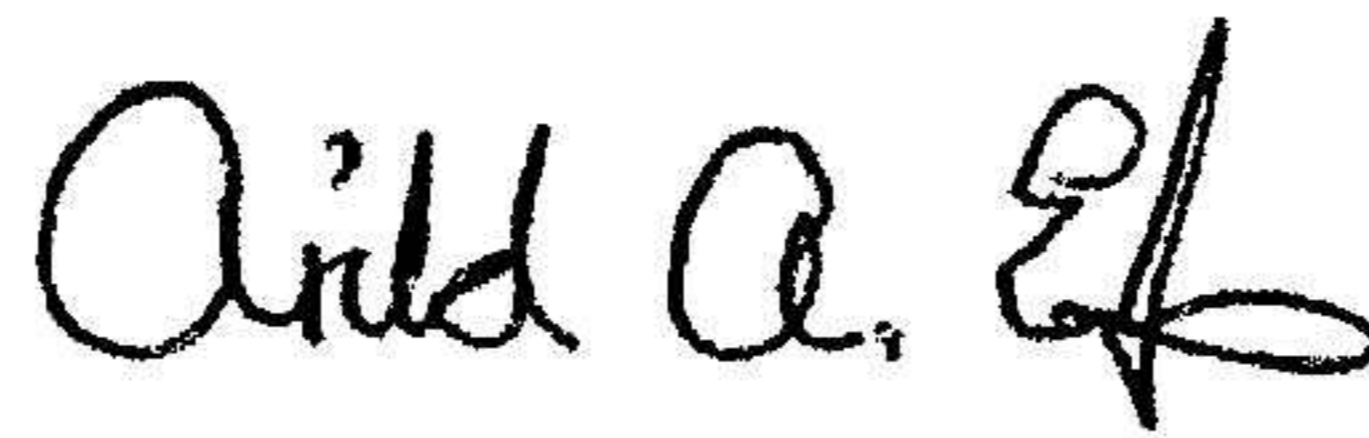
The financial statements for the Group and the parent company are presented using the going concern assumption and the Board confirms that this assumption is valid for both Green Resources AS and the Group. The Board believes that with the existing cash reserves as well as access to local bank funding the Group has adequate financing in place to support its development plans and to bring the company to a position where it is fully self-funding.

SIGNATURES

24th November 2022



Frode Alhaug
Chairman



Arild Engh
Director



Ilkka Norjamäki
Director



Terhi Koipijärvi
Director



Matti Ante Karinen
Director



Lasse David Nergaard
Director



Cornelis J.C. Lemm
CEO

GREEN RESOURCES CONSOLIDATED ACCOUNTS 30 June 2022
Consolidated income statement

		USD millions				
	Notes	Year ended 30-Jun-22	Year ended 30-Jun-21	Year ended 30-Jun-20	Year ended 30-Jun-19	Year ended 30-Jun-18
Industrial Sales	3	18.86	18.39	17.50	12.13	9.90
Forestry sales	3	2.72	4.12	2.45	0.76	0.14
Other operating income	3	3.42	1.80	3.34	2.24	1.91
Total revenues		25.00	24.31	23.30	15.14	11.95
Loss/Gain from biological asset value	9	-0.01	2.55	3.75	-0.09	-18.81
Cost of sales	4	-11.41	-11.87	-10.91	-8.64	-7.01
Industrial admin	4	-4.08	-4.36	-7.48	-4.62	-7.33
Plantation indirect costs	4	-6.50	-5.32	-5.71	-4.39	-3.39
EBITDA		3.00	5.30	2.94	-2.60	-24.59
Depreciation	8	-1.71	-1.29	-1.73	-1.96	-2.65
Depreciation on lease	12	-0.08	-0.21	-0.05	0.00	0.00
Operating profit		1.21	3.80	1.16	-4.56	-27.23
Interest income/(expense)	6	-0.03	1.25	-5.90	-6.74	-5.01
Interest Expenses on lease	6	-0.11	-0.11	-0.11	-4.35	0.00
Currency gains/(losses)	6	17.69	-1.60	-14.09	-1.92	-7.38
Dividend income		0.33	0.00	0.00	0.00	0.00
Other gain/(losses) on impairment of assets	5	0.00	0.00	0.00	0.00	-17.73
Profit before tax		19.09	3.35	-18.93	-17.57	-57.35
Tax (charge) / credit	7	-0.40	-3.02	-2.03	7.06	2.70
Net profit		18.70	0.33	-20.96	-10.51	-54.65

Consolidated statement of comprehensive income

		USD millions				
	Notes	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Net profit		18.70	0.33	-20.96	-10.51	-54.65
Currency translation differences		-13.65	2.77	15.49	4.28	2.56
Total comprehensive income for the year		5.04	3.10	-5.48	-6.23	-52.10

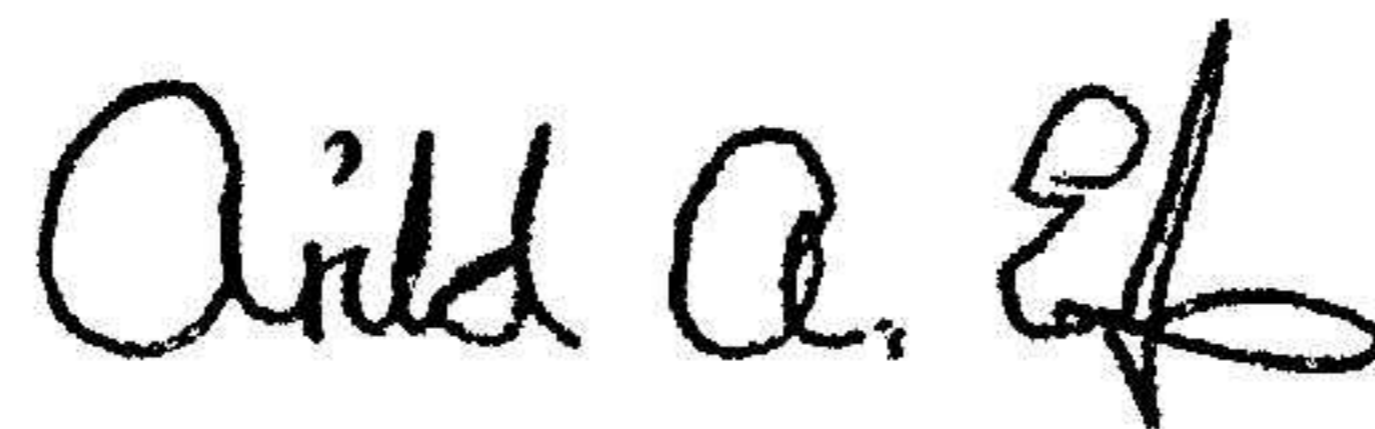
Consolidated balance sheet

		USD millions				
	Notes	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Non-current assets						
Property, plant and equipment	8	13.33	14.26	9.73	10.68	11.39
Land	9	3.06	3.07	3.14	3.25	2.14
Biological assets	10	122.56	122.38	119.22	118.48	118.58
Right of Use asset	11	0.60	0.70	1.07	0.00	0.00
		139.55	140.42	133.17	132.40	132.12
Current assets						
Inventories	12	14.21	11.13	7.64	6.17	4.76
Receivables and prepayments	13	3.75	5.87	6.13	3.37	3.90
Income tax receivable		0.13	0.27	0.04	0.00	0.00
Cash and cash equivalents	20	3.35	5.65	1.62	3.79	0.83
		21.44	22.92	15.44	13.33	9.49
Total assets		160.99	163.33	148.60	145.73	141.61
Capital employed						
Share capital	14	0.41	0.41	0.13	0.13	0.05
Share premium		352.91	352.91	246.43	246.43	245.90
Translation reserve		-16.06	-2.41	-5.18	-28.99	-27.34
Revaluation reserve		-1.15	5.32	11.58	4.34	5.18
Other equity		4.60	4.60	4.60	4.60	4.60
Retained earnings		-204.51	-223.20	-223.53	-187.00	-182.42
Shareholders' funds		136.20	137.63	34.03	39.51	45.97
Non current liabilities						
Borrowings	15	0.61	0.71	0.08	0.22	0.39
Deferred tax	16	14.21	15.22	11.59	10.44	17.48
Other long term liabilities		0.00	0.00	0.00	0.00	0.80
Long term loans	15	0.00	0.00	90.25	83.47	0.00
Lease Liabilities	17	0.64	0.71	0.75	0.00	0.00
		15.45	16.64	102.67	94.13	18.67
Current liabilities						
Trade and other payables	18	9.16	8.87	8.67	9.48	6.96
Short term loans	15	0.18	0.19	3.22	2.61	69.98
Bank overdraft	20	0.00	0.00	0.00	0.00	0.03
Total current liabilities		9.34	9.06	11.89	12.09	76.96
Total liabilities		24.79	25.69	114.56	106.22	95.64
Total equity and liabilities		160.99	163.33	148.60	145.73	141.61

