ANNUAL REPORT 2022

GROWING SALES AS DEMAND FOR HEALTHY AND AFFORDABLE FOOD INCREASES

GREENFOOD®

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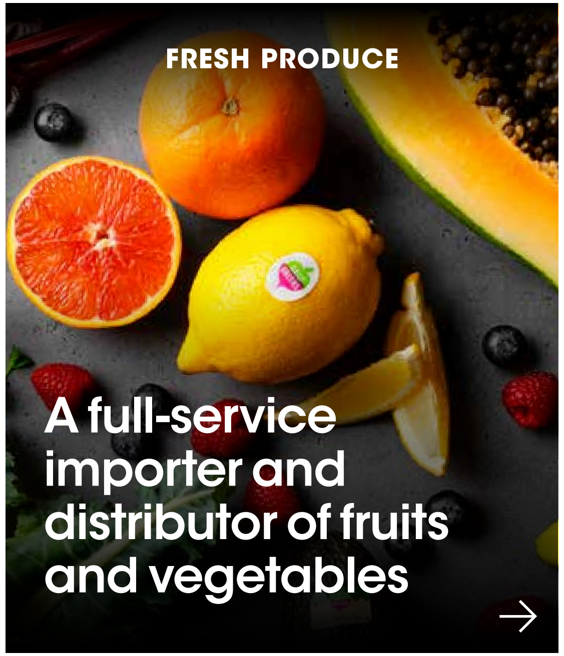
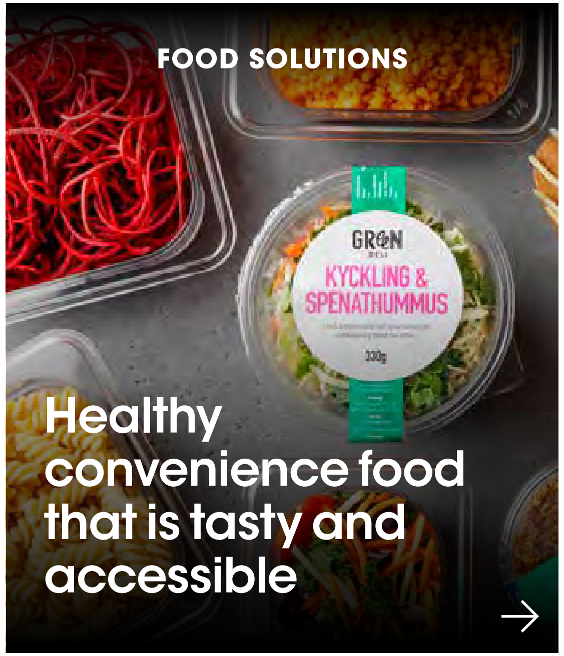
A PASSION FOR DELICIOUS AND HEALTHY FOOD

Greenfood is a leading European player in creating healthy and sustainable food that is delicious, affordable and accessible. From self-service salads and ready-made meals to fruits and vegetables sourced directly from farms spread across much of the globe. Through our three business areas Greenfood supplies fresh and healthy plant-based food, both raw and processed, to customers in hotels, restaurants and catering as well as retail.

OUR THREE BUSINESS AREAS





2022

BETTER PERFORMANCE AND IMPROVED PROSPECTS

Growth in sales
21.2%

Growth in EBITDA
35.4%

Increase in EBITDA-margin
13.5%

OPERATIONS	REVENUE
FRESH PRODUCE 353 employees 246,000 tons of fresh fruit & vegetables	SEK 3,370.1 million
FOOD SOLUTIONS 333 employees 13 million Food-to-Go products	SEK 1,081.8 million
PICADELI 233 employees 30 million portions of self-serve salad	SEK 1,264.5 million

EARNINGS

Adjusted EBITDA
SEK 219.0 million

Operating cash flow
SEK 146.9 million

CASH

Available liquidity
SEK 427.0 million

External net debt
SEK 1,401.4 million

See definitions of financial measures on page 120.

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FOOD SOLUTIONS

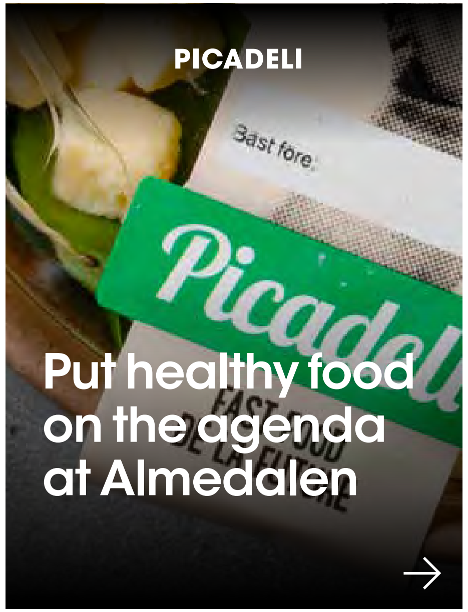
Centralization and streamlining of Food Solutions' operations in Finland

FRESH PRODUCE

Smart urban farming initiative with Agtira

SUSTAINABILITY

Reduced climate impact by a record 40 percent



PICADELI

Put healthy food on the agenda at Almedalen

Click here to read more.

"A year of renewed trust and investments in the future."

FRESH PRODUCE

Five-year contract with Dagab worth SEK 600 million

ECONOMIC SUSTAINABILITY

Greenfood's sustainability-linked bond was listed on Nasdaq Stockholm

WE MAKE HEALTHY FOOD ACCESSIBLE

In 2022, Greenfood demonstrated remarkable resilience amidst widespread market adversities and macroeconomic headwinds, achieving an impressive business growth exceeding 20 percent. The entire organization has navigated these global challenges showcasing commendable performance and effectively delivering results. We have built new modern facilities, drastically reduced our carbon footprint, established numerous new agreements and partnerships, won several awards for our sustainable and healthy food, and last but not least, we have been at the forefront of driving public debate on food security. Health and food are two of the most important aspects of human life. Leading a company that is at the intersection of these two issues and that has both the desire and the ability to make a difference is a privilege – but also a great responsibility.

The last three years have been turbulent, to say the least. The first two were characterized by the Covid-19 pandemic, which affected all of society, including Greenfood. This was followed by Russia's invasion of Ukraine, which plunged the food industry and the economy into a new crisis as a consequence of several intermediate goods, such as fossil fuels and fertilizers, skyrocketing in price. The result was widespread inflation and higher prices in almost all markets, which forced central banks worldwide to raise interest rates. Consequently, households have less disposable income and consumers are more price-conscious. This impacts most food companies, not the least Greenfood. For us, this has meant a continued effort to streamline operations and hone our offering of healthy, sustainable, and perhaps more importantly than ever, affordable food.

"Greenfood's focus on sustainability, health and value for money is more relevant than ever."

A more efficient operation

With cost efficiency as our guiding principle, our major initiatives in 2022 were to consolidate factories and warehouses into larger units to create greater economies of scale. Food Solutions' operations in Finland were fully centralized to Helsinki during the year, and Picadeli invested in a big new logistics facility in Belgium to streamline operations and facilitate further expansion in Europe. In Sweden, we continued to consolidate a large number of factories and warehouses under one roof in Helsingborg. With the Greenfood Greenhouse, we are creating a foodtech super facility that will be one of Europe's most modern ecosystems for innovation, production, and distribution of healthy and sustainable food. In these times of soaring energy prices, we have also worked hard to improve the efficiency of our energy use. For example, we are investing heavily in electric vehicles both internally and in the logistics chain, and an increasing share of our operation is now fully powered by renewable energy sources. All of these actions make our operation more sustainable, both environmentally and economically.

A voice in society

Health and sustainability have become increasingly important in society and in people's lives in recent years. The food we eat is crucial to the health of individuals and of the planet, which is why food companies like Greenfood have an important role to play. During the year, we embraced that role by really taking a position in the public space. In op-eds, at conferences and in seminars at Almedalen, we have discussed the conditions for people to eat sustainably and healthily. For example, we have discussed the removal of VAT from fruits and vegetables, as well as better labeling of healthy food, thus creating a voice for health and sustainability. Greenfood has made great strides in becoming one of the thought leaders in healthy and sustainable food, and that is a position we will continue to build.

> "With the Greenfood Greenhouse, we are creating a foodtech super facility that will be one of Europe's most modern ecosystems for innovation, production, and distribution of healthy, sustainable food."

Accessible food is increasingly important

Greenfood is an integrated part of global trade, with Greenfood is an integrated part of global trade, with links to every corner of the world. The immense value derived from global interconnectivity is undeniable, and we are very proud to be a part of that exchange. That being said, there is value in shortening the food supply chain. Producing locally offers several advantages; it can reduce our carbon footprint, make it easier to check our suppliers to ensure their goods are produced with respect to the environment and working conditions, and, above all, strengthen food security by improving local self-sufficiency. We already encourage locally grown goods in our purchasing chains, including through the "Ju närmre desto bättre" ("the closer, the better") brand. In 2022, we entered a partnership with Agtira, which will result in vertical and automated urban farms that grow fresh vegetables directly adjacent to local communities. The success this year of our foodtech pioneer Picadeli really proves that people are demanding better accessibility in the healthy food segment – both when it comes to convenience and price. Our sustainable, healthy and affordable fast-food solution has made strong progress during the year and is now well established in eight countries, including the US, where we cemented our position in 2022. Picadeli's sales increase of over 50 percent, and the accompanying profit increase of around 175 percent, clearly shows that our offering, driven by a focus on sustainability and health, is timely.

The purpose of Greenfood is to make healthy and sustainable food better. Our work has therefore always involved making it more accessible, more appetizing and more affordable. At a time like this, with rising prices and a looming recession, the last part of that equation is more important than ever. Greenfood's major mission in the coming year is to help ensure that regardless of financial situation, everyone should have the opportunity to eat healthily. They say that the best investment you can make is in your own health. In the coming period, our task is to do everything we can to give people this opportunity.

David von Laskowski,
Group President and CEO

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BUSINESS

GROWING DEMAND FOR HEALTHY PLANT-BASED FOOD.

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GREENFOOD OPERATES ON THE MARKET FOR HEALTHY AND PLANT-BASED FOOD

We supply the market with products in three broad categories: fresh fruit and vegetables, such as apples, bananas, carrots and tomatoes; processed plant-based products, such as chopped vegetables and sliced fruit; and ready-made, healthy plant-based food, such as sandwiches, wraps, ready-made salads and salads assembled in our Picadeli salad bar concept. Our products are primarily sold to two customer segments: retailers, and HoReCa. In the retail sector, our customers include grocery and convenience stores, while HoReCa includes hotels, restaurant chains and specialized wholesalers.

Grocery and convenience stores – higher prices lead to new purchasing patterns

Most of Greenfood's sales are to grocery and convenience stores. In many supermarkets, our entire product range can be found. Our fresh fruits and vegetables fill the fresh produce department while shelves are packed with ready-made plant-based products in the form of salads, wraps and sandwiches, and in the middle of the store healthy self-service salads are available through our Picadeli concept. In the convenience channel, we primarily sell our ready-made plant-based products, which are taken directly from the shelf or assembled from our salad bars found in convenience stores, kiosks and gas stations.

2022 was characterized by inflation and according to Statistics Sweden, food prices increased by 18.6 percent. Increased costs are changing purchasing patterns, and consumers are buying fewer or cheaper goods. Adjusted for inflation, the total sales value in both the grocery and convenience sectors decreased by around 5 percent during the year[1) 2)]. Nevertheless, Greenfood's sales have increased, especially in Picadeli, which is one of the more affordable lunch options benefiting from new purchasing patterns.

In both these segments, demand for plant-based food is increasing. In Swedish grocery stores, fruit and vegetables account for about 13 percent of sales, and fruit and vegetable sales per capita have increased by 5 percent since 2016[1)].

HoReCa – continued growth

Greenfood sells the entire product range to the HoReCa segment, with a focus on prepared plant-based products such as rinsed, peeled and chopped fruit and vegetables. Sales take place both directly to fast food chains and through the major HoReCa wholesalers, such as Martin & Servera and Svensk Cater.

According to Statistics Sweden's Restaurant Index, restaurants increased their sales value by 27.7 percent during the year, and adjusted for inflation, the increase was 18.7 percent[3)]. Greenfood has also felt this increased demand; our Fresh Cut segment had good growth during the year.

Within HoReCa, the trend toward a more plant-based product range is strong. For example, the major fast food chains have developed their selections and offer both vegan and vegetarian options. In addition, the public sector is increasingly demanding a higher share of organic and plant-based products in their purchases.

1) Dagligvaruindex (Grocery Index) annual report 2022
2) Convenience stores index Q4 2022
3) Statistics Sweden, Restaurant Index Q4 2022.

STRONG SOCIETAL TRENDS DRIVING DEMAND FOR PLANT-BASED FOOD

The market for sustainable, healthy and accessible food is facing a number of strong trends, all of which are driving underlying structural growth. A greater awareness of the need to take care of ourselves, each other and our planet has made sustainability and health two of the most central values in people's lives. This is resulting in changed behavioral patterns and eating habits that strengthen the market for plant-based food in general, and Greenfood's business in particular.

Sustainability

Consumers around the world are focusing more and more on environmental issues and have higher and higher demands for the food we eat to have the lowest possible impact on our planet. More households are choosing food that has the least possible impact, which is increasing demand for plant-based food.

Health

The impact of food on our health is becoming increasingly important for how and what we choose to eat. It is widely known that fruits and vegetables have major health benefits compared to other foods and there is a sharp rise in demand for healthier fast food.

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Locally produced
The closer the food is produced, the better – for several reasons. Locally produced food reduces transports and thus climate impact, while also contributing to jobs and a thriving countryside. Labels that show that the food is locally produced are gaining an increasingly prominent place on packaging and in advertising.

Affordable
Costs have increased in the past year. The Russian invasion of Ukraine caused energy prices to soar, while interest rates are being pushed up to curb inflation. This means that many households are left with a smaller budget for food. Since plant-based products are generally cheaper than animal products, households can shift their consumption toward green foods that offer the same nutrition for less money.

Availability
Consumers still want quick and convenient access to healthy food. Driven by such factors as a more urban lifestyle, consumers are demanding accessible and ready-made food and healthier choices when food is eaten on the go.

Digitalization
Digitalization is affecting our entire society, and also the market for healthy plant-based food. Increased and faster dissemination of information has raised awareness of the impact of food on health and the environment. At the same time, digital technology is opening doors to new solutions that make plant-based food tastier and more sustainable.

GREENFOOD IS WELL POSITIONED TO MEET THE MARKET'S NEEDS

Over the years, Greenfood has built up a competitive range of plant-based foods. With such a comprehensive offering of healthy and sustainable vegetarian and vegan foods, we are ready to respond to consumers' increased awareness of health issues and environmental concerns. Our strategic focus places a natural emphasis on sustainability and health. By taking the lead in the application of new technology and new methods, we aim to be an innovative guiding light in making sustainable and healthy plant-based food available everywhere and to everyone.

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Sustainability is an integral part of our business

At Greenfood, sustainability is an integral part of our entire business. With a range consisting of 95 percent plant-based foods, our offer is well adapted to a world where sustainability is in focus. Still, we want to do more. We want our decisions to lead to a more sustainable society and we are therefore always looking at the big picture: food, environment, and people. We are constantly working to strengthen sustainability in these strategic focus areas. We have measurable and very ambitious sustainability goals in all of these areas, and by joining the Science Based Targets initiative, we are giving these goals even greater emphasis.

Our plant-based range is both healthy and tasty

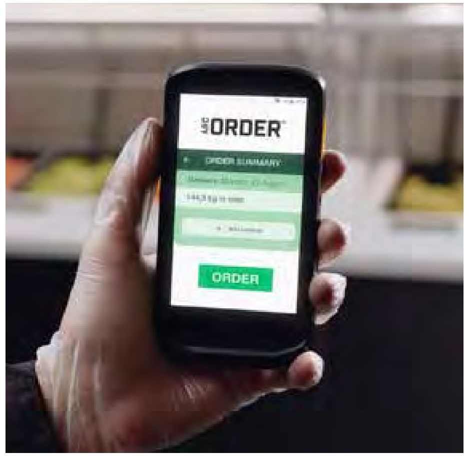
Our plant-based offering is coming along just in time to benefit from an increased demand for healthy food. We have taken several important steps toward developing a range that benefits both health and the planet. Our pioneer in salads, Picadeli, has completely eliminated red meat and today the range consists of 90 percent vegetarian and 70 percent vegan foods. Another of our companies, Ahlström's Factory, offers healthy food concepts that allow more people to eat vegetarian meals. They have also developed a range of plant-based products made from Nordic raw materials. To demonstrate that our food is both good and healthy, we use the accepted standard Nutri-Score which, in a simple way, informs people about the nutritional value of each product and shows its balanced nutritional content on a scale of A-E.

Ready-made green food and convenient self-service represents the new, healthy fast food

Greenfood's range for Food Solutions and Picadeli offers healthy food that is simple, convenient, and flexible. Our pre-chopped and pre-washed vegetables save consumers time. With ready-made sandwiches, wraps and salads, as well as Picadeli's convenient salad bars, Greenfood is well positioned to meet consumers' demand for simpler, more accessible healthy food. Fast food has long had negative connotations, but after continuous product development, we now have a range that can change the fast-food landscape and quickly become synonymous with healthy eating. Our offer is aimed at an unsatisfied demand: food that is accessible, tasty, healthy, and affordable.

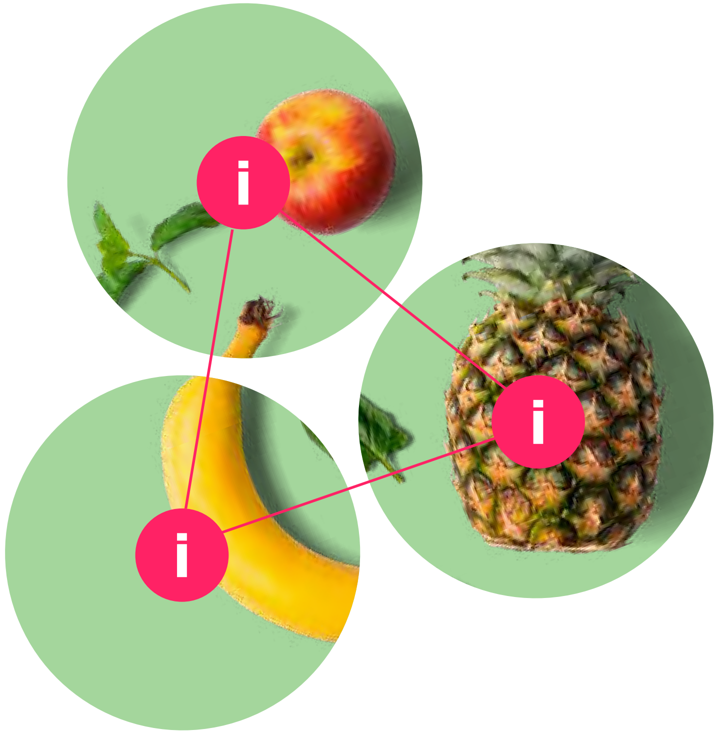
A focus on technology strengthens all aspects of our business

A technology-oriented approach strengthens our entire business through continuous improvements in efficiency and quality. Throughout the Group, we continuously promote digitalization and the adoption of new technology. We use modern technology to develop our business models, strengthen our value chains and make life easier for our customers. This applies in particular to the Picadeli business area which, with the help of data collection and AI technology, can deliver valuable consumer insights to the rest of the Group and to our customers. Greenfood's strategic technology focus has accelerated our growth rate and scalability, and has been crucial to our opportunities to expand internationally.



Operational strategy

UNIQUE MARKET POSITION WITH GREAT OPPORTUNITIES



The Greenfood Group is active throughout the value chain for healthy and sustainable food. Our breadth and size generate benefits for the entire business. By centralizing a set of key functions, we can create economies of scale and reduce costs, while knowledge from various business areas provides in-depth consumer and market insights. Our size and knowledge allow us to be at the forefront of creating new products. The operational strategy can be summarized as Greenfood's three I's: integration, insight, and innovation.

Integration creates efficiency

With three business areas that have a shared foundation in healthy, plant-based green food, Greenfood is achieving critical mass when it comes to fresh fruit and vegetables. Several functions from sourcing to processing, deliveries and customer relationships can be shared across business borders to leverage economies of scale. Fruit and vegetable purchases are efficiently coordinated to ensure quality and the integrity of the supply chain. Processing can be centralized to bigger production units, for example, Food Solutions prepares and processes about half of the products that Picadeli sells. Similarly, the well-developed logistics of Fresh Produce can be used to also deliver products for other business areas. Integrating multiple functions enables us to create critical mass and cut costs.

Insight leads the way

Greenfood's activities range from contact with local farmers to end consumers at our salad bars. This provides access to a wealth of customer relationships, data and insights. Picadeli's salad bars contain advanced technology that keeps track of a variety of variables related to a purchase. With advanced data analysis, we can quickly transform this data into deep consumer and market insights, which benefits the entire operation. The fact that the different business areas generally have the same customers creates synergies and benefits in customer management and creates strong relationships, while providing knowledge about the market and trends that benefit all of Greenfood.

Innovation wins the market

With insight into several stages of the value chain, we get a unique overview of the opportunities facing the industry and insights into consumer needs. Our size also means we have the financial muscles to leverage knowledge and turn it into new products and services. The continuous innovation underway in the Group is building up knowledge about the development process for healthy and sustainable food, and over time, we are becoming even more effective at taking new approaches. All in all, this gives Greenfood a unique market position with a solid base and an innovative growth engine.

Sustainability strategy

GREEN FOOD TODAY FOR A BETTER WORLD TOMORROW

Our sustainability initiatives are guided by the principle: "Green convenience today, for a greener tomorrow." Sustainability permeates our entire organization, and we address it from three main areas: food, the environment, and people.

Shared responsibility

Integrating sustainability into our day-to-day operations creates the broad engagement that is necessary in order to achieve our sustainability goals. The entire organization strives to achieve sustainability led by the Group President and CEO who, in consultation with Group management and the Head of Sustainability, prepares strategies, policies and targets and follows up sustainability initiatives.

Operational sustainability initiatives are run by a committee comprising central sustainability functions and sustainability managers in the business areas. The committee coordinates the Group's goals and sets priorities for key issues. Each business area also has a sustainability coordinator who follows up the Group's goals at the company level. This provides clear governance and effective sustainability initiatives throughout the Group.

Our key issues

Our materiality analysis [1] was conducted in 2018 and further developed in 2021. Through the double materiality perspective, the analysis considers both how Greenfood is affected by various sustainability aspects, and how the world is affected by our work.

The materiality analysis identified the following focus areas as most important for our sustainability initiatives: food safety, food waste, healthy food, carbon footprint, packaging, water use, social responsibility in the supply chain, and working conditions in our organization.

Our most important stakeholders are the groups that are most impacted by and/or influence our activities: customers, employees, owners, suppliers, partners and other key players in society.

[1] For visual presentation methodology, see sustainability notes on page 60.

FOOD IS THE HEART OF OUR BUSINESS
Our mission is to transform nature's raw materials into delicious, accessible and healthy options that are good for people and the environment.

THE ENVIRONMENT IS THE PREREQUISITE FOR ALL GROWING THINGS
We minimize our environmental impact through smart use of resources at every stage and by minimizing food waste and our emissions.

PEOPLE ARE OUR MOST IMPORTANT RESOURCE
We are committed to equality and diversity and to improving working and living conditions not only for the people in our organization, but for everyone in our entire supply chain.

Sustainability strategy

OUR SUSTAINABILITY STRATEGY

Food

Enables sustainable & healthy lifestyles

Healthy food
Actively working to make healthy food accessible.

Food waste
Using technology, focusing on innovation to increase operational efficiency in order to reduce food waste.

Food safety
Systematic quality assurance of working methods, processes and standards to ensure maximum quality and food safety.

Environment

Smart use of resources

Carbon footprint
Reducing our carbon footprint with more environmentally friendly logistics, improving processes, adjusting product ranges and using new technology.

Packaging
Reduce the use of packaging materials through smart product development, innovation and requirements.

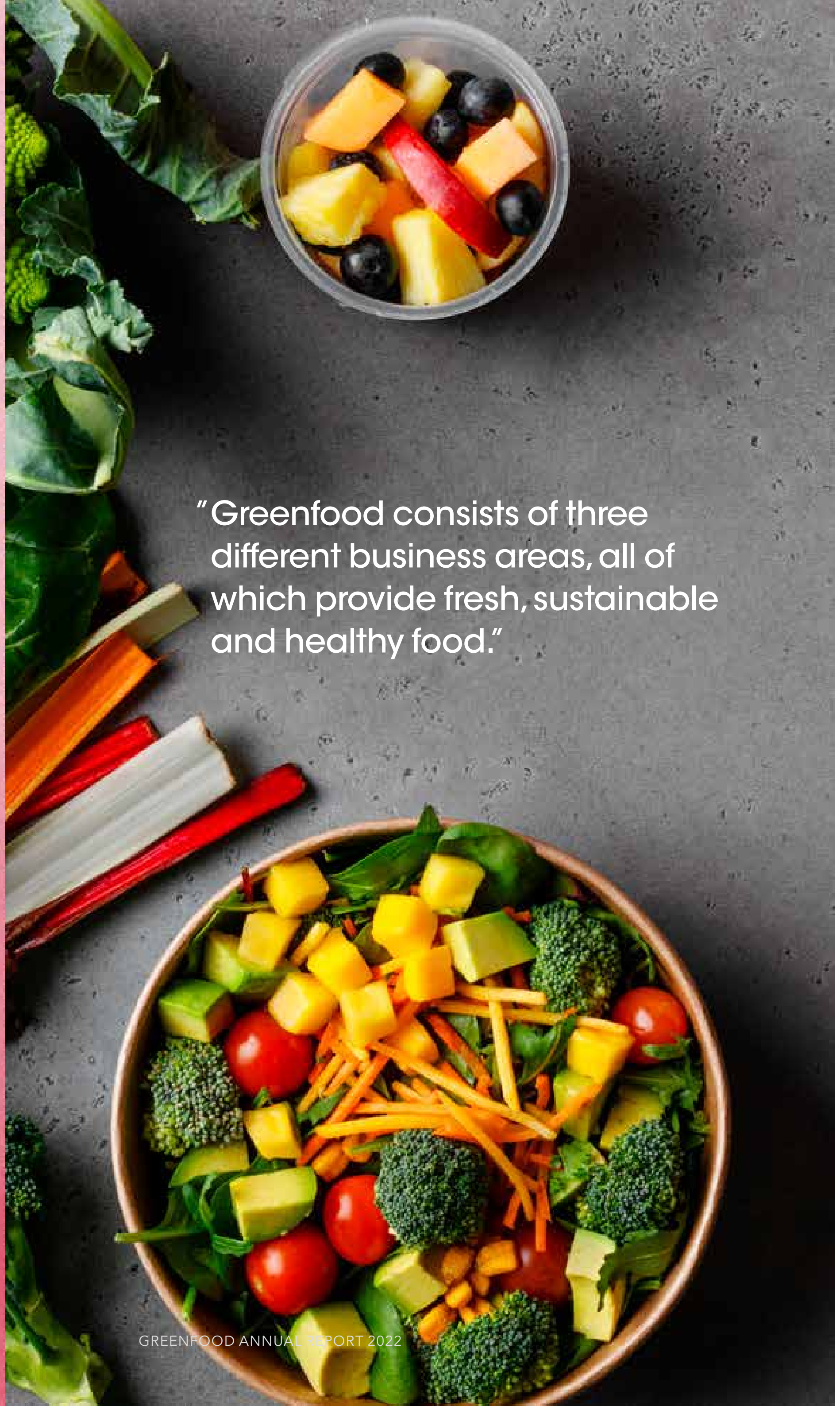
Water use
Systematic quality assurance of working methods, processes and standards to ensure maximum quality and food safety.

People

Reliable partner that supports well-being & responsible people

Social responsibility in the supply chain
Secure processes and requirements to ensure that we only buy from socially responsible suppliers.

Working conditions in our organization
Maintain a safe and secure work environment that creates conditions for committed and responsible staff.



"Greenfood consists of three different business areas, all of which provide fresh, sustainable and healthy food."