24th November 2022



Frode Alhaug
Chairman



Arild Engh
Director



Ilkka Norjamäki
Director



Terhi Koipijärvi
Director



Matti Ante Karinen
Director



Lasse David Nergaard
Director



Cornelis J.C. Lemm
CEO

Consolidated cash flow statement

	Notes	USD millions				
		Year ended 30-Jun-22	Year ended 30-Jun-21	Year ended 30-Jun-20	Year ended 30-Jun-19	Year ended 30-Jun-18
Profit before taxation		19.09	3.35	-18.93	-17.57	-57.35
Adjustment for non-cash income items						
Depreciation	8	1.71	1.29	1.73	1.96	2.65
Tax paid		-0.15	-0.35	0.00	0.00	0.00
Depreciation on lease		0.08	0.21	0.05	0.00	0.00
Gains/loss arising on changes in fair value of biological assets	10	0.01	-2.55	-3.75	-2.64	18.81
Interest accrued not paid		0.03	-1.22	5.90	9.30	5.01
Other loss/(gain)		1.12	0.61	2.85	2.10	17.22
Foreign currency gains		-17.69	1.60	14.09	4.35	7.38
Net cash after adjustments		4.20	2.94	1.94	-2.51	-5.04
Change in working capital items						
Change in inventories		-0.72	-1.71	2.16	-1.41	1.45
Adjustment for current biological assets		0.00	-1.77	-3.64	-0.03	-0.39
Change in receivables and prepayments		2.12	0.26	-2.76	0.53	0.55
Change in payables and accrued expenses		0.29	0.20	-0.20	1.72	-1.36
Net change in working capital		1.69	-3.02	-4.43	0.80	0.26
Net cash used by operating activities		5.88	-0.08	-2.50	-1.71	-4.78
Investment activities						
Purchase of property, plant and equipment	8	-2.53	-4.61	-2.65	-1.06	-0.04
Land acquisition investments	9	0.00	0.00	0.00	-1.01	0.00
Purchase of biological assets	10	-2.65	-3.16	-1.63	-2.28	-1.83
Other investments/adjustments		-1.40	0.00	0.00	0.00	0.87
Net cash outflow from investing activities		-6.58	-7.77	-4.28	-4.36	-1.00
Financing activities						
New loans		0.00	0.63	3.30	11.91	4.40
Loan repayments, cash		-0.10	-0.03	0.00	-0.63	-0.69
Issue of shares, cash		0.00	10.25	0.00	0.06	0.33
Lease payments		-0.27	-0.24	-0.61	0.00	0.00
Cash inflow from financing activities		-0.37	10.61	2.69	11.34	4.04
Increase in cash and cash equivalents		-1.07	2.75	-4.08	5.28	-1.75
Cash and cash equivalents at beginning of year		5.65	1.62	3.79	0.80	4.45
Translation adjustments		-1.23	1.27	1.92	-2.29	-1.90
Cash and cash equivalents at end of year	20	3.35	5.65	1.62	3.79	0.80

Consolidated changes in equity

USD millions	Share Capital	Share Premium	Advance	Translation Reserve	Revaluation Reserve	Other equity	Retained Earnings	Total
			towards share capital					
At start of year	0.41	352.91	0.00	-2.41	5.32	4.60	-223.20	137.63
Issue of shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exercise of warrants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advance towards share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Translation gain/(loss) for the year	0.00	0.00	0.00	0.00	-6.47	0.00	0.00	-6.47
Net profit	0.00	0.00	0.00	0.00	0.00	0.00	18.70	18.70
Currency translation differences in OCI	0.00	0.00	0.00	-13.65	0.00	0.00	0.00	-13.65
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At end of June 2022	0.41	352.91	0.00	-16.06	-1.15	4.60	-204.51	136.20

USD millions	Share Capital	Share Premium	Advance	Translation Reserve	Revaluation Reserve	Other equity	Retained Earnings	Total
			towards share capital					
At start of year	0.13	246.43	0.00	-5.18	11.58	4.60	-223.53	34.03
Issue of shares	0.29	106.48	0.00	0.00	0.00	0.00	0.00	106.76
Exercise of warrants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advance towards share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Translation gain/(loss) for the year	0.00	0.00	0.00	0.00	-6.26	0.00	0.00	-6.26
Net profit	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.33
Currency translation differences in OCI	0.00	0.00	0.00	2.77	0.00	0.00	0.00	2.77
Other equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At end of June 2021	0.41	352.91	0.00	-2.41	5.32	4.60	-223.20	137.63

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, which is the Group's presentation currency.

(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-22	June 2021	June 2020	June 2019	June 2018
1 TZS	2,324.39	2,319.09	2,316.69	2,294.38	2,272.65
1 UGX	3,756.24	3,574.19	3,713.45	3,718.21	3,856.50
1 MZN	63.86	63.42	70.09	63.76	58.97
1 GBP	0.82	0.77	0.81	0.77	0.76
1 SEK	10.25	8.53	9.33	9.50	8.92
1 NOK	9.89	8.58	9.69	9.50	8.92

Table 1.2 Exchange rates, average

in USD	30-Jun-22	June 2021	June 2020	June 2019	June 2018
1 TZS	2,315.17	2,316.86	2,295.52	2,295.89	2,235.33
1 UGX	3,571.73	3,658.57	3,729.74	3,713.42	3,629.54
1 MZN	63.79	69.95	57.89	61.00	59.75
1 GBP	0.75	0.75	0.78	0.77	0.74
1 SEK	8.94	8.63	9.27	9.16	8.28
1 NOK	9.17	8.82	8.86	9.16	8.28

(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

Asset Type	Years
Buildings	25
Machinery	15
Motor vehicles	4
Computer equipment	3
Office furniture and equipment	3-8

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.
- (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.

(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 shortterm leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying 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 17.

(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 entities:

- (i) Norway: Green Resources AS, Nortan AS
- (ii) Sweden: GSSF AB
- (iii) Tanzania²: GRL Tanzania Ltd, Lindi Forests Ltd, Sao Hill Agriculture Ltd, Sao Hill Energy Ltd, Sao Hill Industries Ltd and Tanga Forests Ltd
- (iv) Uganda: Busoga Forestry Company Ltd
- (v) Mozambique³: Lurio Green Resources SA, Companhia Florestal do Massangulo, 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 9.

² Sao Hill Energy and Sao Hill Agriculture windup was concluded by end of August 2022

³ Lurio Green Resources and Massangulo are in the process to be 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 are 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 2020/21.

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.

Despite the good work done Green Resources did experience a significant forest fire event during the year where close to 1,703ha was lost in Tanzania 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 most 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 has sourced approximately 25% of its raw materials from GRL and in the coming year this volume will be increased to around 30%.

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 and commercial bank funding at a subsidiary level.

Significance of Largest Customers

Large national utility companies and associated Electrification Agencies dominate the transmission pole business, and in 2020/21 the largest customers accounted for more than half 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 meticals. 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.

During FY2021/22 the Company revalued the intercompany loans denominated in NOK into USD as the transaction currency of both the parent and the subsidiaries.