THREE BUSINESS AREAS THAT CREATE A COMPLETE GREEN OFFERING

Fresh produce
buys fruits and vegetables, both locally sourced and imported, and offers a complete product range to grocery retailers and HoReCa wholesalers.

Food solutions
creates ready-made and packaged healthy and sustainable food that is sold to grocery and convenience retailers, restaurant chains and HoReCa wholesalers.

Picadeli
The third area, is an advanced, high-tech salad bar that constitutes a healthy and sustainable fast food concept aimed at grocery and convenience stores.

Our three business areas supply the market with various services and products that jointly create a complete offering of healthy and sustainable food.

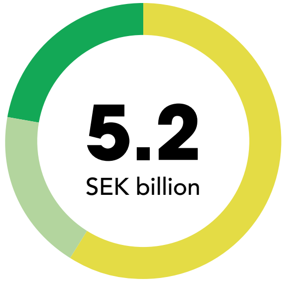
MARKET LEADERS IN EACH SEGMENT

Fresh Produce and Food Solutions are stable, large-scale and very well-established businesses that create a solid base for Greenfood's future development. Picadeli is the fast-growing and scalable upstart driving the Group's international growth. Greenfood's various business areas all have a strong position on their respective markets. Picadeli, which is offered to consumers in Sweden, Finland, France, the US, Germany, Belgium and Estonia, holds a market-leading position in all of these markets, except in our youngest markets of Belgium and the US. Food Solutions operates in Sweden and Finland and is the market leader or No. 2 in the areas of Food-to-Go and Fresh Cut. Business area Fresh Produce is the independent market leader in Finland and second largest in Sweden.

Employees 2022

- Fresh produce, 38%
- Food Solutions, 36%
- Picadeli, 25%

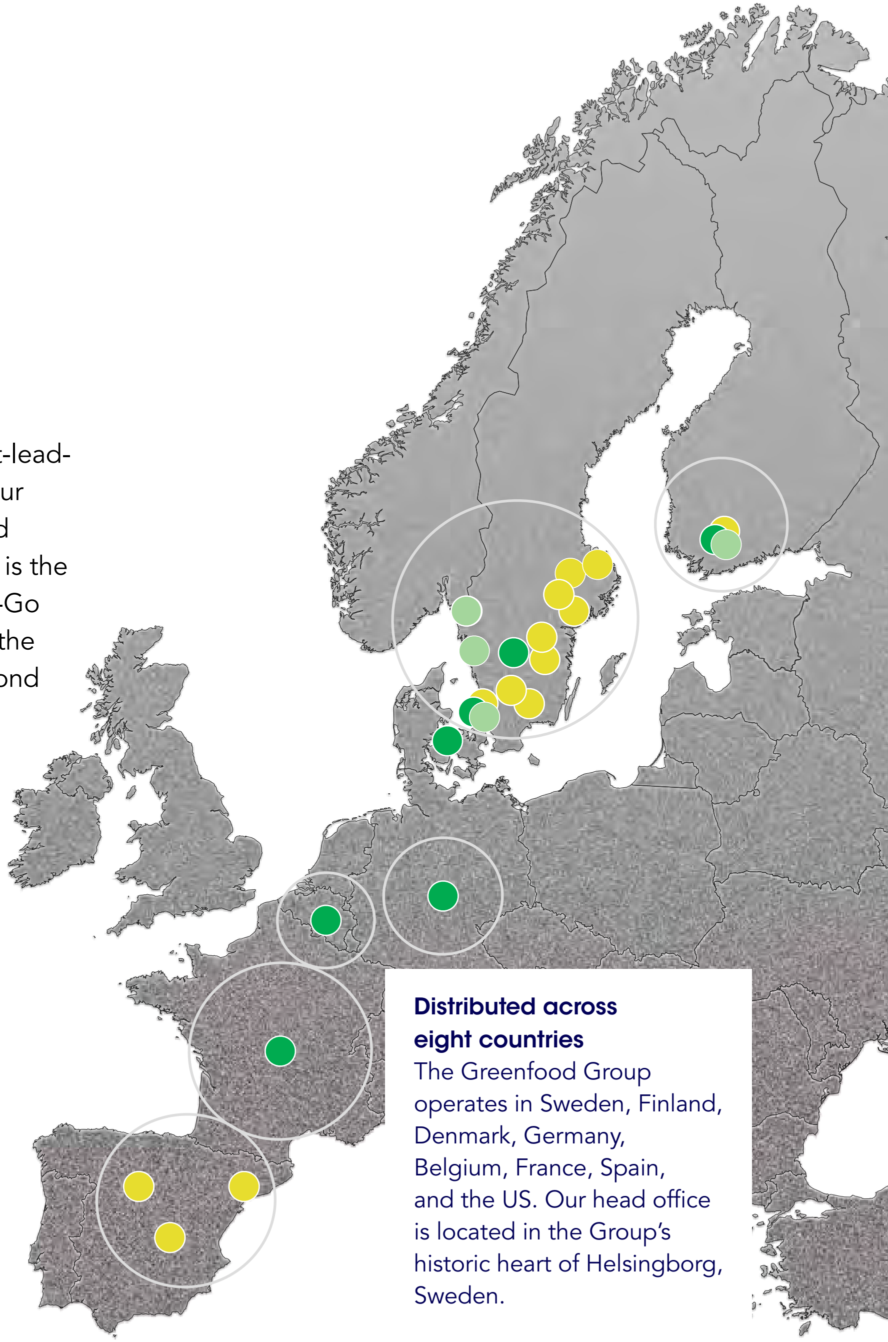
Revenue 2022



- Fresh produce, 59%
- Food Solutions, 19%
- Picadeli, 22%

Adjusted EBITDA 2022

- Fresh produce, 36%
- Food Solutions, 24%
- Picadeli, 39%



Distributed across eight countries

The Greenfood Group operates in Sweden, Finland, Denmark, Germany, Belgium, France, Spain, and the US. Our head office is located in the Group's historic heart of Helsingborg, Sweden.

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INCLUDING SEVERAL STRONG BRANDS

Greenfood's portfolio includes several strong brands. Here are our biggest ones.





Picadeli®

Market leader in Europe with its high-tech salad concept. In the last year, Picadeli was also launched in Food-to-Go.

Salla Carte

One of the Nordic region's leading brands in fresh processed fruits and vegetables aimed at HoReCa.

GREEN DELI

The market leader in Finland for healthy and delicious Food-to-Go products.

DAILY GREENS

Leading brand in fresh fruits and vegetables sourced directly from growers.

TUOREKSET

One of Finland's leading brands in healthy, fresh vegetable and salad mixes.

ahlgood

Vegan and organic products created to make it easy, natural and tasty to replace animal protein with plant-based alternatives.

GROUP – 2022

STRONG SALES GROWTH AND SUSTAINABILITY EFFORTS

Back to pre-pandemic levels

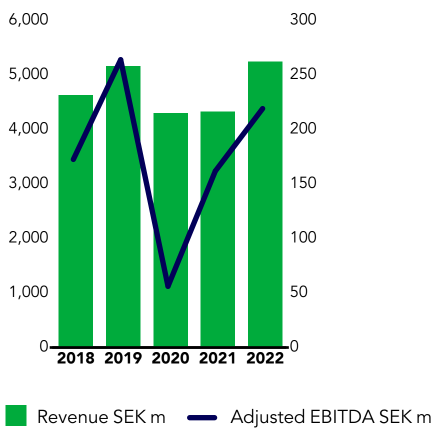
The Covid-19 pandemic had a substantial impact on our sales. After a period of robust growth, a peak was reached in 2019, before the pandemic changed the conditions for our business. 2021 brought a good recovery, but not until 2022 did the effects of the pandemic really begin to fade. During this year, sales increased by 21.2 percent compared to 2021. All business areas grew their revenue, but the largest growth was in Picadeli. The majority of the sales increase was due to increased volumes, but a portion was also due to price increases linked to inflation.

This year's operating profit is also strong: adjusted EBITDA increased by 35.4 percent compared to 2021. This is despite investments in centralizing and streamlining Food Solutions' operations in Finland, which resulted in one-off costs. In general, the improved operating profit is due to higher sales volumes leading to more efficient use of resources. This is particularly true for Picadeli, where much of the sales growth was in existing salad bars.

A great year for sustainability

This year, Greenfood's climate impact per ton of food sold was an impressive 40 percent lower than in 2020. The Group has taken a holistic approach to climate and energy issues, leading to this record reduction in emissions. The reduction was the result of everything from major investments in heat recovery and renewable energy to improved work methods. During the year, we also updated our company car policy (purchase and leasing) which, after a phase-out period, will now only include electric cars. To facilitate the transition, 300 charging stations will be installed at the soon finished Greenfood Greenhouse. During the year, Greenfood also joined Bower – an initiative seeking to close the gap between the share of recyclable packaging and packaging that is actually recycled. By earning a penny every time they scan their product, customers are incentivized to sort their waste properly. This generates benefits for customers, businesses and the environment.

Revenue and EBITDA 2018–2022



About Greenhouse

Location: Långeberga, Helsingborg

Size: 44 000 m²

Construction time: Q2 2021–Q2 2023

Operations: Purchasing, product development, processing, production, packaging, warehouse and distribution

Number of people employed at full operation: 300–400

CASE

Greenhouse – A sustainable hub filled with green tech

Soon it will be ready for occupancy: Greenfood Greenhouse, one of northern Europe's largest centers for sustainable and healthy food. This ultra-modern facility is packed with green technology and will be the central hub of Greenfood's operations in Helsingborg – and in Sweden.

Ground was broken in 2021 and Greenhouse will be completed in 2023. The facility will house Greenfood's existing Helsingborg companies, with purchasing operations, product development, processing, production, packaging, warehousing, and distribution. Through more production and storage capacity, increased automation, a more efficient and sustainable logistics chain and more coordinated operations, Greenhouse will significantly strengthen our competitiveness. This gives us the opportunity to meet customer demands for capacity, delivery speed and pace of innovation while reducing our environmental impact and cutting costs.

The Greenhouse facility is equipped with the latest climate and indoor environment technology to create good working conditions for the staff, and the business units are strategically placed to achieve the highest possible efficiency in internal flows. To ensure a pleasant and productive work environment, we also established focus groups in which employees gave input on the facility's design. Using these insights, we are creating a workplace that is both productive and sustainable, while providing a safe, pleasant, and inspiring work environment for all employees.

Greenhouse has been planned not only to be efficient internally, but also to optimize the entire logistics chain. The location was chosen strategically. Helsingborg is Sweden's fruit and vegetable hub, with nearly 90 percent of all imports. The strategic location and a full range of plant-based foods makes it possible to provide customers with everything they need from a single logistics hub. Paired with our methods for optimized loading and routes, this allows us to significantly reduce logistics costs. The result is a more sustainable operation with less environmental impact, while boosting efficiency and competitiveness.

By using the latest technology, operations in Greenhouse are also optimized to minimize its carbon footprint. Efficient cooling systems and modern heat recovery ensure the efficient use of energy and also reduce costs. In addition, the facility will have a photovoltaic system for generating electricity and charging infrastructure for electric vehicles to further reduce environmental impact.

With Greenhouse, we are creating an ecosystem for healthy and sustainable food. This customized, state-of-the-art and environmentally efficient food and logistics center will allow us to continue to grow, increase our volumes, and develop our product range.

FRESH PRODUCE

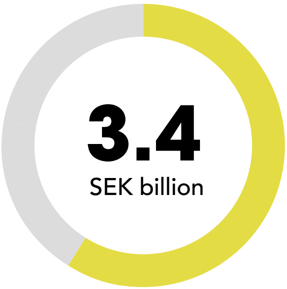
THE MARKET'S LARGEST SELECTION OF FRUITS AND VEGETABLES

Fresh Produce is the oldest part of Greenfood's business. At Fresh Produce, we buy and resell fruits and vegetables to customers from local and global suppliers alike, primarily on the Nordic market.

Employees 2022

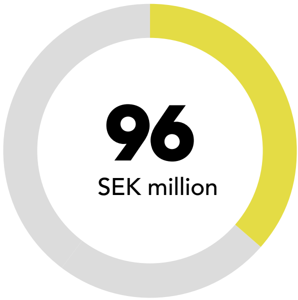
Fresh Produce's share of the Group, 38%

Revenue 2022



Fresh Produce's share of the Group, 59%

Adjusted EBITDA 2022



Fresh Produce's share of the Group, 36%

A wide range of fruits & vegetables

Our close cooperation with players in both HoReCa and the grocery retail sector allows us to offer a wide and complete range of products. But it's not just affordable staple products. We also offer a colorful range of niche products like berries, exotic fruits, and organic and locally grown produce. Our wide range of basic goods such as potatoes, onions, tomatoes, cucumbers, and salads is sourced from the local area and also further afield when the season demands. We're constantly expanding our range of exotic fruits and vegetables to include exciting new green goods. Not so long ago, kiwis and avocados were considered exotic fruits, but today they are part of everyday life. As an importer, we have a key role to play in ensuring that new food experiences and cultures are rolled out to the Nordic market.

Importing from all over the world, distributing in the Nordic region

Fresh Produce's purchasing operations are located in the Nordic region and in Spain, and we can also reach producers across large parts of the world via our purchasing channels. The proximity of our own purchasing operations to European producers gives us a high level of knowledge in the purchase, quality, and handling of fruits and vegetables. This benefits our customers who are primarily located in the Nordic region. Fresh Produce supplies fruit and vegetables to grocery stores, HoReCa, as well as public sector restaurants in the Nordic market.

Green importer since 1964

Our journey started back in 1964 when Ewerman was founded in Helsingborg, the city that was the hub of Swedish fruit and vegetable imports. Our extensive experience in Fresh Produce means that we have built up lots of industry knowledge and a large network of customers and suppliers. The legacy of nurturing long and mutually successful relationships with our suppliers, be they farmers, cooperatives, packing houses, exporters or any other type of business, has been an asset to the entire Group. Long-term relationships with suppliers and customers mean stability and security along our value chain even during troubled times, whether due to pandemics or war.

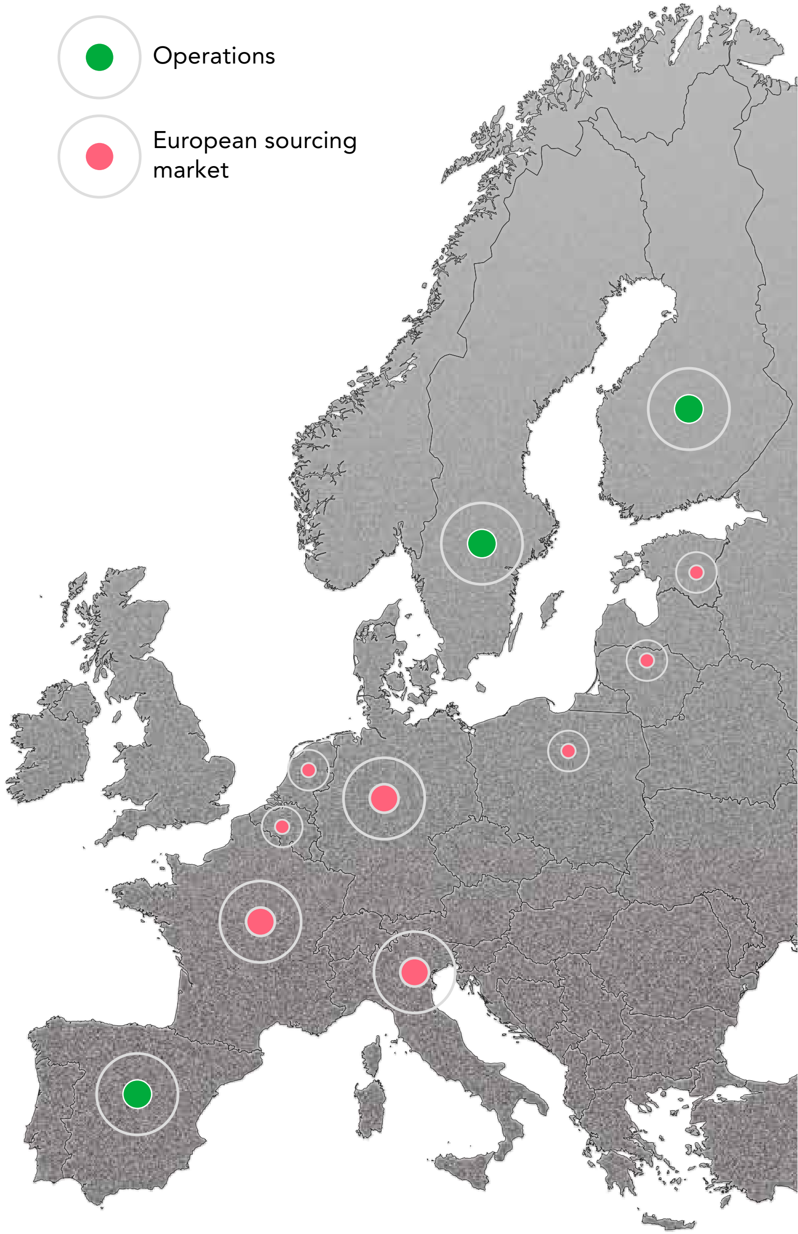
Market leader in Finland and No. 2 in Sweden

With total deliveries of more than 246,000 tons of fresh fruits and vegetables to our customers, Greenfood has a strong position on the Swedish and Finnish markets. On the Swedish market, Greenfood is the second largest independent player, with many major customers such as ICA, Hemköp, Dagab, Lidl and Mathem.

In Finland, we are the market leader, with substantial sales to the grocery chains SOK and Kesko as well as to the country's two largest HoReCa wholesalers, Kespro and Meira Nova.

Home to strong brands

Fresh Produce delivers without labels to some extent, but also through its own strong brands that customers and consumers recognize. One of these is Daily Greens, an up-and-comer that imports fruits and vegetables directly from farms in Europe. We also sell under the seal Ju närmre desto bättre – our own label for locally grown produce. It is intended to be a quality seal that helps consumers choose fruits and vegetables that have not travelled very far.



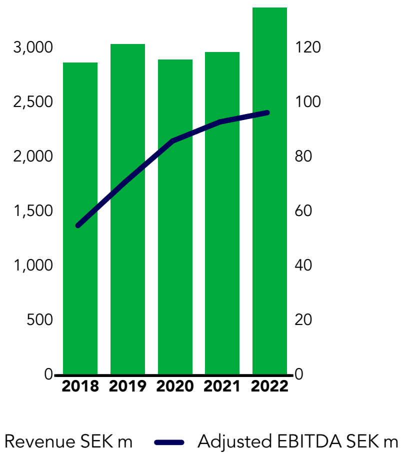
FRESH PRODUCE – 2022

STEADY GROWTH AND NEW COLLABORATIONS

Record sales and operating profit

Like Greenfood overall, Fresh Produce had good sales growth during the year. Sales increased by 13.7 percent, due mainly to higher market prices, but also to some extent to increased volumes. Fresh Produce had more stability during the pandemic and is therefore not recovering as much as the other business areas. But this year's growth rate is still enough to achieve record high sales, reaching SEK 3.4 billion and surpassing the previous annual best, from 2019.

Revenue and EBITDA 2018–2022



Operating profit measured in adjusted EBITDA also reached a new record level, following growth of 4.2 percent during the year. However, because the sales increase was driven mainly by inflation, the EBITDA margin decreased slightly compared to 2021. The deterioration of the relative cost situation is explained by underlying inflation, which leads to higher market prices in the supply chain as well as increased electricity costs.

Modernized food production and new agreements

During the year, Greenfood partnered with Agtira to build urban farming systems using vertical farming and AI. The aim is to make sustainable, locally produced food available year round; to reduce the need for transport; and to increase self-sufficiency. In a new agreement with Dagab, we secured sales worth SEK 600 million over the next five years. The agreement is a result of Dagab's acquisition of Bergendahls Food, to which Greenfood was previously a supplier. Under the agreement, Fresh Produce will supply fresh fruits and vegetables from the Daily Greens brand, but a portion of the sales will also include products from Greenfood's Fresh-Cut range of processed foods.

Recycled packaging materials and key partnerships

For the Daily Greens brand, in 2022 we ensured that a larger share of packaging was made of recycled materials. All Daily Greens fresh fruits are now packaged in 100 percent recycled and recyclable packaging. Plastic must still be used for the primary packaging for some products, but the ambition is to switch to paper bags where possible.

We have also invested in the green transition of our logistics chain. For example, Trädgårdshallen in Örebro invested in greener transports, and during the year, some customer deliveries started to be driven by biogas trucks.

Greenfood Iberica's Plant for Life project resulted in the planting of 6,110 trees during the year. Through the partnership, the organization Plant for the Planet plants one tree for every ton of fruit and vegetables sold through Daily Greens. 21,854 trees have been planted so far, which means, according to Plant for the Planet's estimate, that around 4,371 tons of carbon dioxide will be absorbed from the atmosphere.

Every banana contributes to a smile

Daily Greens has worked with the organization Operation Smile since 2020. For every organic banana sold, a contribution goes to Operation Smile, which gives children born with a cleft lip, jaw and palate a transformative surgery and a new chance at life. Since beginning the partnership, funds from Greenfood's organic banana sales have made 1,113 surgeries possible.

CASE

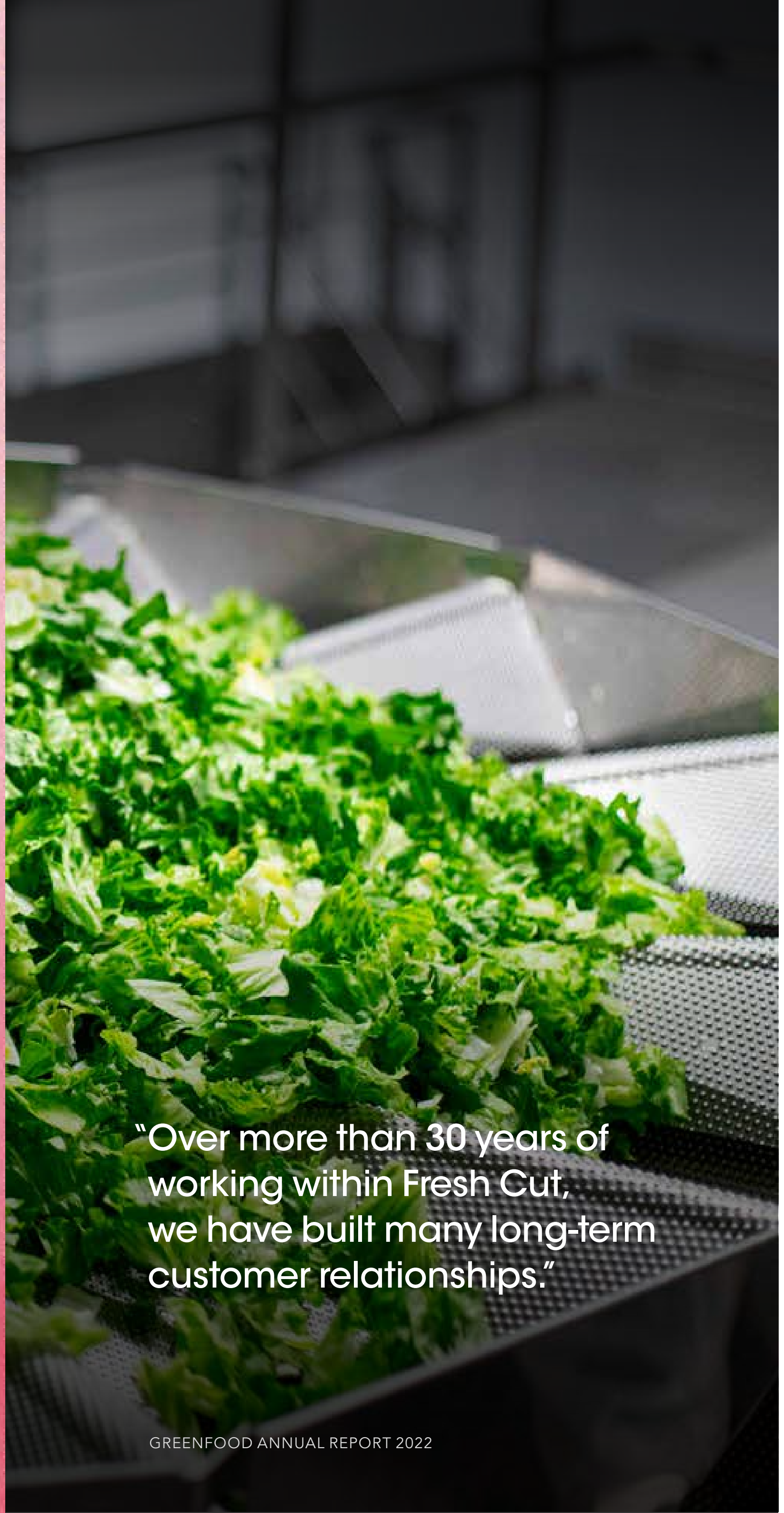
Bananas get a new home

Bananas are one of our most important imported fruits. With a focus on organic fruit and charity, our Daily Greens brand has established itself as one of the biggest and most sustainable players in the Swedish banana market. We took the next step during the year by starting the construction of one of Sweden's biggest and most modern banana-ripening facilities.

Sweden has been importing bananas since 1909. The first shipment to arrive at the port of Gothenburg was frozen, black and inedible, but after a few attempts, the importer managed to achieve the correct temperature conditions and banana imports began. Bananas are now big sellers in grocery stores, accounting for about one percent of Swedish grocery store sales and ten percent of fruit department sales. They are climate smart, delicious and loaded with energy and essential nutrients, such as potassium, magnesium, fiber, vitamin B6 and vitamin C.

Our Daily Greens brand has been selling bananas to the Swedish market since 2020 and today, it is one of the largest players. Our bananas are grown in Ecuador and the Dominican Republic and shipped by boat across the Atlantic. Importing is made possible by shipping the bananas unripe, and ripening them in our own banana-ripening facilities in Sweden – a delicate process that requires well-calibrated technology. To reduce waste and better ensure the quality of the bananas, we are now building a brand-new banana-ripening facility in Helsingborg with 12 banana rooms, each of which is nine meters high and will be able to ripen 33,000 boxes of bananas per week.

The rooms in the new facility will be hermetically sealed so that air flow, oxygen content and temperature can be controlled to within 0.1 degrees of accuracy. The rooms are also equipped with reversing fans that can reverse the flow of air. We are creating Sweden's most modern banana-ripening facility; it will be at the forefront of energy and environmental efficiency and packed with the latest technology – such as sensors that automatically monitor and manage the banana-ripening process. The result will be more even ripening, better quality, less waste and more sustainable food production.



FOOD SOLUTIONS

CONVENIENCE FOOD THAT IS SUSTAINABLE AND EASILY ACCESSIBLE

In the Food Solutions segment, we focus on creating a range that is simple and accessible. We divide this segment into two sub-areas: Food-to-Go, which offers convenience products directly to stores, and Fresh Cut, which supplies grocery stores' fruit and vegetable counters and professionals in the HoReCa industry with prepared and processed raw materials.

Employees 2022

Food Solutions' share of the Group, 36%

Revenue 2022

Food Solutions' share of the Group, 19%

Adjusted EBITDA 2022

Food Solutions' share of the Group, 24%

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"With an offering comprising around 350 different products, Fresh Cut has one of the widest product ranges on the market."

Ready-made food for people on the move

In the Food-to-Go sub-area, we have created a range that is aimed at consumers in both convenience and the grocery retail sector. This is a relatively new business area for us, which takes special aim at consumers' demands for accessible and simple food that is both tasty and healthy. Food-to-Go contains a wide range of ready-made sustainable and healthy food, including wraps, prepackaged salads, baguettes and sandwiches. Through our own strong brands, like Picadeli and GreenDeli, we build relationships directly with consumers, but we also manufacture for customers under private labels.

Pre-sliced and cut fruit and veg

The Group's subsidiary Salico was one of the first players in pre-cut fruit and vegetables, and began over 30 years ago. In the Fresh Cut segment, we simplify daily life by offering freshly cut and rinsed fruits and vegetables, such as salad mixes, sliced apples and much more. Our customers are primarily in HoReCa and the grocery retail sector. Sales are made through our own brands, such as SallaCarte, but also through private labels. With a range comprising around 350 different products, Fresh Cut has one of the widest product ranges on the market.