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 Tanzania and Uganda with Tanesco, Umeme and 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

The amount that best represents the Group's maximum exposure to credit risk at 30 June 2021 is made up as follows:

Table 2.1 Credit risk maximum exposure

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Cash and cash equivalents	3.35	5.65	1.62	3.79	0.83
Trade and other receivables	3.12	5.23	5.92	3.37	3.90
Prepayments	0.63	0.64	0.21	0.46	0.21
	7.10	11.52	7.75	7.61	4.94

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-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Total borrowings (incl overdraft)	0.79	0.90	93.56	86.31	70.40
Less cash and cash equivalents	3.35	5.65	1.62	3.79	0.83
Net debt	-	-	91.9	82.5	69.6
Equity	136.2	137.6	34.0	39.5	46.0
Total Capital	136.2	137.6	126.0	122.0	115.5
Gearing ratio	0%	0%	73%	68%	60%
Equity ratio	100%	100%	27%	32%	40%

NOTE 3 OPERATING PROFIT

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

Table 3 Sales

USD million	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Industrial sales					
Sawn timber	5.57	3.98	3.32	4.03	4.28
Poles	12.52	14.41	14.19	8.10	5.62
Veneer	0.77	0.00	0.00	0.00	0.00
Total Industrial	18.86	18.39	17.50	12.13	9.90
Forestry sales					
Pine	1.00	3.64	1.59	0.55	0.14
Eucalyptus	1.72	1.05	0.86	0.21	0.00
Total Forestry	2.72	4.69	2.45	0.76	0.14
Other Income					
Carbon	1.93	0.34	1.52	0.05	0.02
Seedlings	0.14	0.04	0.02	0.06	0.38
Resin / Other	1.35	0.85	1.80	2.13	1.51
Total Other	3.42	1.23	3.34	2.24	1.91

Table 4.1 Operating profit charges

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Depreciation of property, plant and equipment (note 8)	1.71	1.29	1.73	1.96	2.65
Depreciation on lease	0.08	0.21	0.05	-	-
Fair value (gain)/loss on biological assets	0.01 -	2.55 -	3.75 -	2.64	18.81
Staff costs (see table below)	5.06	4.65	5.62	6.80	6.48

Table 4.2 Staff costs

The following items are included within staff costs:

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Salaries and wages	4.76	4.42	5.15	6.22	5.92
Social security	0.30	0.23	0.47	0.58	0.44
Pension cost - defined contr. plans	0.00	0.00	0.00	0.00	0.12
Total	5.06	4.65	5.62	6.80	6.48

The Company has 555 permanent employees and 5 temporary workers as of June 2022. In the 12 months to June 2022 the board of directors for the parent company received remuneration at a total of USD 175,100 (June 2021: USD 165,618), of which the Chairman of the board, Frode Alhaug received USD 82,400 in compensation for his services as Chairman. A total of USD 299,110 was paid to Cornelis J.C. Lemm for services as CEO for the financial year ending June 2022, of which nil was paid in form of shares. 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 overall performance of the Company and subject to approval by the Annual General Meeting.

Table 4.3 Cost of sales

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Cost of Sale Poles	4.38	6.10	6.61	3.67	3.01
Cost of Sale Timber	4.55	3.22	2.31	3.07	2.20
Cost of Sale Seedling	0.02	0.01	0.00	0.01	0.03
Cost of Sale Other	2.00	2.09	1.82	1.26	0.18
Cost of Sale Transport	0.46	0.46	0.18	0.64	1.59
Total	11.41	11.87	10.91	8.64	7.01

NOTE 5 OPERATIONAL COST BY NATURE
Table 5.1 Operational costs by nature

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-20	30-Jun-18
Cost of raw material and other purchased goods	4.10	5.04	4.23	-	3.45
Salary and wages (note 4)	5.06	4.65	5.62	6.80	6.48
Depreciation and write offs (note 8)	1.71	1.29	1.73	1.96	2.65
Freight	0.85	0.58	0.32	0.82	0.74
Repair and maintenance cost	0.80	0.70	0.73	0.65	0.28
Marketing costs	0.08	0.04	0.02	0.03	0.02
Rent and leasing costs	0.03	0.05	0.15	0.34	0.64
Exceptional costs	-	-	-	-	-
Other operational costs	11.07	10.48	13.03	9.19	6.12
Total operational cost	23.71	22.85	25.82	19.78	20.37

Table 5.2 Audit remuneration

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Audit fee	0.22	0.24	0.24	0.26	0.20
Other services	0.01	0.03	0.01	0.02	0.03
Tax advisory	0.02	0.04	0.02	0.02	0.00
Total	0.26	0.31	0.26	0.30	0.23

The cost for statutory audits for the 12 months to June 2022 was USD 0.22 million (June 2021: USD 0.24 million). Tax advisory service was USD 0.02 million (June 2021: USD 0.04), other service fees related to the financial statements as of June 2022 was USD 0.01 million. (June 2021: USD 0.03 million)

NOTE 6 FINANCE COST

Table 6.1 Finance cost

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Interest income	0.00	0.03	0.01	0.00	0.00
Other financial income/(expenses)	0.00	0.00	0.00	-2.10	-17.73
Interest expense	-0.03	1.22	-5.90	-9.30	-5.01
Foreign exchange differences	17.69	-1.60	-14.09	-4.35	-7.38
Interest Expenses on lease	-0.11	-0.11	-0.11	0.00	0.00
Total finance costs	17.56	-0.45	-20.09	-15.74	-30.12
of which interest paid	0.00	0.00	0.00	0.00	0.00

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 30% in Mozambique, Tanzania and Uganda. In Norway, the corporate tax rate was 22% up to 30 June 2022. See note 16 for further specification.

Table 7.1 Income tax expense

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Profit before tax in the financial statement	19.09	3.35	-18.93	-17.57	-57.35
Calculated tax (domestic tax rates on the PBT for the subsidiaries)	2.11	0.07	1.12	0.16	0.03
Tax in the consolidated financial statements	0.40	3.02	2.03	7.06	2.70
Difference	1.72	-2.95	-0.91	-6.90	-2.67
Difference consists of the following					
Tax rate (local) on non-deductibles	0.11	0.05	0.05	0.32	0.06
Other differences	-2.08	2.90	0.86	-7.22	-2.73
Exchange rate differences	0.25	0.00			
Sum explained differences	- 1.72	2.95	0.91	- 6.90	- 2.67

The significant increase of Deferred tax asset not recognised in the books for the current year is caused by Holding company which was not shown in the books.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

30-Jun-22

USD millions	Buildings	Motor Vehicles	Plant and Equipment	Fittings	Work In Progress	Total
				and Office Equipment		
Cost						
At start of year	10.79	3.74	14.05	1.90	4.19	34.65
Acquisition assets	0.00	0.00	0.00	0.00	0.00	0.00
Additions	0.87	0.00	1.34	0.32	0.00	2.53
Transfer	0.00	0.00	3.27	0.00	-3.27	0.00
Reclassification	0.00	0.00	0.00	0.00	0.00	0.00
Disposal	-0.11	0.00	-0.84	-0.18	0.00	-1.13
Exchange differences	-0.90	-0.29	-1.38	-0.16	-0.07	-2.80
Costs at end of June 2022	10.64	3.45	16.43	1.88	0.85	33.26
Depreciation						
At start of year	4.86	3.40	10.80	1.29	0.04	20.39
Acquisition assets	0.00	0.00	0.00	0.00	0.00	0.00
Charge for the year	0.32	0.26	0.81	0.19	0.00	1.58
Transfer/Disposal	-0.08	-0.30	-0.75	-0.29	0.00	-1.42
Writedown	0.00	0.00	0.00	0.00	0.00	0.00
Exchange differences	-0.17	-0.11	-0.27	-0.04	-0.04	-0.63
Depreciation at end of June 2022	4.92	3.25	10.60	1.15	0.00	19.92
Net book value 30 June 2022	5.72	0.20	5.84	0.73	0.85	13.33

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 2.84m for Tanzania.

Table 9.1 Land

USD millions	Translation			Translation			Translation				
	30-Jun-22	Changes	Differences	30-Jun-21	Changes	Differences	30-Jun-20	Changes	Differences	30-Jun-19	30-Jun-18
Mozambique											
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
Green Resources Niassa	0.22	-0.20	0.00	0.42	-0.06	0.00	0.00	0.00	0.00	0.00	0.00
GSFF Group companies	0.00	0.00	0.00	0.00	0.00	0.00	0.48	-0.12	0.00	0.60	0.00
Tanzania											
Green Resources Ltd	3.06	-0.11	0.51	2.66	-0.52	0.51	2.66	-0.50	0.51	2.65	2.14
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
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
Total	3.28	-0.30	0.51	3.07	-0.58	0.51	3.14	-0.62	0.51	3.25	2.14

NOTE 10 BIOLOGICAL ASSET VALUATIONS
(a) Summary

Like in previous years Green Resources has employed an experienced third-party valuer to provide 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 2022 was assessed to USD 131.6m (2021: USD 129.0m), consisting wholly of forest plantations.

The movement in the valuation was an increase of USD 2.5m, resulting from valuation, amortization and resin tapping (2021: USD 2.6m increase). The increase for the year is mainly attributed by resin tapping (USD 5m) whereas no resin tapping was included in FY20/21 valuation.

There were changes due to harvesting and replanting of plantation areas, losses due to fires and exit leases. The net decrease in planted area for the year was 900ha, bringing Green Resources' plantation resource to 33,095ha. This decrease was due to the net effect of 2,276ha of new planting, -1,917 ha harvesting, and -1,260 ha of losses (re-mapping, fires and write-offs). Due to these movements, the average net value per ha of the forest is USD 3,977 per ha, an increase from USD 3,795 in 2021. The increase in FY21/22 is also backed by the inclusion of resin.

Table 10.1 Biological Asset Valuation

USD '000s	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
At start of year	129.03	124.19	119.82	119.89	138.32
Increases due to acquisitions					
Development Expenditure	2.65	2.25	1.63	2.28	1.83
Harvesting	(13.12)	(6.56)	(1.96)	(2.26)	(1.13)
Resin	5.04	-	-	-	-
Gains arising from changes in fair value,	8.06	8.34	3.75	(0.09)	(18.81)
Exchange difference	0.01	0.81	0.95	-	(0.32)
Provision	-	-	-	-	-
Carrying amount	131.665	129.027	124.19	119.82	119.89
of which					
Biological Asset Available for Sale	9.11	6.75	4.98	1.34	1.31
Biological Asset	122.56	122.28	119.21	118.58	118.58
Net change in fair value of biological assets	(2.64)	(4.84)	(4.36)	(2.67)	(18.43)

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 (the new entity formed after the merger of Niassa Green Resources SA, Floresta do Planalto SA and Chikweti Forests of Niassa SA).

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 2.65m in 2021/2022 have been expensed against the gross change in BAV. Those areas of the forest which will be available for harvesting during the coming 12 months are classified as a current asset available for sale.

Table 10.2 Biological asset value per ha

USD '000s	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Mozambique					
Net Present Value	38,266	40,766	40,591	36,957	40,953
Area (in ha)	13,939	12,904	13,246	13,032	15,021
NPV/planted area	2,745	3,159	3,064	2,836	2,726
Tanzania					
Net Present Value	47,700	48,597	49,492	50,682	48,234
Area (in ha)	12,535	14,402	15,624	15,678	16,530
NPV/planted area	3,805	3,374	3,168	3,233	2,918
Uganda					
Net Present Value	47,294	39,665	34,109	32,182	30,887
Area (in ha)	6,621	6,691	6,454	6,203	6,247
NPV/planted area	7,143	5,929	5,285	5,188	4,944
Total	33,095	33,996	35,324	34,913	37,798

(b) Planted area

Planting included in the BAV are 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 33,095 ha as of 30 June 2022 (33,996 ha as at 30 June 2021) in the subsidiaries covered by the consolidated accounts.

During 2021/22, Green Resources harvested 1,917ha and re-planted 2,276ha plantations, however no new plantation expansion was undertaken. Further area adjustments including 1,260ha related to fire damage, re-mapping, and write-offs, resulted in a net decrease in forest area of 900ha. 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%).

The diversification of revenue streams from eucalyptus stands, the improved performance of new clonal plantings and improved post-planting maintenance will have an important impact on the value of the company and a corresponding positive impact on the BAV.

Table 10.3 Planted area and net new planting by region

Hectares (ha)	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Eucalyptus & Teak					
Mozambique	7,529	6,908	6,241	6,735	8,807
Tanzania	4,168	4,999	5,496	5,504	6,016
Uganda	1,725	1,747	1,626	1,438	1,367
Total	13,422	13,655	13,362	13,676	16,190
Pine					
Mozambique	6,410	5,996	7,005	6,297	6,214
Tanzania	8,368	9,402	10,129	10,174	10,514
Uganda	4,896	4,943	4,828	4,766	4,880
Total	19,674	20,341	21,962	21,237	21,608
Total					
Mozambique	13,939	12,904	13,246	13,032	15,021
Tanzania	12,535	14,402	15,624	15,678	16,530
Uganda	6,621	6,691	6,454	6,203	6,247
Total	33,095	33,996	35,324	34,913	37,798

(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.

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 and pole markets in Mozambique, Tanzania & Uganda and an assessment of the value of the logs set aside for the veneer project.

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-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Pine sawlogs					
Mozambique (delivered mill)	52.0	52.0	57.0	58.9	70.0
Tanzania (delivered mill)	N/A	N/A	N/A	53.9	63.8
Tanzania (standing up to 2025)	15.9	12.0	14.2	N/A	N/A
Tanzania (standing from 2026)	23.0	19.7	23.1	N/A	N/A
Uganda (delivered mill)	46.0	41.0	41.0	41.9	43.3
Eucalyptus utility poles					
Mozambique - Niassa (stump)	131.0	163.5	135.6	83.5	107.6
Tanzania (delivered mill)	115.0	104.7	100.5	98.1	99.6
Uganda (delivered mill)	135.0	137.4	128.8	133.4	133.4

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. Veneer operations will startup in FY21/22.

(e) General Economic and Financial Assumptions

The model assumes a range of nominal discount rates in the range of 10.5% - 14.1%, which are comparable to the discount rates used in the previous FY BAV albeit slightly higher for Mozambique and Tanzania.

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 IFRS 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 IFRS 41. The discount rates applied to the biological assets in Mozambique, Tanzania and Uganda are 14.1%, 12.0%, and 10.5%, 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 thus 2039 for pine and 2034 for eucalyptus species. Replanting costs after harvesting of the current living crop are lower than for the initial establishment of the plantations and the land 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 FY21/22 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-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Discount rate					
Mozambique	14.10%	13.60%	13.89%	12.50%	12.50%
Tanzania	12.00%	10.10%	10.06%	10.50%	11.00%
Uganda	10.50%	10.50%	10.92%	10.50%	10.50%
Last year included for NPV of Pine	2039	2037	2036	2042	2037
Last year included for NPV of Eucalyptus	2035	2034	2035	2030	2029
Exchange rate					
TSH/USD	2,324	2,319	2,317	2,275	2,242
USH/USD	3,757	3,574	3,713	3,739	3,623
MZN/USD	63.86	63.42	70.09	61.00	62.00