Leading positions in Sweden and Finland

Over more than 30 years of working within Fresh Cut, we have built many long-term customer relationships. Especially in partnership with HoReCa operators, where we are the market-leading supplier in both Sweden and Finland. We are also a strong supplier to the retail sector, with a leading position in Finland and as the second largest supplier in Sweden. We have had less time to establish ourselves in the Food-to-Go segment, but we are already the market leader in Sweden, and second in Finland.

Multiple strong brands under one umbrella

Greenfood's strongest consumer brand, Picadeli, is also available in Food-to-Go, with pre-packed salads, wraps, and sandwiches. In addition to Picadeli, there is also GreenDeli, which offers classic products and flavors. The Food-to-Go range is available at Pressbyrån and 7-Eleven, as well as in well-stocked grocery stores and Convini vending machines.

Fresh Cut includes the SallaCarte brand, which targets HoReCa professionals. The newly developed Ahlgood also has a brand dedicated to vegan and organic food products that make cooking easier.

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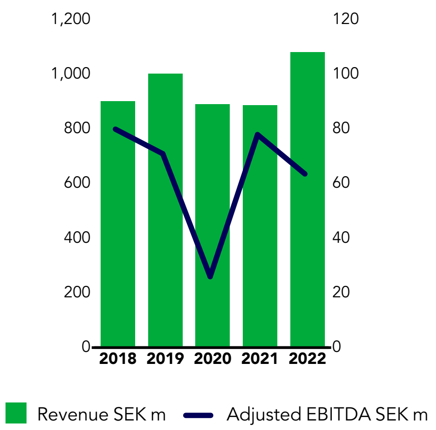
FOOD SOLUTIONS – 2022

A YEAR OF RECOVERY AND STRENGTHENED OPERATIONS

Increased sales, but major investments held back earnings

In 2022, the HoReCa market continued to recover from the effects of the pandemic. As a result, Food Solutions was also able to make up for the loss of sales caused by the restrictions and subsequent reduction in demand. Sales figures in the business area increased by 21.8 percent compared to 2021. Large new contracts with Dagab and Lidl, among others, also contributed to this year's sales. Food Solutions is also growing strongly in the fast food segment, where, for example, Max Burgers has been added as a customer.

Revenue and EBITDA 2018–2022



At the same time, adjusted EBITDA decreased by 18.0 percent over the past year. The performance in the Swedish share of the Food Solutions business was good and exceeded expectations. Performance was less strong in the Finnish share. This was due to the major investments made during the year to streamline operations by moving them from Lahti to a more central location in Kivikko, outside Helsinki. Performance was also impacted by increased costs related to energy and inflation.

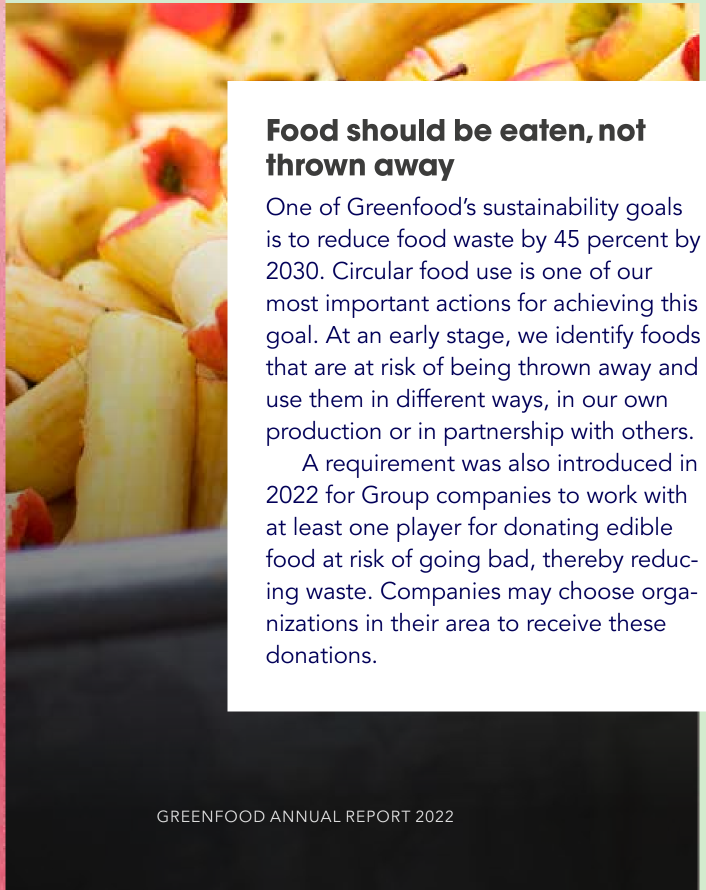
Consolidation of activities to create economies of scale

Over the past year, Food Solutions took several important steps to centralize and streamline its operations. In Finland, operations were moved from Lahti to an existing modern facility with a better location for distribution in Helsinki. Meanwhile, Sweden has been preparing and planning for the consolidation of our Helsingborg operations under one roof in the Greenfood Greenhouse, which will be carried out in 2023. These ambitious investments aim to create economies of scale, streamline production and improve long-term performance. More modern facilities and two well-located centers for picking, packing and transportation will provide direct gains in efficiency. But we also see synergistic benefits in a more unified and coordinated organization, where product developers, the quality department, mechanics and production work closely together; this may accelerate the pace of innovation for Food Solutions, which is already strong.

Energy efficiency and recycling

Energy is used in Food Solutions in a variety of processes and during the year, we worked to reduce the carbon footprint of energy use. In Finland, Salico invested in a new, modern refrigeration system with lower energy consumption while switching to 100 percent renewable energy sources. In Sweden, Salico also replaced all natural gas with eco-friendlier biogas, which reduces the carbon footprint and makes our production more sustainable.

Food Solutions also accounts for a large share of the food waste generated by Greenfood. Each year, Greenfood receives approximately 1,140 tons of lettuce cores, 120 tons of cabbage cores, 480 tons of melon rinds and 144 tons of pineapple rinds. For fruits like pineapple and melon, up to 40 percent of the fruit may be inedible – but not necessarily unusable. We took steps during the year to both reduce and reuse waste. For example, we joined SAMS, a national agreement for reducing food waste. Greenfood has also actively looked for partners that can reuse waste in new and innovative ways. A great example of this is our collaboration with Rscued Fruits.



Food should be eaten, not thrown away

One of Greenfood's sustainability goals is to reduce food waste by 45 percent by 2030. Circular food use is one of our most important actions for achieving this goal. At an early stage, we identify foods that are at risk of being thrown away and use them in different ways, in our own production or in partnership with others.

A requirement was also introduced in 2022 for Group companies to work with at least one player for donating edible food at risk of going bad, thereby reducing waste. Companies may choose organizations in their area to receive these donations.

CASE

Rscued – Peels and cores become juice and soil

Since 2019, Greenfood's subsidiary Salico has worked with Rscued to reduce food waste by making juice from fruit scraps that would be discarded otherwise. For example, in 2022 alone, 76 tons of apple cores were saved and turned into approximately 53,000 liters of apple juice. The collaboration continues and during the year, we took the next step toward more sustainable food production by creating nutrient-rich soil from inedible food waste.

One third of all food produced in the world is wasted. This is a massive waste of resources and has a direct impact on the environment and climate. Minimizing food waste requires collaboration between different industry players, which is where companies like Rscued come in. They reduce food waste by using other players' food waste to produce juices with fruit and fruit scraps that, for various reasons, cannot be used or sold.

In the past, Greenfood has found several innovative ways to turn leftover fruit and vegetables into edible and useful resources. For example, we've made tasty pico de gallo from tomato ends; broccoli stems make the perfect salad ingredient; and together with Rscued, we make juice from apple cores. By creating new cycles of food waste, we achieve a more sustainable food production. With this year's development of our partnership with Rscued, Greenfood's waste will be put to good use in yet another way: as potting soil.

Together, Greenfood and Rscued have installed a new composting machine that can break down inedible food waste and turn it into nutritious soil. In the future, about 100 kg of nutrient-rich compost will be made every day from 1,000 kg of inedible food waste in a brand-new cycle. The compost serves as fertilizer in potting soil, which Rscued already sells in Sweden, Norway and Finland.

"We create fast food that's affordable, yet healthy and tasty."

PICADELI

FOODTECH PIONEER AND MARKET LEADER IN HEALTHY FAST FOOD

With Picadeli, Greenfood offers a salad bar that uses advanced technology and design to make healthy and sustainable fast food more widely available.

Employees 2022	Revenue 2022	Adjusted EBITDA 2022

Picadeli's share of the Group, 25%	Picadeli's share of the Group, 22%	Picadeli's share of the Group, 39%

Healthy, sustainable and affordable fast food

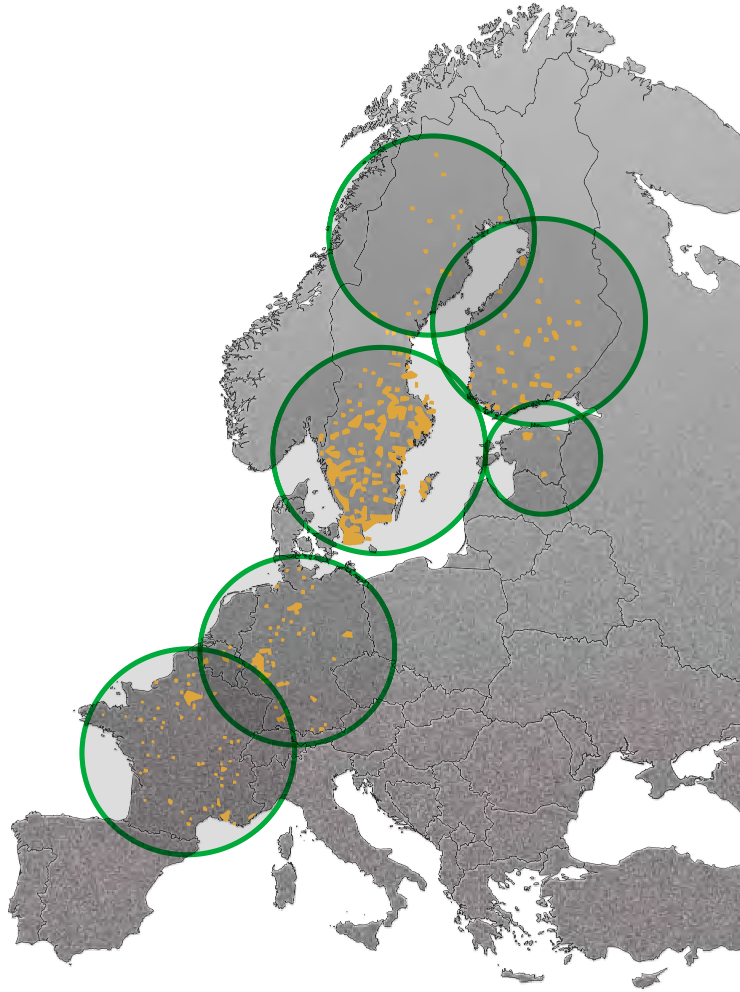
Picadeli was founded in 2009 and over time developed the ambition to democratize healthy food by making it tasty, accessible and affordable to all. Thanks to Greenfood's extensive experience with plant-based food combined with an advanced, high-tech salad bar, Picadeli has developed a fast food concept aimed primarily at the grocery and convenience sector that is perfectly in line with the health and sustainability trends permeating our society today. A salad bar where the consumer puts together their own salad by choosing from a plentiful selection of ingredients, a whopping 70 percent of which are vegan options. Consumers have themselves a healthy and affordable salad in the space of just a few minutes. Picadeli's offering thus targets a segment whose needs have never been met before on such a large scale. A segment that finds itself caught between cheap but unhealthy fast food, and healthy but more expensive fast casual.

A turnkey solution that yields great customer benefits

Picadeli offers a complete turnkey concept that includes everything from an innovative, fresh and delicious assortment to high-tech salad bars, logistics, support, service, and customer insights. The salad bar is leased to the customer, whose staff manages the daily operations. Technical solutions allow Picadeli's salad bars to be managed easily and efficiently, minimizing working hours and improving profitability for customers. Our salad bars are a massive contribution to profitability for our customers and are often one of the biggest profit drivers per square meter, with a high net margin for the customer. In addition, we expand the customer's range by improving its healthy and fresh produce profile and offering a way to compete with fast food chains.

Market-leading position on six European markets

Picadeli is established in Sweden, Finland, France, Germany, Belgium and Estonia, and has a market-leading position on all these markets except Belgium, which is our newest market. In 2021, we also established ourselves on the American market. Since launching in 2009, we have established hundreds of salad bars – and Picadeli continues to grow. In 2022 alone, the number of active salad bars grew by 19.7 percent. We have the strongest hold on the Swedish market, and in Finland we have also achieved a high degree of establishment and have become a natural part of a large number of stores in the markets. Our position on these relatively mature markets shows the degree of penetration that is possible, and gives an indication of Picadeli's growth potential in the coming years.



A scalable model with great growth potential

Picadeli's business model is based on supplying salad bars, mainly to stores. Since the salad bar is managed by the customer, Picadeli requires a relatively small central organization to engage multiple markets. In addition, establishing new salad bars requires very little investment. Unlike regular fast food chains, which build and open physical restaurants and then invest heavily in building a customer flow, we operate primarily within the grocery and convenience retail channel, thereby leveraging existing consumer flows. A newly installed salad bar is usually immediately profitable for the customer. But if for some reason a salad bar were to prove unsuccessful, it could be moved to another location at a very low cost, meaning that the risk involved in establishing a salad bar in a new area is relatively low. There are also a number of different ways Picadeli can be established on new markets, from wholly owned to fully franchised models. All in all, this results in a highly scalable model that has the potential for great growth in the coming years.

DATA COLLECTION AND AI TECHNOLOGY CREATE EFFICIENCY

By leveraging advanced technologies, such as data collection and AI, Picadeli has created a salad bar that minimizes customer effort and creates a simpler and fresher experience for the consumer. Each salad bar has a variety of sensors that collect data in real time which are then sent to our central database. This gives us a range of customer insights, as well as the opportunity to constantly develop and improve our salad bar concept. We can analyze customer preferences in real time and adapt our product range accordingly. By reading the temperature and time since a product was refilled at the bar, we can determine when the product is nearing the end of its shelf life and needs to be replaced. Plus, with our new Arcorder AI system, a new order is automatically placed based on a forecast of when the item will run out or reach its best-by date.