(f) Management of biological risks

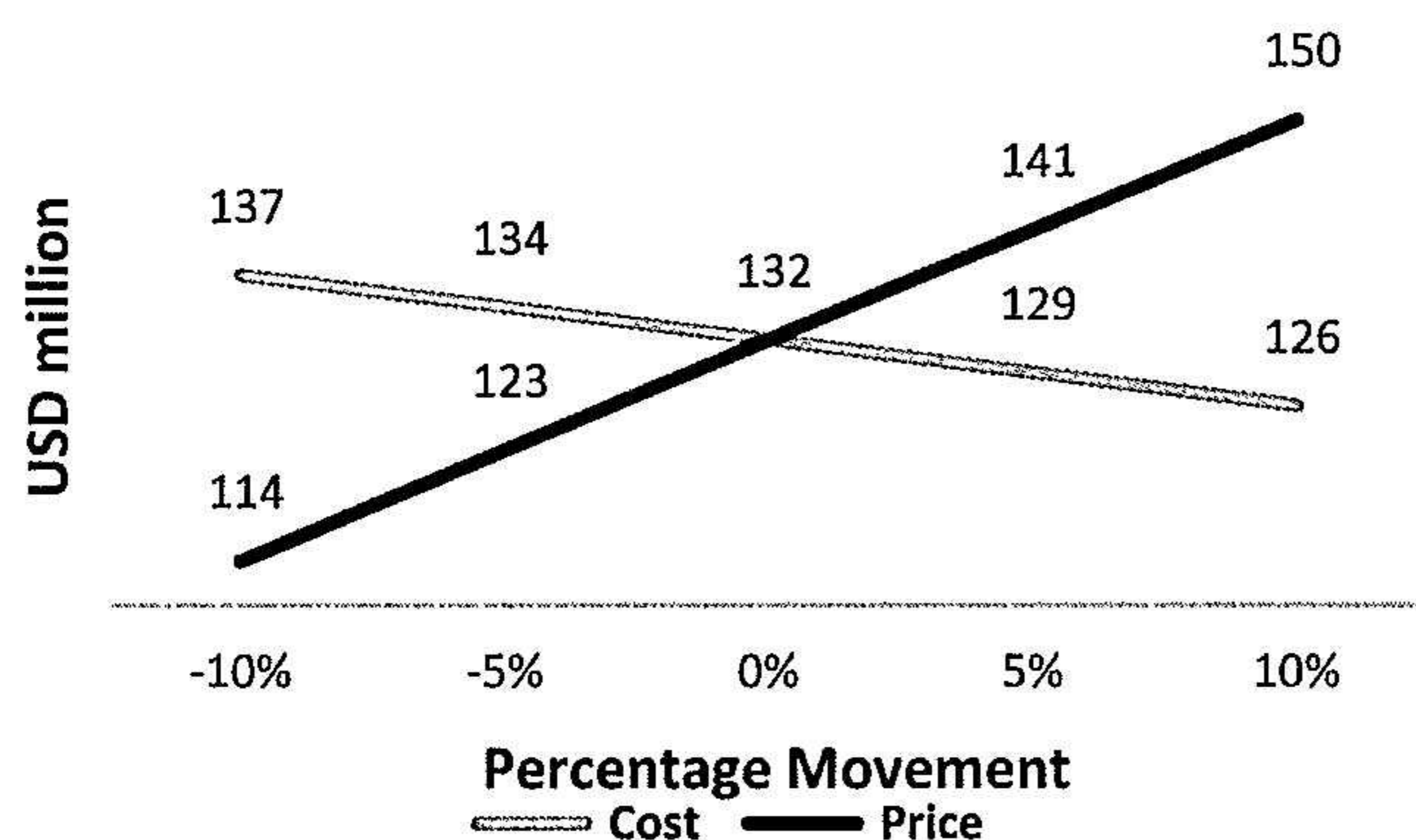
Forest plantations are subject to different types of risks, the most important being fires, pest & disease and windfall. Green Resources seeks to reduce fire risk through a range of measures, including prevention (e.g. community awareness programs), protection (e.g. clearing internal and external fire 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 pest or disease. 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-practice (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 market value estimate for GRAS's current biological (plantation) assets of 33,095 ha, using a DCF approach with a 14.1%, 12.0%, and 10.5% real pre-tax discount rate for Mozambique (Niassa), Tanzania, and Uganda respectively is USD 131.6 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		-2%	-1%	Base Rate	1%	2%
Uganda	mUS\$	51.5	48.4	45.7	43.1	40.8
Tanzania	mUS\$	53.3	50.4	47.7	45.2	43.0
Mozambique	mUS\$	42.5	40.3	38.3	36.4	34.6
Total	mUS\$	147.3	139.1	131.6	124.7	118.4

NOTE 11 RIGHTS OF USE ASSET

USD millions	30-Jun-22	June 2021	30-Jun-20	30-Jun-19	30-Jun-18
Right of Use asset	0.86	1.03	1.25		
Accumulated Depreciation on right of use	-0.26	-0.33	-0.18		
Total	0.60	0.70	1.07	-	-

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 asset are 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 cashflow is applied is linked to the contractual period.

NOTE 12 INVENTORY
Table 12.1 Inventory

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Raw material	0.00	0.00	0.65	0.98	1.38
Biological assets available for sale	9.11	6.75	4.98	1.34	1.31
Finished goods	5.10	4.38	2.02	3.76	1.98
Consumables	-	-	-	0.09	0.09
Total	14.21	11.13	7.64	6.17	4.76

Biological assets available for sale is standing forest available for harvest within next 12 months. Please refer to note 9 for further specification.

NOTE 13 RECEIVABLES AND PREPAYMENTS
Table 13.1 Receivables and prepayments

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Trade receivables	3.12	5.23	5.92	2.92	2.25
Prepayments and other receivables	0.63	0.64	0.21	0.46	0.21
VAT / Withholding tax refundable	-	-	-	-	1.44
Total	3.75	5.87	6.13	3.37	3.90

NOTE 14 SHARE CAPITAL

The movement in share capital was as follows:

Table 14.1 Movement in share capital

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Balance at 1 July	0.41	0.13	0.13	0.05	0.03
Issue of shares	0.00	0.29	0.00	0.00	0.00
Warrant Exercise	0.00	0.00	0.00	0.07	0.02
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
Balance End Period	0.41	0.41	0.13	0.13	0.05

The number of ordinary shares registered in VPS was 3,528,418 as per 30 June 2022 (2021: 3,528,418). Total number of authorised shares per end June 2022 was 3,528,418 (2021: 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 per 30 June 2022.

Table 14.2 Number of issued shares

No. of shares	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Balance at Start of Period	3,528,418	1,064,163,336	1,064,163,336	431,260,035	260,956,411
Issue of new shares and reverse split	-	-1,060,634,918	-	632,903,301	170,303,624
Balance End of Period	3,528,418	3,528,418	1,064,163,336	1,064,163,336	431,260,035

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

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 2022	0	0.0001	3,528,418	3,528,418
January 2021 (Reverse Split)	-	3,524,889,582	3,528,418	1,765,973,209
December 2020 (Rights Issue)	742	0.4070	3,528,418,000	3,528,417,629
November 2020 (Rights Issue)	222,780,336	0.4070	3,528,417,258	3,417,027,090
October 2020 (DFI Debt Conversion)	2,033,707,586	0.4070	3,305,636,922	2,288,783,129
October 2020 (Shareholder Loan Conversion)	207,766,000	0.1000	1,271,929,336	1,168,046,336
June 2020	0.00	0.011	1,064,163,336	1,064,163,336
June 2019	632,903,301	0.011	1,064,163,336	747,711,686
June 2018	170,303,624	0.015	431,260,035	346,108,223
April 2017	6,999,996	0.100	260,956,411	257,456,413

No additional share for the period ending June 2022, During FY 2020/21 the DFI lenders (Norfund and Finnfund) converted all Debt and Interest (USD 89.9m) into equity. Simultaneously a large part of the private shareholders in the company converted their shareholder loans (USD 2.3m) into equity. The debt conversion process was followed by a rights issue at the same valuation as the DFI Debt Conversion. At the beginning of 2021 the company revalued its shares through a share consolidation (reverse split) in the proportion 1:1,000, so that 1,000 shares each with a par value of NOK 0.001 will be replaced by one new share of par value NOK 1.

NOTE 15 BORROWINGS

The borrowings are made up of the following:

Table 15.1 Borrowings

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Non-current					
Norfund mezzanine loan	0.00	0.00	44.56	40.96	0.00
Finnfund mezzanine loan	0.00	0.00	34.60	31.27	0.00
FMO mezzanine loan	0.00	0.00	0.00	0.00	0.00
Norfund A-loan	0.00	0.00	11.09	11.25	0.00
IFC A-loan	0.00	0.00	0.00	0.00	0.00
Other long term loans	0.60	0.71	0.08	0.22	0.39
	0.60	0.71	90.34	83.69	0.39 ¹
Current					
Norfund A loan	0.00	0.00	0.00	0.00	10.19
IFC loan	0.00	0.00	0.00	0.00	0.00
Norfund mezzanine loan	0.00	0.00	0.00	0.00	22.44
Finnfund mezzanine loan	0.00	0.00	0.00	0.00	14.77
FMO mezzanine loan	0.00	0.00	0.00	0.00	19.53
Other short term loans	0.00	0.00	1.05	0.31	0.14
Shareholder loans	0.19	0.19	2.17	2.30	2.90
	0.19	0.19	3.22	2.61	69.98
Total Borrowing	0.79	0.90	93.56	86.31	70.37

As of June 2022, the only borrowing at Green Resources AS was NOK 8,437 which relates to shareholder loans, whereby shareholders has not provided their banking details in order to be repaid. At subsidiary level SHI in Tanzania has an Asset Finance Facility covering 70% of the purchase of the Pole Kilns

NOTE 16 DEFERRED TAXES

Deferred Income tax is calculated using the actual tax rate of 30% in Mozambique, 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-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
At start of the year	15.22	11.59	10.44	17.48	21.27
Charge to profit and loss account	0.40	3.02	2.03	-7.06	-2.70
Exchange differences	-1.41	0.61	-0.88	0.01	-1.09
At end of the year	14.21	15.22	11.59	10.44	17.48

Table 16.2 Charge to profit and loss by country

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Tanzania	0.03	0.12	0.11	-3.8	-7.4
Uganda	2.66	2.16	1.04	0.1	1.1
Mozambique	-2.26	0.74	0.88	-3.5	3.5
	0.44	3.02	2.03	-7.1	-2.7

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-22	30-Jun-21	30-Jun-20	30-Jun-19	Charged /credited to profit and loss	30-Jun-18
Deferred income tax liabilities						
Fair Value gains	14.72	14.91	7.50	8.97	-5.08	19.80
Exchange differences	0.10	0.00	0.36	0.36	-0.42	0.52
Tax on asset revaluations	-0.16	0.03	1.59	0.65	-0.99	0.83
Accelerated tax depreciation	-0.45	0.33	0.15	0.21	-0.74	0.29
	14.21	15.27	9.61	10.19	-7.23	21.44
Deferred income tax assets						
Other timing differences	0.00	0.00	1.78	0.02	-5.56	5.56
Tax Losses	0.00	-0.05	0.00	0.00	9.50	-9.50
Exchange differences	0.00	0.00	0.00	0.00	0.00	0.00
brought forward	-6.73	0.00	-17.54	-17.54	10.81	-17.54
Tax losses , not recognised	6.73	0.00	17.74	17.74	-10.81	17.54
	0.00	-0.05	1.98	0.22	3.94	-3.94
Deferred income tax liability	14.21	15.22	11.58	10.41	-3.29	17.50

NOTE 17 LEASE LIABILITIES

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
As at 1 July	0.71	0.75	0.0	0.0	0.0
Addition	0.08	0.09	1.25	0.0	0.0
Accretion of Interest	0.11	0.11	0.1	0.0	0.0
Payments	-0.27	-0.24	-0.61	0.0	0.0
Total	0.64	0.71	0.75	0.0	0.0

NOTE 18 TRADE AND OTHER PAYABLES

Table 18.1 Trade and other payables

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Trade payables	-7.21	-6.60	-5.20	-6.49	-3.42
Accrued expenses	-1.90	-2.38	-2.60	-1.46	-2.39
Other payables	-0.04	0.12	-0.87	-1.42	-1.20
BAV Provision	0.00	0.00	0.00	0.00	0.00
Total	-9.16	-8.87	-8.67	-9.37	-7.00

NOTE 19 RELATED PARTY TRANSACTIONS

Loans worth USD 2.4k were outstanding to shareholders per June 2022 (June 2021: USD 5.4k). The remaining shareholder loans are awaiting shareholders to provide banking details and will not attract any further interest charges. 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 cash flow statement, the year-end bank and cash equivalents comprise the following:

Table 20.1 Cash and cash equivalents

USD millions	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Bank and cash balances	3.35	5.66	1.64	3.79	0.83
ECL on bank balance	0.00	-0.02	-0.01	0.00	0.00
Bank overdraft	0.00	0.00	0.00	0.00	-0.03
Total	3.35	5.65	1.62	3.79	0.80

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 2021: 3,528,418 shares), distributed among shareholders including:

30-Jun-22	Beneficial owner	Shares	%
Norfund	Norwegian Ministry of Foreign Affairs	1,814,511	51.4%
Finnfund	Finnish Ministry of Foreign Affairs	1,154,254	32.7%
Nordic Property Holding AS	Austbø/Bergh	78,384	2.2%
UniCredit Bank Austria AG	Groeller	67,185	1.9%
Sundt AS	Sundt	59,487	1.7%
Macama AS	Bøhler	41,473	1.2%
Steinerud AS	Rygh	37,460	1.1%
The Resource Group TRG AS	Røkke	34,388	1.0%
JOTUNFJELL PARTNERS AS	Olsen	33,570	1.0%
RYBØ AS	Bøhler	21,915	0.6%
32 owners 1,000-21,915		179,832	5.1%
61 owners < 1,000		5,959	0.2%
Total		3,528,418	100.0%

Share issued and fully paid in the 12 months to June 2022 and are registered in Foretaksregisteret at 30 June 2022.

NOTE 23 TRANSLATION RESERVE

Group translated equities to the original cost due to fluctuation in exchange rates. The translation differences were posted to translation reserve, the net movement on the Translation reserve 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. The Board of Directors has reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future

The company had a balance of USD 3.35m in bank deposits which provides adequate financing for the company towards financial years 2022/23 and 2023/24.



NOTE 25 EVENTS AFTER THE REPORTING PERIOD

Green Resources AS' board of directors was approached by Sydney headquartered investment manager New Forests in April 2021 with an expression of interest to acquire 100% of the shares in Green Resources AS.

Following a due diligence process, which was concluded in May 2022, and subsequent negotiations, an offer was made by New Forests through New Forests Africa Investments VCC acting for the purpose of African Forestry Impact Platform ("AFIP") an investment platform established by New Forests which is focused on investments in Sub-Saharan Africa.

The board and the majority shareholders in Green Resources AS have negotiated and on 29th of July 2022 entered into a transaction agreement with New Forests Africa Investment VCC, regulating the terms and conditions of an offer to be made by New Forests Africa Investment VCC to acquire all the shares in Green Resources AS (the 'Offer').

On the 11th of October 2022 an offer was made to the minority shareholders of Green Resources AS with a Board recommendation that the shareholders of Green Resources AS accept the Offer. The completion of the Offer will be subject to customary conditions, including regulatory approval (in Tanzania).

On 22nd of October the Tanzanian operations experienced a significant plantation fire which has damaged up to 2,300ha of forest plantation. The full assessment of the fire, including valuation, is ongoing and will not be complete till after the rainy season. This assessment is ongoing and AFIP is regularly and closely informed about the situation. The transaction agreement contains provisions addressing such situations.



To the General Meeting of Green Resources AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Green Resources AS, which comprise:

- The financial statements of the parent company Green Resources AS (the Company), which comprise the balance sheet as at 30 June 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Green Resources AS and its subsidiaries (the Group), which comprise the balance sheet as at 30 June 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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



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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



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Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 24 November 2022

PricewaterhouseCoopers AS

A handwritten signature in black ink, appearing to read 'Eivind Nilsen', written over a horizontal line.

Eivind Nilsen

State Authorised Public Accountant



Green Resources AS

Holding Company Financial accounts June 30, 2022

Income statement

MNOK	Notes	Year ended 30-Jun-22	Year ended 30-Jun-21
Sales			
Other operating income	2	5.846	5.717
Total operating Income		5.846	5.717
Expenses			
Staff costs	3	8.792	6.789
Other operating expenses	4	8.197	7.091
Write down of receivables	5	1.658	18.778
Total operating expenses		18.648	32.659
Results of operations		(12.802)	(26.942)
Other income and expenses			
Forex Gain(Losses)	6	62.718	(8.835)
Write down of investment in subsidiary		0.000	0.000
Gain on Sale of Investment	7	0.000	0.360
Other financial Income/ Expense	8	(0.042)	(2.710)
Other Income	9	2.943	0.000
Depreciation	10	(0.027)	0.000
Profit/(loss) before tax		52.791	(38.126)
Tax (charge)/Credit	11	(0.018)	0.000
Results for the year		52.773	(38.126)
Transfer			
Other equity	12	52.773	(38.126)
Total		52.773	(38.126)