Unique customer insights
Ability to better understand consumer behavior and purchasing patterns, and incorporate this information into operations.

Full transparency
All salad bars are connected to the cloud, allowing for remote management of individual salad bars across Europe and the US East Coast, including sales, stock levels, temperature and more.

Increased efficiency
Automatic prediction of replenishment needs means faster re-stock and reduced need for additional in-store storage.

Better customer experience
Easy navigation of products, clear labeling of ingredients, and enticing product descriptions and pictures provide consumers with inspiration and an enhanced experience.

PICADELI – 2022

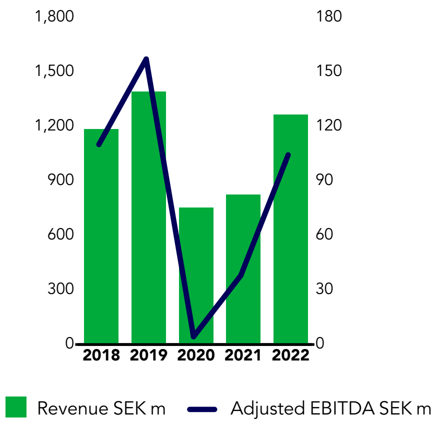
A RESTART IN GREENFOOD'S GROWTH ENGINE

Sales rebound and improved performance

In 2022, Picadeli really recovered from the Covid-19 pandemic and began the climb back toward the strong growth trend that prevailed until 2019. Sales increased sharply in 2022, by 53.3 percent compared to 2021. Sales figures have yet to return to their 2019 peak, but this year's record growth clearly shows that demand for healthy fast food remains strong.

At the same time, operating profit increased even more, with adjusted EBITDA growing by 175.2 percent compared to 2021. This confirms the strong scalability of Picadeli's model. Profitability is accelerating as the number of salad bars and sales volume per salad bar increase.

Revenue and EBITDA 2018–2022



New logistics center and participation in public debate

During the year, Picadeli expanded in Europe with the establishment of a modern new logistics center in Belgium. The center will serve as a central hub for operations in Germany and the Benelux countries, allowing for quick, efficient distribution of goods to these markets. It also gives Picadeli opportunities for further expansion and increased presence in the European market.

The Vegocracy Report was also published in 2022, based on a survey of 11,000 people's eating habits in seven different countries, and carried out by Picadeli. Most people are aware of the WHO guideline of getting 400 grams of fruit and vegetables per day, but the report shows that only 18 percent manage to meet that goal. There are several reasons for this. Picadeli's survey shows that a third of families cannot afford it, and as many as 75 percent would like to see a reduction in taxes on fruit and vegetables. 24 percent say they would eat more fruit and vegetables if they could make more inspiring dishes, and 67 percent would appreciate more and better labeling of healthy food in stores. Based on these insights, during the year Picadeli took part in public debate, arguing for lower prices and better labeling of healthy food, both in op-ed pages and on stage in Almedalen.

New recyclable lids reduce plastic waste

During the year, Picadeli's bowls got new, plastic-free lids, which were developed in collaboration with Stora Enso. The lid won third prize for its sustainable design in the Pentawards international design competition. The new lid is plastic- and PFAS-free, renewable, recyclable, biodegradable, and reduces plastic waste by about 120 tons per year. The lid is made from wood-based molded fiber, with a carbon footprint that is up to 75 percent lower than alternative materials.

Another development during the year was the replacement of the little disposable dressing packs in Picadeli's salad bars with bottles. This allows consumers to take as much or as little dressing as they want, and means reduced plastic use and less risk of littering both in nature and in city environments.

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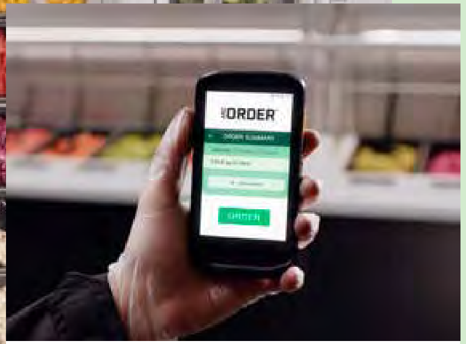

ArcPlatform

The collective name of the digital platform that runs the Arctic system and consists of the parts:

ArcOrder: Handset and software to order directly from the salad bar

ArcPlan: Optimizes products and quantities for every store

ArcSafe: Ensures the products stay fresh

ArcCloud: The back-end solution that monitors and continuously updates the entire system

CASE

Arctic – Self-learning salad bar reduces waste

Keeping the food fresh has always been the main challenge with a salad bar. Especially in stores, where staff have less oversight to keep track of different products with varying quantities and expiration dates. With the Arctic salad bar, Picadeli has created the solution. This high-tech refrigerated salad bar has advanced data collection and self-learning algorithms that reduce food waste and maximize chances for a fresh and tasty salad.

A salad bar can contain up to 50 different fresh products, with differing and relatively short shelf lives. Meanwhile, sales vary by season, day of the week, and other circumstances, making it challenging to match purchases to consumption. Nor does the store's regular data collection provide much support. Everything is recorded as one product at checkout, regardless of the consumption of individual items in the salad bar. But each item must be purchased separately.

Already in 2009 Picadeli started developing its salad bar, known as Arctic. It is a high-tech answer to the store's problems. It has evolved over time from a smart salad bar to a truly super-smart, all-in-one solution for healthy plant-based fast food, right in the middle of a store. Simply put, Arctic is essentially a very advanced cooler – but the real core of the solution is a complex system of data collection and analysis.

Arctic's sensors keep track of everything that happens to the products, such as consumption and the temperature in the trays. This is combined with information such as historical consumption, weather and calendar data. The data are analyzed by an algorithm to produce an order suggestion that store staff can view, modify, and approve directly on Picadeli's proprietary ArcOrder handset. In addition, the algorithm is self-learning and improves its accuracy over time.

The benefits are obvious compared to previous salad bars. Just by automating orders, a store can save several hours of work per week. Meanwhile, order precision increases, which drastically reduces food waste, resulting in several benefits: reduced environmental impact, less handling of expired products, and a fresher and tastier experience for the consumer. At the same time, it maximizes the chance of a well-stocked salad bar – one of the most important conditions for satisfied and returning customers.

Arctic is an advanced solution that combines several different technologies. It requires deep expertise in both software and hardware, as well as a broad understanding of the variables that influence consumption and product sustainability, such as psychology, weather, culture, geography, temperature and humidity. Picadeli's technicians and engineers are now refining the technology and working to reach the next level in reducing labor requirements and food waste, to create an even better salad experience.

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WIN-WIN – BETTER HEALTH FOR BOTH PEOPLE AND PLANET.

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"Effective sustainability initiatives are only possible when everyone is pulling in the same direction."
Lisa Isakson, Head of Sustainability

TRHOUGH FOOD WE MAKE THE WORLD A GREENER PLACE

Greenfood wants to contribute to a greener, more responsible, and better world. Sustainability permeates all our operations and is part of each employee's everyday life. For us, acting sustainably is about looking at the big picture, and working together to make changes that are truly effective. We consider how the environment and people are affected by our business and by the decisions we make. At the same time, we are humble, knowing it is a complex issue, but we are moving forward with our work in a structured and focused way.

Commitment and desire to make a difference
"In 2022, we took major steps toward achieving our sustainability goals, especially when it comes to reducing our climate impact and strengthening the organization in the area of sustainability. We were therefore pleased to submit our targets for validation to the SBTi (Science Based Targets initiative) at the end of the year.

We have worked hard to create an organization that is ready to meet the challenges of sustainability. An important part of this is to train our employees, and in 2022 we conducted several digital as well as in-person sustainability trainings. The purpose of the training is to provide the organization with the necessary knowledge for the journey of change we are now undertaking.

The training focuses on helping employees understand the sustainability challenges we face, our level of ambition, the areas we focus on, and how we work to reduce our sustainability-related risks. We have also developed a "sustainable purchasing program" to reduce sustainability-related risks in the supply chain and to increase dialogue with suppliers on quality, environmental and social issues.

Effective sustainability initiatives are only possible when everyone is pulling in the same direction. We can only continue to achieve results by working together and collaborating across departments, companies and partners. I am proud of the work done this year, especially because it proves that we have the commitment and desire to really make a difference.

OUR MAIN AREAS: FOOD, ENVIRONMENT & PEOPLE

Food

Enables sustainable & healthy lifestyles

Environment

Smart use of resources

People

Reliable partner that supports well-being & responsible people

Our sustainability initiatives are focused on three main areas: Food, Environment and People. Food is the core of everything we do. Our passion is to make food healthier, tastier, and more accessible to everyone. A healthy diet should not be a class issue, as it actually is today. Related to the environment, we focus on what we can do to reduce our impact globally as well as locally; among other things by focusing on plant-based products, more efficient production, better transportation, minimizing the amount of food we waste, and switching to renewable energy. Everything we stand for and everything we do depends on a healthy planet, and a healthy planet depends on us. For our Group to continue to develop tomorrow, we need to contribute to a healthy planet today. In everything we do for social sustainability, we focus on people. This is the case both internally with our employees, and throughout our supply chain, no matter where we are in the world.

Our work in Food, Environment and People should also support economic sustainability – a profitable business is the basis for us to contribute, through food, to a better world for people and the environment.

OUR CONTRIBUTION TO THE UN'S GLOBAL GOALS

The 17 sustainable development goals from the UN's Agenda 2030 highlight the path for countries and companies in their pursuit of a sustainable future. By getting more people to eat in a green and healthy way, we can contribute to reducing environmental impact while improving people's general health. We divide sustainability into three main categories; Food, People and Environment and we see that we can have the biggest impact in goals 2, 8, 12 and 13.

SDG	Target	What we are doing	Connected focus areas
2 ZERO HUNGER **Goal 2** End hunger, ensure safe food production and improved nutrition while promoting sustainable agriculture.	2.1 Access to safe and nutritious food for everyone 2.4 Sustainable food production and resilient agricultural practices	We offer healthy, nutritious and safe food to several markets with a focus on plant-based food in our products, letting us produce more food on existing land. We try to use our resources in a more sustainable way in our production facilities and we ask our suppliers to do the same.	• Healthy food • Food safety
8 DECENT WORK AND ECONOMIC GROWTH **Goal 8** Decent working conditions promote sustainable and inclusive economic growth.	8.4 Improve resource efficiency in consumption and production 8.5 Full employment, decent working conditions and equal pay for all 8.8 Protect labor rights and promote safe working environments for all	Our internal code of conduct and equality policy shows our position in this area and how we work both ethically, socially and environmentally. We have a code of conduct that our suppliers sign up to and a whistle-blower system to report possible discrepancies. Within the business area Fresh Produce, we also require social certification from our suppliers via Global GRASP or similar.	• Social responsibility in the supply chain • Working conditions in our own organisation

SDG	Target	What we are doing	Connected focus areas
Goal 12 Ensure we use nature's resources in production and consumption, in a responsible way to reduce the negative impact on climate, environment and human health.	12.3 Halve global food waste 12.4 Sound management of chemicals and waste 12.5 Substantially reduce waste generation 12.8 Increase awarenss of sustainable lifestyles	We contribute to reducing food waste through technical innovations, innovative product development and increased knowledge levels. We work actively to reduce our own food waste as well as other waste. We successively introduce new packaging with a lower environmental impact. We work with information to help raise consumer insight into choosing a more sustainable lifestyle for themselves and the environment.	• Food waste • Packaging • Water
Goal 13 Take immediate steps to fight climate change and its consequences.	13.2 Integrate measures against climate change into policy and planning 13.3 Increase knowledge and capacity to deal with climate change	We have joined the Science Based Targets initiative and issued a sustainability-linked bond tied to the goals of reducing our climate impact. We will reduce our carbon footprint through environmentally friendly logistics, process improvement, product range adjustments, and the use of new technology. We have also worked hard to create an organization that is ready to face the challenges that sustainability work entails. An important part of this is to educate our employees, and during 2022, we have conducted several digital as well as physical sustainability training sessions. One of the purposes of these training sessions is to increase knowledge about climate impact.	• Climate impact

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FOOD

"Green food is at the heart of everything we do."

At Greenfood, food is always at the center. Our guiding principle, Green convenience today for a greener tomorrow, provides us with guidance to continuously ensure that green, delicious food contributes to a more sustainable future for the whole planet. With fruits and vegetables as our base, we want to contribute to a more sustainable world. The majority of our products are vegetarian, and our range of plant-based products is constantly growing.

Healthy food	Food safety	Food waste
Actively working to make healthy food easily accessible.	Systematic quality assurance of working methods, processes and standards to ensure maximum quality and food safety.	Using technology and focusing on innovation to increase operational efficiency and reduce food waste.
TARGET: 90 percent of Greenfood's own brands to achieve a Nutri-Score[1] of A or B by 2025.	**TARGET 1:** By 2025, 100 percent of our purchases to be made from suppliers who have signed our Code of Conduct. **TARGET 2:** All food suppliers are certified according to a food safety standard by 2025.	**TARGET:** Reduce food waste by 20 percent per ton of food sold by 2025 and by 45 percent by 2030. (baseline 2019).

[1] Nutri-Score is a food label indicating the nutritional value of a product. The Nutri-Score labeling system indicates a product's combined nutritional content using a five-point scale from A (the best) to E (the worst), measured in terms of the percentage of fruit and vegetables, calories, saturated fat, sugar, salt, protein and fiber. Nutri-Score is a recognized labelling system in many European countries today.

Healthy food – we make it easy

There is now strong consensus among the world's scientists that many lifestyle diseases, such as cardiovascular disease and obesity, are rooted in what we eat. Other research suggests that we need to eat more plant-based foods and less meat to feed a growing population and combat climate change. By making healthy, tasty and nutritious plant-based food more accessible, we can facilitate people's everyday choices and contribute to better health for both the planet and people.