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Balance sheet

		Year ended	Year ended
MNOK	Notes	30-Jun-22	30-Jun-21
Non-current assets			
Propert, Plant and Equipmnet	10	0.231	0.000
Investment in shares	13	851.944	838.110
Loans to group companies	14	508.056	433.626
Total non-current assets		1,360.230	1,271.736
Current assets			
Prepayment and Other Receiv ables	15	1.609	1.159
Total receiv ables		1.609	1.159
Bank deposits, cash in hand, etc	16	17.973	44.368
Total current assets		19.582	45.527
Total assets		1,379.812	1,317.263
Equity and liabilities			
Share capital	12	3.528	3.528
Share premium	12	2,494.192	2,494.192
Other equity	12	(1,186.199)	(1,238.972)
Total equity		1,311.521	1,258.748
Short term loans	17	0.008	0.046
Trade and other pay ables	18	2.278	0.147
Loans from group companies	14	66.005	57.325
Public duties payable		(0.000)	0.045
Other short-term liabilities		0.000	0.952
Total current liabilities		68.292	58.516
Total liabilities		68.292	58.516
Total equity and liabilities		1,379.812	1,317.263

 24th November 2022



 Frode Alhaug
Chairman



 Arild Engh
Director



 Ilkka Norjamäki
Director



 Terhi Koipijärvi
Director



 Matti Ante Karinen
Director



 Lasse David Nergaard
Director



 Cornelis J.C. Lemm
CEO

Cash flow statement

MNOK	Notes	Year ended 30-Jun-22	Year ended 30-Jun-21
Profit before taxation		52.791	(38.126)
Adjustment for non-cash income items			
Provision for doubtful receivables interco		1.658	18.778
Shares impairment		0.000	0.000
Interest accrued not paid		0.000	2.489
Foreign currency (gains)/losses		(62.784)	8.835
Depreciation		0.027	0.000
Other Non Cash		0.000	(0.360)
Net cash after adjustments		(8.308)	(8.384)
Movement in working capital:			
Change in short term receivables/payables		5.756	(0.547)
Change in payables and accrued exp		0.000	(0.405)
Cash used by operating activities		(2.552)	(9.336)
Tax Paid		(0.018)	0.000
Net cash used by operating activities		(2.571)	(9.336)
Investment activities			
Purchases of shares in subsidiaries		(13.834)	(0.777)
Property, Plant and Equipment		(0.257)	0.000
Proceed on sale of Investment		0.000	0.360
Loan to subsidiaries, net		(12.345)	(46.241)
Dividend Received		2.649	0.000
Net cash outflow		(23.787)	(46.658)
Financing activities			
Issue of shares, incl advance towards share capital		0.000	90.695
Loans proceeds, net		0.000	0.000
Loan repayment		(0.038)	(0.222)
Net cash inflow		(0.038)	90.473
Increase/(decrease) in cash and cash equivalents		(26.396)	34.478
Cash/cash equivalents start of year		44.368	9.890
Cash/cash equivalents at end of year		17.973	44.368

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 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 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 Cashflow 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 so as to prevent overstatement on the balance sheet.

OPERATIONAL PERFORMANCE

The Company revenues were NOK 5.8 million for the year 2021/22. Results from operations were a loss of NOK 12.8 million (FY20/21 loss of NOK 26.9 million). Net profit for the year was NOK 52.7 million (FY2021 loss of NOK 38.1m). The positive net position is mainly contributed by the unrealised forex gains NOK62.7m (FY20/21 NOK8.8m loss).

NOTE 2 REVENUES

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Carbon Revenue	0.000	2.269
Management Fees to subsidiaries	5.846	3.448
Total	5.846	5.717

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-22	Year ended 30-Jun-21
Salaries and wages	6.386	5.459
Board fees	2.091	1.715
Other Pension	0.315	(0.384)
Total	8.792	6.789
Number of employees	6	5

A total of NOK 2,676,400 was paid to Cornelis J.C. Lemm for services as CEO for the financial year ending June 2022, of which nil was paid in form of shares. NOK 1,537,378 has been booked as compensation to the board members during the financial year. The expense includes NOK723,472 to Frode Alhaug, the current Chairman of the Board (from September 2018). Three other board members received NOK 813,906 annual compensation. 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 CEO was paid NOK 452,900 as a bonus in respect of FY 2020/21 performance.

The auditor has been paid NOK 800,000 (2021: NOK 947,403), ex VAT, for statutory audits, NOK 47,418 (2021: NOK 204,371) for attestation and other services.

The company operates a defined contribution plan which includes 5 permanent employees as of 30 June 2022.

NOTE 4 OTHER OPERATING COSTS

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Consultancy fees	4.407	3.911
Travel cost	0.814	0.580
Office costs (rent, subscriptions, lease)	1.192	1.423
Insurance	0.403	0.478
Other costs	1.382	0.699
Total	8.197	7.091

NOTE 5 IMPAIRMENT OF RECEIVABLES

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Sao Hill Energy	1.658	18.778
Total	1.658	18.778

NOTE 6 FOREX GAINS AND LOSSES

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Intercompany Balances	59.246	(49.698)
Bank Balances	3.512	(2.864)
Accounts Payable -Trade	(0.039)	(0.398)
Loans	0.000	44.125
Total	62.718	(8.835)

During the year NOK depreciated by 15% resulting in a forex gain of NOK 62.7m mainly from intercompany receivables denominated in dollars.

NOTE 7 GAINS ON SALE OF INVESTMENT

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Tanga Forest Limited	0.000	0.360
Total	0.000	0.360

NOTE 8 FINANCIAL INCOME/EXPENSES

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Interest Expenses (Transfer Norfund A- Loan)	0.000	(13.014)
Interest Income(Reversal of Q4(FY19/20 interest exp	0.000	10.311
Accrued interest income (Interco Balances - BFC)	0.000	0.214
Other interest Income - Bank balances	0.000	0.001
Bank Charges	(0.042)	(0.222)
Total	(0.042)	(2.710)

NOTE 9 OTHER INCOME

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Dividend Income- BFC	2.943	0.000
Total	2.943	0.000

Dividend received from the subsidiary is subject to withholding tax of 10%deducted at the source

NOTE 10 PROPERTY, PLANT, AND EQUIPMENT

USD millions	Buildings	Motor Vehicles	Furnitre and Fittings	Total
Cost				
At start of year	0.000	0.000	0.000	0.000
Additions	0.000	0.000	0.257	0.257
Disposal	0.000	0.000	0.000	0.000
Costs at end of June 2022	0.000	0.000	0.257	0.257
Depreciation				
At start of year	0.000	0.000	0.000	0.000
Charge for the year	0.000	0.000	0.027	0.027
Transfer/Disposal	0.000	0.000	0.000	0.000
Depreciation at end of June 2022	0.000	0.000	0.027	0.027
Net book value 30 June 2022	0.000	0.000	0.231	0.231

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 expected at the rate of 12.5% over the life span of eight (8) years.

NOTE 11 INCOME TAXES

The company has an accumulated taxable deficit of NOK 631m (2021: NOK 685m) giving a tax credit of NOK 139m (2021: 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 11.1 Income tax expense result for the year

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Taxes payable	0.018	0.000
Unrecognized deferred tax	0.000	0.000
Income tax expense	0.018	0.000

NOK 18k was paid by the GRAS branch located in Tanzania as an Alternative minimum tax. This is equivalent to 0.5% of the total turnover.

TABLE 11.2 Calculation of deferred tax/deferred tax asset

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Net temporary differences	239.879	239.904
Tax losses carried forward	391.485	445.892
Total	631.364	685.795
22% deferred tax	138.900	150.875
Deferred tax assets not recognised	(138.900)	(150.875)
Deferred tax in the balance sheet	0.000	0.000

TABLE 11.3 Basis for income tax expense, changes in deferred tax, and tax payable

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Profit/loss before income tax	52.773	(38.126)
Permanent differences	1.658	18.846
Basis for the tax		
Expense of the year	54.431	(19.280)
Changes in temporary differences	(0.025)	0.000
Basis for tax payable in the profit and loss statement	54.407	(19.280)
paid/received	0.000	0.000
Change in tax losses carried forward	(54.407)	0.000
Basis for tax payable liability	0.000	(19.280)

NOTE 12.1 EQUITY

MNOK	Share equity	Share premium reserve	Other equity	Paid, not registered equity	Total equity
Equity 1/07/2020	1.064	1,557.195	(1,200.846)	0.000	357.413
Debt to Equity Conversion	2.442	846.324	0.000	0.000	848.766
Right Issue	0.022	90.672	0.000	0.000	90.695
This years result	0.000	0.000	(38.126)	0.000	(38.126)
Equity 30/06/2021	3.528	2,494.192	(1,238.972)	0.000	1,258.748
Equity 1/07/2021	3.528	2,494.192	(1,238.972)	0.000	1,258.748
Debt to Equity Conversion	0.000	0.000	0.000	0.000	0.000
Right Issue	0.000	0.000	0.000	0.000	0.000
This years result	0.000	0.000	52.773	0.000	52.773
Equity 30/06/2022	3.528	2,494.192	(1,186.199)	0.000	1,311.521

NOTE 12.2 SHAREHOLDERS' AND DIRECTORS' SHARE OWNERSHIP

The total number of shares registered in VPS on 30.06.2022 was 3,528,418 ordinary shares, distributed as below

30-Jun-22	Beneficial owner	Shares	%
Norfund	Norwegian Ministry of Foreign Affairs	1,814,511	51.4%
Finnfund	Finnish Ministry of Foreign Affairs	1,154,254	32.7%
Nordic Property Holding AS	Austbø/Bergh	78,384	2.2%
UniCredit Bank Austria AG	Groeller	67,185	1.9%
Sundt AS	Sundt	59,487	1.7%
Macama AS	Bøhler	41,473	1.2%
Steinerud AS	Rygh	37,460	1.1%
The Resource Group TRG AS	Røkke	34,388	1.0%
JOTUNFJELL PARTNERS AS	Olsen	33,570	1.0%
RYBØ AS	Bøhler	21,915	0.6%
32 owners 1,000-21,915		179,832	5.1%
61 owners < 1,000		5,959	0.2%
Total		3,528,418	100.0%

Board Member, Lasse Nergaard, represents Norfund's shareholding in the company of 1,814,511 shares. Board Members, Ilkka Norjamäki, represent Finnfund's shareholding in the company of 1,154,254 shares. Chairman of the Board, Frode Alhaug, represents 1,167 shares in the company.

NOTE 13 INVESTMENTS IN SHARES

Name of Subsidiary	Office location	Investment (MNOK)	Ownership %	Voting rights %	Results for		
					Equity	the year	
Green Resources Ltd- GRL	Tanzania	309.717	100%	100%	(492.779)	0.586	SHT merged with GRL
Sao Hill Transport Ltd- SHT	Tanzania	0.000	96%	96%			
Lindi Forests Ltd- LFC	Tanzania	0.000	100%	100%	(6.163)	0.049	LFC Merged with BFC
Sao Hill Agriculture- SHA	Tanzania	0.000	50%	50%	(3.120)	0.524	
Sao Hill Energy Ltd- SHE	Tanzania	0.000	100%	100%	0.052	0.211	
Sao Hill Industries Ltd-SHI	Tanzania	163.158	100%	100%	122.830	2.171	
Busoga Forestry Company Ltd- BFC	Uganda	50.326	100%	100%	(387.159)	(83.742)	
Lango Forestry Company Ltd- LFC	Uganda	11.433	98%	98%	(55.195)	0.000	
Nortan AS	Norway	0.000	100%	100%	(1.520)	0.039	
Niassa Green Resources SA- NGR	Mozambique	0.000	100%	100%			NGR, FDP and CKW merged and formed Green Resources Niassa SA
Chikwetli Forestry of Niassa SA- CKW	Mozambique	0.000	100%	100%			
Floresta Do Planalto- FDP	Mozambique	0.000	100%	100%			
Green Resources Niassa SA	Mozambique	27.375	100%	100%	762.266	48.057	
Tectona Forests of Zambezia LDA	Mozambique	0.000	100%	100%	396.125	0.792	
Lurio Green Resources SARL	Mozambique	0.000	100%	100%	379.593	0.677	
Niassa GreenPly	Mozambique	14.611	100%	100%	(12.224)	7.549	
Ntacula Florestas Da Zambezia LDA	Mozambique	0.000	100%	100%	63.833	(0.088)	
Companhia Florestal De Massanhulo,LDA	Mozambique	(0.000)	100%	100%	444.925	2.181	
GSFF AB	Sweden	275.324	100%	100%	(441.536)	(79.032)	
Sum		851.944					

During FY21/22, Green Resources increased its investment in Niassa GreenPly (NGP) to NOK 14.6m from NOK 0.78m in FY20/21, whereas Sao Hill Energy (SHE) and Sao Hill Agriculture (SHA) were stricken from the register of companies (BRELA) as they at the final stages of being wound up. Lindi Forest Limited (LFL) is in the process of being sold.

NOTE 14 INTERCOMPANY TRANSACTIONS AND BALANCES

As of 30 June 2022, the company had the following loan balances with its subsidiaries:

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Busoga Forestry Co Ltd	(2.730)	5.171
Lango Forestry Co Ltd	0.000	0.000
Sao Hill Industries Ltd	108.354	96.169
Green Resources Ltd	106.942	90.364
Tanga Forest Company Ltd	(0.000)	0.162
Lindi Forest Company Ltd	3.465	3.080
Lurio Green Resources	104.439	90.633
Niassa Green Resources	(0.000)	34.319
Nortan AS	0.000	0.034
Green Resources Niassa SA	150.540	87.077
Companhia Florestal de Massangulo Lda	(0.000)	0.037
Tectona Forests of Zambézia Lda	(0.000)	0.037
Ntacua Forests of Zambézia Lda	(0.000)	0.037
Niassa GreenPLY	37.047	26.504
Loans to group companies	508.056	433.626

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
GSFF AB	66.005	57.325
Loans from group companies	66.005	57.325

NOTE 15 PREPAYMENTS AND OTHER RECEIVABLES

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Prepayment	0.316	0.372
Input VAT	0.061	0.023
Other Receivables	1.232	0.764
Prepayment and Other Receivables	1.609	1.159

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

NOTE 16 CASH AND CASH EQUIVALENT

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Bank and Cash Balances	18.000	44.436
Bank Overdraft	0.000	0.000
Expected Credit Losses	(0.027)	(0.068)
Total	17.973	44.368

NOTE 17 BORROWINGS

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Short term shareholder loans	0.008	0.046
Total	0.008	0.046

Movement in Borrowings MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Balance as at Jun 2020	0.046	788.157
Loan Drawdown during the year	0.000	15.849
Interest Expense	0.000	13.014
Interest Income (FY1920 interest expense reversed)	0.000	(10.310)
Debt to Equity Conversion	0.000	(848.766)
Loan Repayment	(0.038)	(15.709)
Loan Transfer	0.000	102.535
Forex variation	0.000	(44.723)
Balance as at Jun 2022	0.008	0.046

The company had NOK 0.008m of borrowings at the end of June 2022, (June 2021 NOK 0.046m). This balance relates to three (3) shareholders that have not provided bank details for repayment

NOTE 18 TRADE AND OTHER PAYABLES

MNOK	Year ended 30-Jun-22	Year ended 30-Jun-21
Trade Payables	1.016	0.045
Accrued Audit Fee	1.027	0.000
Withholding Tax and Other	0.235	0.000
Total	2.278	0.045

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 EVENTS AFTER THE REPORTING PERIOD

Green Resources AS' board of directors was approached by Sydney-headquartered investment manager New Forests in April 2021 with an expression of interest to acquire 100% of the shares in Green Resources AS.

Following a due diligence process, which was concluded in May 2022, and subsequent negotiations, an offer was made by New Forests through New Forests Africa Investments VCC acting for the purpose of African Forestry Impact Platform ("AFIP") an investment platform established by New Forests which is focused on investments in Sub-Saharan Africa.

The board and the majority shareholders in Green Resources AS have negotiated and on 29th of July 2022 entered into a transaction agreement with New Forests Africa Investment VCC, regulating the terms and conditions of an offer to be made by New Forests Africa Investment VCC to acquire all the shares in Green Resources AS (the 'Offer').

The board has unanimously resolved to recommend that the shareholders of Green Resources AS accept the Offer.

The making of the Offer is subject to the fulfillment of certain pre-conditions, such as the initial subscriptions for interests in New Forests Africa Investment VCC. Shortly after such pre-conditions are fulfilled, the Offer and all necessary information about the terms and conditions and the process for the Offer will be made available to all the shareholders through Nordic issuer. Thereafter, shareholders will be able to assess and determine if they wish to accept the Offer.

The completion of the Offer will be subject to customary conditions, including regulatory approval (in Tanzania).