Our business concept is to add value to what nature provides. During the year, we continued to develop our plant-based range, which is now about 95 percent vegetarian. We want to contribute by making the choice easy for our customers: to offer and continue to develop plant-based alternatives to meat, including through our innovation company, Ahlströms. We have also excluded red meat from Picadeli's range as a way of contributing to the health and well-being of individuals and the planet.

During the year, we continued our work with the Nutri-Score labeling standard as a guide for our offering. Our goal is to have 90 percent of our brands rated A or B by Nutri-Score by 2025. In 2022, 88 percent of our brands' ranges reached grade A or B.

The demand for clearer labeling of healthy food is highlighted in Vegocracy 2023, a report based on an international survey conducted by Picadeli, in which over 11,000 people from 7 different countries (Sweden, Finland, France, Germany, Belgium, UK, USA) answered questions about food and eating habits. Using Nutri-Score towards consumers in Sweden and Europe could help meet this demand.

Similarly, eliminating VAT from fruit and vegetables could contribute to public health and reduce the burden on the environment. Both VAT and Nutri-Score were raised as part of our participation in the Almedalen Week in July 2022, where politicians as well as actors from the public, private, non-profit sectors gather to discuss important social issues.

> "By making healthy, tasty and nutritious plant-based food more accessible, we can facilitate people's everyday choices and contribute to better health for both the planet and people."

NUTRI-SCORE A B C D E

About Nutri-Score

Nutri-Score is a food label indicating the nutritional value of a product. The Nutri-Score labeling system indicates a product's combined nutritional content using a five-point scale from A (the best) to E (the worst), measured in terms of the percentage of fruit and vegetables, calories, saturated fat, sugar, salt, protein and fiber. Nutri-Score is a recognized labeling system in many European countries today.

Food safety – should be a matter of course

Food safety is a prerequisite for a sustainable business. All of our products must be safe and nutritious. We work with recognized certifications such as BRC Food, FSSC 22000 and Global GAP, both in our own operations and in the supply chain. Other important elements are regular product analysis and testing of incoming goods, as well as internal training and process development. In addition to basic requirements, already in the product development phase, we aim to make recipes as simple as possible and to avoid unnecessary additives.

Our Supplier Code of Conduct clearly states that we only allow pesticides that are authorized for use within the EU. In the Fresh Produce business area, which includes around 75 percent of our food suppliers, we also require social certification. Robust accreditation is particularly required in high-risk countries, and the goal is to increase the number of suppliers with social certification. Several of our major food suppliers in our other business areas also follow the Global GRASP. By 2025, our goal is for 100% of our purchases to be made by suppliers who have signed our Code of Conduct. Currently, 88 percent of Greenfood's total purchase volume is made by suppliers who have signed our Code of Conduct.

Food waste – reduced through innovation and partnerships

One third of all food produced in the world is wasted instead of consumed. As a food producer, we have a responsibility to counteract this issue. Our food waste represents for over 70 percent of our total waste and is the single largest waste item in our operation. Food waste was 3.5 percent per ton of food sold in 2022, and reducing food waste is a high priority for us. We are therefore actively working to optimize our food chain and our own operations to reduce food waste. We also work circularly with the by-products that arise to recycle resources as much as possible.

Our definition of food waste is food that is not sold or donated, but could be consumed by people or fed to animals. Greenfood has always aimed to reduce food waste to minimize costs and environmental impact. Our actions to reduce food waste differ depending on whether the waste is directly edible or not. For edible food waste, we are working to optimize purchasing and production planning to avoid food reaching its expiration date. We also work with charities to donate unsold food. Our ambition for non-edible food waste is always to find ways to make it edible, for people or for animals.

Our commitment to reducing waste is present in all we do – from creating new products out of by-products and the development of Picadeli's AI-based salad bar, whose technology optimizes both shelf life and order prediction, to developing better packaging with less environmental impact while extending the life of the product. By developing innovative technological solutions, exploring new packaging solutions that extend the shelf life of products, and maximizing the use of raw materials, we can reduce both our own and our customers' food waste.

An important part of our work is trying to create innovative new products and find new ways to use the edible parts of food waste and turn them into new products, for example, turning cauliflower stems into cauliflower rice, and shredding broccoli stems to make a salad ingredient.

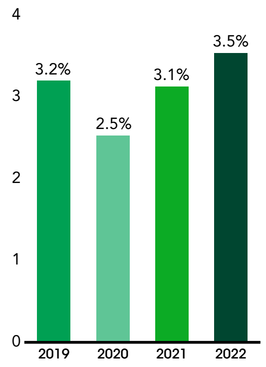
When we cannot innovate in our own operations, partnerships are important. For example, leftover apple cores are used as an ingredient in apple juice in a collaboration with Rscued Fruit. In 2022, we held several dialogues with potential partners that have resulted in ongoing tests to see if our non-edible scraps can be used for food production or animal feed. The test results have been positive so far and will continue in 2023.

Increased demand for Green Convenience affects the Group's food waste goal

In 2022, the Group increased its food sales, causing our food waste to rise to 3.5 percent food waste per ton of food sold. The increase is related to increased sales share in the Fresh Cut category, which is also the part of our business with the highest non-edible food waste. Some of our products have up to 60 percent food waste, such as portions packaged, sliced pineapple and packaged melon mixes for the restaurant industry. Tops and peels often constitute much of the waste, and our sales processed fresh products, i.e. Fresh Cut products, have increased as demand for Green Convenience has risen which causes an increase in recorded food waste.

In addition to tests with potential partners to find circular solutions, during the year we also joined the Cooperation for Reduced Food Waste (SAMS), which pursues collaboration in the food industry. We have also created our own initiative, Fighting Food Waste, in which we seek out partnerships and innovative ideas for how to make the best use of our waste products.

Food waste
tons of food waste per ton of food sold, %.



The increase in 2022 was due primarily to increased sales in the Fresh Cut category and to the merger of two factories.

[1] The 2020 value is adjusted compared to the baseline in the framework of the sustainability-linked bond due to improved reporting.

ENVIRONMENT

"A healthy planet is the source of healthy food"

For us to continue to offer healthy food to more people and to grow our business over time, we are dependent on a healthy and vitalizing planet. With such a close link to the environment and climate, it is natural to work in a goal-oriented, focused and structured way to minimize our environmental impact.

Carbon footprint

Reducing our carbon footprint with more environmentally friendly logistics, improving processes, adjusting product ranges and using new technology.

TARGET 1: Reduce total emissions (Scope 1 & 2) by 55 percent per ton of food sold by 2025. Base year 2020.

TARGET 2: Set approved climate targets according to SBTi by 2023.

Packaging

Reduce the use of packaging materials through smart product development, innovation and requirements.

TARGET 1: Reduce plastic use by 50 percent by 2025. Base year 2021.

TARGET 2: By 2025, all of Greenfood's own brands' packaging must be recyclable.

TARGET 3: By 2025, 80 percent of our own brand's packaging will be made of renewable materials and 100 percent by 2030.

Water consumption

Reduce water consumption in our own operations and address the water issue along the supply chain.

TARGET 1: WWF's Water Stewardship "Internal Action" level to be reached within our own production by 2023.

TARGET 2: All companies along supply chain to reach WWF's "Internal Action" level by 2025.

Carbon footprint

Innovation and improved energy efficiency make climate targets achievable

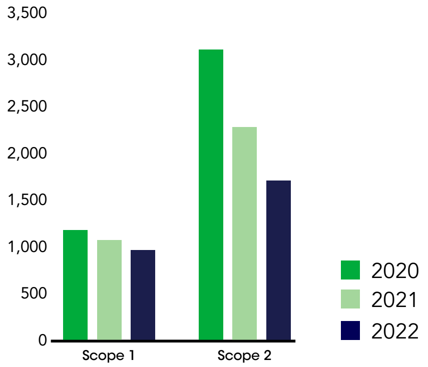
One area of priority is to reduce our climate footprint. We achieve this by reviewing our product range, improving energy efficiency, transitioning to renewable energy, switching to eco-friendlier packaging, and reducing food waste. We monitor our climate footprint product by product to see the impact of our actions and how we perform relative to our climate targets. During the year, we submitted our application to the Science Based Targets initiative to have our ambitious climate targets validated.

Reducing climate emissions by 40 percent brought us closer to Scope 1 and 2 targets

Our target under our sustainability-linked bond is to reduce our climate impact in Scope 1 and Scope 2 by 55 percent per ton of food sold by 2025. Major steps were taken to reach the target during the year. The total reduction in carbon emissions per ton of food sold amounted to 40 percent compared to the base year of 2020, and 20 percent compared to last year. Much of this can be linked to the transition to renewable energy sources and improvements in energy efficiency. For example, we decided during the year that all Greenfood company cars should be electric, and the Greenfood company Mixum installed 1,050 solar panels at its site in Motala.

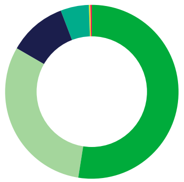
Scope 1 and 2 – total emissions

Market-based emissions, tCO_2e



Scope 1[1] – sources of emissions

Total Scope 1 emissions by source, market-based, tCO_2e

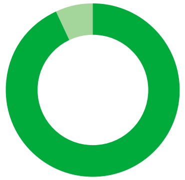


	2021	2022
Cars	491	514
Trucks	271	301
Cooling media	181	105
Natural gas	135	51
Forklifts	4	3
Biogas		1
Scope 1	**1,082**	**975**

[1] Scope 1 includes direct greenhouse gas emissions from sources owned or controlled by Greenfood.

Scope 2[2] – sources of emissions

Total Scope 2 emissions by source, market-based, tCO_2e



	2021	2022
Electricity	1,982	1,597
District heating	306	118
Scope 2	**2,288**	**1,715**

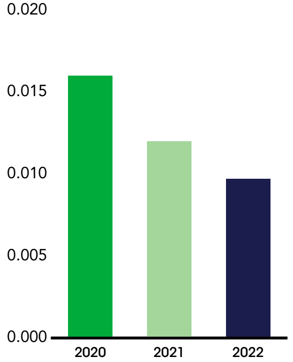
Location-based, tCO_2e

	2021	2022
Scope 1	1,082	975
Scope 2	1,340	721

[2] Scope 2 includes indirect greenhouse gas emissions from purchased energy.

Scope 1 and 2 – emissions per ton of food sold

Market-based emissions, tCO_2e per ton of food sold



Carbon footprint

Scope 3 targets will be achieved by optimizing products and transports

Our Scope 3 target under SBTi has not yet been validated. But the target can be expected to be ambitious and we are therefore already taking numerous actions to reduce our Scope 3 emissions. The process can be categorized into how we work with products and how we work with transports.

Updated range and new methods reduced the carbon footprint of our products

With around 73 percent of our total carbon footprint, production of what we sell is the biggest driving factor. We have climate-smart products that enable consumers to eat food that is good for both the environment and for health. To further reduce the climate impact of our products, during the year we focused on changes in our range and on updated production methods. For example, Picadeli's salad bars launched Quorn items, and Picadeli's new Food-to-Go products added many new vegetarian options to the Greenfood range.

Further reduction to the carbon footprint requires continuous improvements to the product range, for example, by replacing products from greenhouses heated by fossil energy with products from greenhouses heated by renewable energy or using surplus heat. We are also aiming to replace fish, chicken and cheese with vegetarian or vegan alternatives. Furthermore, we will reduce the share of products transported by air and increase the share of locally grown products, and actively choose suppliers with a lower climate impact than their competitors.

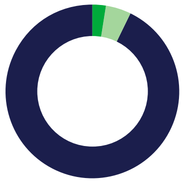
Limiting the carbon footprint of transports through local and sustainable fuels

Transporting fresh goods is demanding. While shipping methods and fill rates impact emissions and efficiency, it is important that the goods arrive and can be eaten in order to minimize food waste – a challenge with no easy solutions. This is why Greenfood works on several fronts. During the year, Fresh Produce and Agtira started a project for the sale and distribution of vegetables grown in close proximity to the store. The project facilitates avoiding shipping fresh goods altogether. One initial shop has joined the project so far.

Greenfood also started a collaboration with Elonroad, Öresundskraft and the Faculty of Engineering at Lund University, which has received funding from Vinnova to develop charging of electrified freight transport. The initiative will increase knowledge about charging heavy vehicles at logistics terminals and result in a scalable concept that can be rolled out at Greenfood's various facilities in the country, and to other logistics terminals.

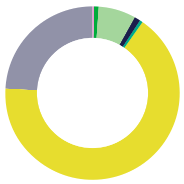
To minimize the climate footprint of our transports, we will set higher requirements for renewable fuels when buying transport from external suppliers and explore the possibilities of changing the transport method from air and truck to boat or train.

Total emission by Scope 1, 2 och 3
Market based, tCO_2e



Scope	2021		2022	
Scope 1	1,082	2.70%	975	2.65%
Scope 2	2,288	5.70%	1,715	4.65%
Scope 3	36,868	91.60%	33,937	92.70%
Total	**40 238**	**100%**	**36,627**	**100%**

Scope 3[1] – sources of emmisions
Total Scope 1 emissions by source, market-based, tCO2e



	2021	2022
Business Travel	65	187
Company-Owned/ Leased Vehicles	211	229
Downstream leased assets	0	2,357
Electricity and Heating	484	348
Waste	291	189
Inbound third-party deliveries	28,965	22,442
Outbound third-party deliveries	6,852	8,185
Scope 3	**36,868**	**33,937**

[1] Scope 3 includes other indirect greenhouse gas emissions, beyond purchased energy, that occur outside Greenfood's operations (not already included in Scope 1 or 2).

Carbon footprint

Mapping and investments reduce energy consumption

Energy consumption in Greenfood's operations is highest in the Food Solutions and Fresh Produce business areas. They have production and/or storage facilities in which the largest share of energy consumption goes toward cooling product warehouses. This consumption is highest in summer when it is hottest outside, which means the conditions are good for using our own solar energy.

Energy audits were carried out during the year at five of the Swedish facilities in order to identify additional opportunities for energy savings.

New work methods are retained while business travel increases slightly

The pandemic brought new insights about the effectiveness of digital meetings. Although the Group is growing and operating in many markets, we will continue to hold digital meetings when possible, but will travel when necessary. Our business trips increased slightly in 2022, but from a low level, since 2021 was still a pandemic year.

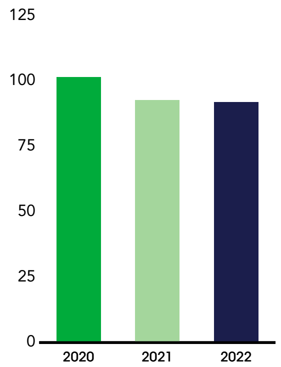
Our total carbon footprint for business travel was around 1 percent of our total footprint in 2022. This figure is part of GHG Protocol Scope 3 and includes travel by air and rail, and hotel accommodation. Travel by company car is included in Scope 1 and represents 52 percent of our total Scope 1 footprint.

Optimized processes create less waste

Resources that are wasted are not profitable, of course, neither for businesses nor for the climate, and the less waste we have, the better at all levels. We put significant effort into finding solutions to reduce our waste, and we can see that this is paying off.

Comparison of energy consumption in relation to sales volume

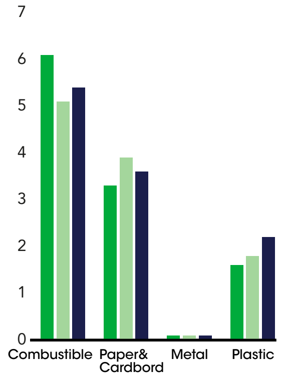
kWh/ton of food sold



The downward trend is due to continuous investment in better energy efficiency.

Waste

Kg per ton of food sold



Combustibles increased in 2022, due in part to relatively smaller fractions going to landfill. Plastics increased, because more were recycled that were previously incinerated.

ENERGY CONSUMPTION BY TYPE OF ENERGY

kWh/ton of food sold

	2021		2022	
Heat from district heating and gas	8.7	9%	6.5	7%
Electricity excl. electricity used for cooling	41.6	45%	47.6	52%
Electricity used for cooling	42.4	46%	37.9	41%
Total	**92.7**	**100%**	**92.0**	**100%**

Packaging

> "Picadeli's new plastic-free molded fiber lid won an award in the international design competition Pentawards in the sustainable design category. This is a plastic reduction of about 120 tons of plastic per year."

Our packaging should be environmentally friendly and functional
Not only should packaging protect food during shipping. It should also ensure that the product lasts as long as possible, provide clear product and brand information, and be safe in terms of health and allergies. In addition, Greenfood's packaging must meet the requirements and objectives defined in our packaging policy. The policy describes requirements for each company to take initiative themselves to pursue change, as well as a comprehensive strategy in which we include environmental and climate impact at an early stage of packaging development.

Today, about 80 percent of our packaging material is made from renewable raw materials and 99 percent of our packaging material is recyclable. Unfortunately, recyclable packaging is not a guarantee that it will be recycled, and we see a need to work closely with customers, consumers and communities to continue to improve. Several of our companies have also started working with packaging suppliers to find more sustainable solutions, and customers are also involved in some cases.

Several of our packages became better and eco-friendlier during the year. For example, Picadeli has new plastic-free lids and Daily Greens' products have moved to 100 percent recycled and recyclable packaging materials.

Selection of packaging projects that reduce our environmental impact

- Picadeli awarded for new cardboard lid that reduces 120 tons of plastic per year
- Daily Greens' packaging is now 100 percent recycled and recyclable
- Picadeli's single-serve dressings were replaced by large packs at salad bars, reducing the amount of packaging leaving stores
- Salico in Finland started using reusable and returnable crates for iceberg lettuce, peppers, onions and zucchini, which will reduce paperboard consumption by 400 tons per year
- Salico in Sweden has optimized its packaging, generating 33 percent more in secondary packaging and 33 percent less transport impact/package

Water consumption

"Via digital functions, we follow the water's path to see where excess water goes, the temperatures, and how much water is consumed."

Less water use through high standards and accurate measuring

The value of fresh, clean water cannot be overestimated. Water is crucial for farming worldwide. Greenfood is committed to addressing challenges related to water, in terms of both pollution and scarcity. Fresh Produce requires suppliers to be certified to Global GAP (Good Agriculture Practice). Many suppliers also have or are working toward achieving GLOBAL GAP SPRING, which is an addition to Global GAP certification and deals specifically with water management.

We have measured water consumption and water emissions in our facilities for several years. In our own operations, our production facilities use the most water. In the past year, water use decreased by 5.7 percent for water in and 3.2 percent for water out. In our own production, we have implemented several water-related measures. Via digital functions, we follow the water's path to see where excess water goes, the temperatures, and how much water is consumed. We vacuum to separate biological waste from return water, thereby optimizing water management.

Water consumption in own production facilities
Thousands of liters of water consumed

	Water in	Water out
2020	259,100	243,100
2021	305,400	286,600
2022	288,000	277,400
Difference, % (2022 compared to 2021)	–5.7%	–3.2%

In terms of the entire Group, the issue of water is most important in the supply chain, where water consumption and chemical use are highest. We are aware of the problem and have started to work on it. An example of an action being taken in our supply chain involves efficient and resource-saving irrigation. Using moisture sensors in the soil, the irrigation system is activated when the soil gets too dry and irrigation begins. Thus, watering only takes place where and when it is needed. In normal conditions, this technology can save up to 50 percent of water.

PEOPLE

"Good working conditions at every step."

Good working conditions are important, both in Greenfood's organization and in our supply chain. We believe that by joining forces and working with our suppliers, we can contribute to better working conditions and more satisfied employees at all levels.

Working conditions in our organization	Social responsibility along the supply chain
Maintain a safe and secure work environment that creates conditions for committed and responsible staff.	Secure processes and high standards to ensure that we only buy from socially responsible suppliers.
TARGET 1: 100 percent signed Codes of Conduct. **TARGET 2:** Achieve a 90 percent response rate to annual employee surveys. **TARGET 3:** In annual employee surveys, achieve a green score in job satisfaction, equal opportunities and leadership. **TARGET 4:** 40/60 female-male gender distribution for employees with management responsibility by 2025. **TARGET 5:** 40/60 gender divide at management level by 2025.	**TARGET 1:** 100 percent of suppliers for Greenfood's own brands to have social certification or be part of approved third-party certification system by 2025. **TARGET 2:** By 2025, 100 percent of purchases to be made from suppliers that have signed the Code of Conduct.

Working conditions

Employees well-being and development

Our employees are our most important resource. In 2022, Greenfood had a total of 1,178 employees in our companies in Europe and the US. No matter the company or continent, our explicit goal is always to provide safe and secure workplaces that are free from discrimination and harassment. By offering work in an international group with good development opportunities in a vitally important business – which food is – we want to be an attractive employer.

The Code of Conduct guides us

The principles laid out in our Code of Conduct[1)] guide our activities and help us run our business in a way that is honest and responsible for the individual, the business and the environment. We strive for an open-minded corporate culture where ethical, social and environmental issues are discussed. By living by our code of conduct, we build long-term relationships. New employees should be duly informed of the code and we monitor this through the number of codes of conduct signed by new employees.

During the year, we recorded a few deviations from the Code of Conduct. For example, we identified one business area that needs to ensure that all new warehouse employees receive information about and sign Greenfood's Code of Conduct. Two of our companies also reported handling one case of harassment each. The cases were handled according to the applicable process and we have agreed on a common path forward. One case of discrimination was dealt with in cooperation with the trade union and is now closed. No cases of discrimination or harassment were reported during 2021.

Employee surveys were standardized for better follow-up.

In 2021, Greenfood's equal treatment policy was developed. It includes working conditions, reconciling parenthood and work, pay and employment conditions, recruitment and promotion, and training and skills development.

Employee surveys were standardized during the year to follow up on the three main areas of job satisfaction, equal opportunities and leadership, and how we are moving toward achieving goals in each area. Now, for the first time, we can see figures at Group level, which is our starting point for identifying what needs to be developed.

Of the Group companies, 19 are big enough (with more than five employees) to ensure anonymity and can thus be included. For these 19 companies, the average response rate was 77 percent.

[1)] The Greenfood Code of Conduct is harmonized with the Amfori BSCI Code of Conduct.

Employees 2022[1)]

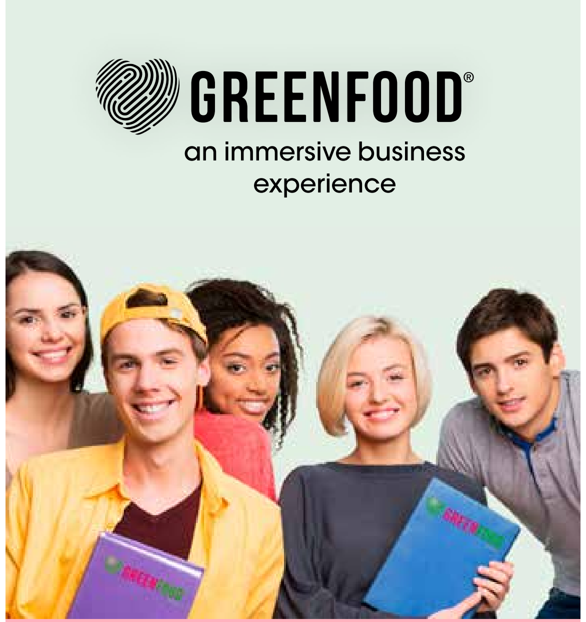
●	Men	739	62,70%
●	Women	439	37,30%
	Total	1 178	100%

[1)] Annual average based on number of employees at the beginning and end of the year. The calculation method is new for 2022.

The Code of Conduct is based, among other things, on

- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

Working conditions



Green Talent project engaged young people in Spain

In Spain, we launched a Greenfood talent program during the year for students in the two-year vocational program in international trade and logistics at Escola Técnica Girona. The students visited our facility in Girona and met representatives from different parts of the company. In this way, the students have gained insight into what kind of work their studies can actually lead to and Greenfood Iberica has also made contact with possible future employees. In 2022, three student groups from the vocational program have visited and four students have been accepted into a trainee program.

The vast majority of our employees enjoy their work, with all companies in two out of three business areas achieving a green score. One business area did not include the main area of equal opportunities in the survey and must ensure that this is done in the future. In the other business areas, all but two companies achieved a green score. In the main area of leadership, five companies did not achieve a green score or were very close to doing so.[1)]

Sustainability training for all

In 2022, sustainability training for all employees was rolled out across the Group. The purpose was to create awareness and promote knowledge and skills to achieve our ambitious sustainability goals. This is done by increasing each employee's knowledge of sustainability in general, and within Greenfood in particular, to create understanding of how they can contribute. The training covered basic sustainability information, Greenfood's specific objectives, and examples of how we work in the areas of Food, People and Environment. It also included a review of the Code of Conduct, anti-corruption and anti-trust laws.

White-collar employees trained via e-learning, and a specific program was developed for production and warehouse staff based on what they can contribute in their daily work to reduce energy consumption and food waste, contribute to a safe and secure workplace, etc. In addition, a specific training program created for purchasing departments was launched in the fall with a focus on risks associated with labor and human rights. Training will continue in 2023.

1) Based on the number of respondents to the employee survey.

What does "green score" mean?

In addition to the group having a 90% response rate, the group must achieve a green score, i.e., a score of at least 70% in the three measurement areas of leadership, equal opportunities, and well-being. Examples of well-being questions include the overall assessment that it is a good place to work, one can imagine recommending the workplace to a friend, and feeling job satisfaction. Examples of leadership questions are that employees feel they receive feedback on their performance and have trust in management and business area leadership. Regarding equal opportunities, the questions address whether one is treated fairly regardless of gender or gender identity or expression, ethnic affiliation, religion or other beliefs, disability, sexual orientation, or age within the group.

Clear targets for gender distribution in senior positions

The target for gender distribution for staff with management responsibilities and on management teams is 40/60. The Group average is currently 35 percent female employees with management responsibilities and 34 percent women on management teams.

Leadership training attracted more women

A leadership training program has been underway in the Group for four years and the goal in 2022 was to have an over-representation of female participants. The purpose is to empower more women in the organization and to strengthen their ability to lead others and

Working conditions

Picadeli a great place to work

For the sixth year in a row, Picadeli has been "A Great Place to Work"-certified, with a 100 percent response rate across the business area. Our employees highlight in particular pride and camaraderie: pride in what they achieve together, and the experience of safe, good camaraderie. We have also received top marks for how we welcome new "Picadelians."

Facts about certification

Any organization with over 10 employees can become Great Place to Work-Certified™. Two things are required to obtain certification as a Great Place To Work®:

1. Conduct an employee survey, called the Trust Index™, with a result showing that at least 70 percent of employees perceive the workplace as very good.
2. Complete the Culture Brief™, in which overall information about the organization, including employee statistics and demographic information, is submitted.

"In 2022, the Covid-19 pandemic released its grip, allowing our employees to go back to work as usual."

gradually grow within the organization. Female participation in 2022 was 54 percent and the aim in 2023 is to further increase the share of women.

Better injury recording improves safety

The operations with the most injuries in the Group are production and warehouse companies, which is expected given risks related to forklift traffic, loading and unloading and production machinery, for example. There are clear processes for monitoring occupational health and safety.

The trend of increased reporting of the number of incidents continues. At the same time, the number of accidents and injuries is decreasing relative to the number of reported incidents. This is a clear result of the work done to increase internal understanding of why reporting is important. It allows for a systematic investigation of causes in order to take action and avoid future accidents. We are continuously developing our work methods, reporting and monitoring, which is clearly evident.

Absence due to sick leave decreased during the year to 4.7 percent[1]. In 2022, the Covid-19 pandemic released its grip, allowing our employees to go back to work as usual.

Work environment in numbers

	2020 (number of)	2021 (number of)	2022 (number of)
Incidents	123	185	289
Accidents	72	69	74
Injuries followed by sick leave	28	33	26
Serious injury[1]	0	1	0
Diseases	11	15	8
Deaths	0	0	0

[1] Sickness absence for at least 6 months or the individual never recovers.

The path forward

During the year, Finnish Greendeli's operations were merged with Finnish Salico's operations in Kivikko. Everyone interested in moving their workplace from Greendeli to Salico was invited to do so. The 13 people who chose not to move were let go and received a support package including individual support from an external consultant to help employees identify future opportunities and with writing a CV. They also had the opportunity to work for three months in Salico with additional compensation for transport and a daily allowance in addition to their salary as part of the "Knowledge Transfer Program."

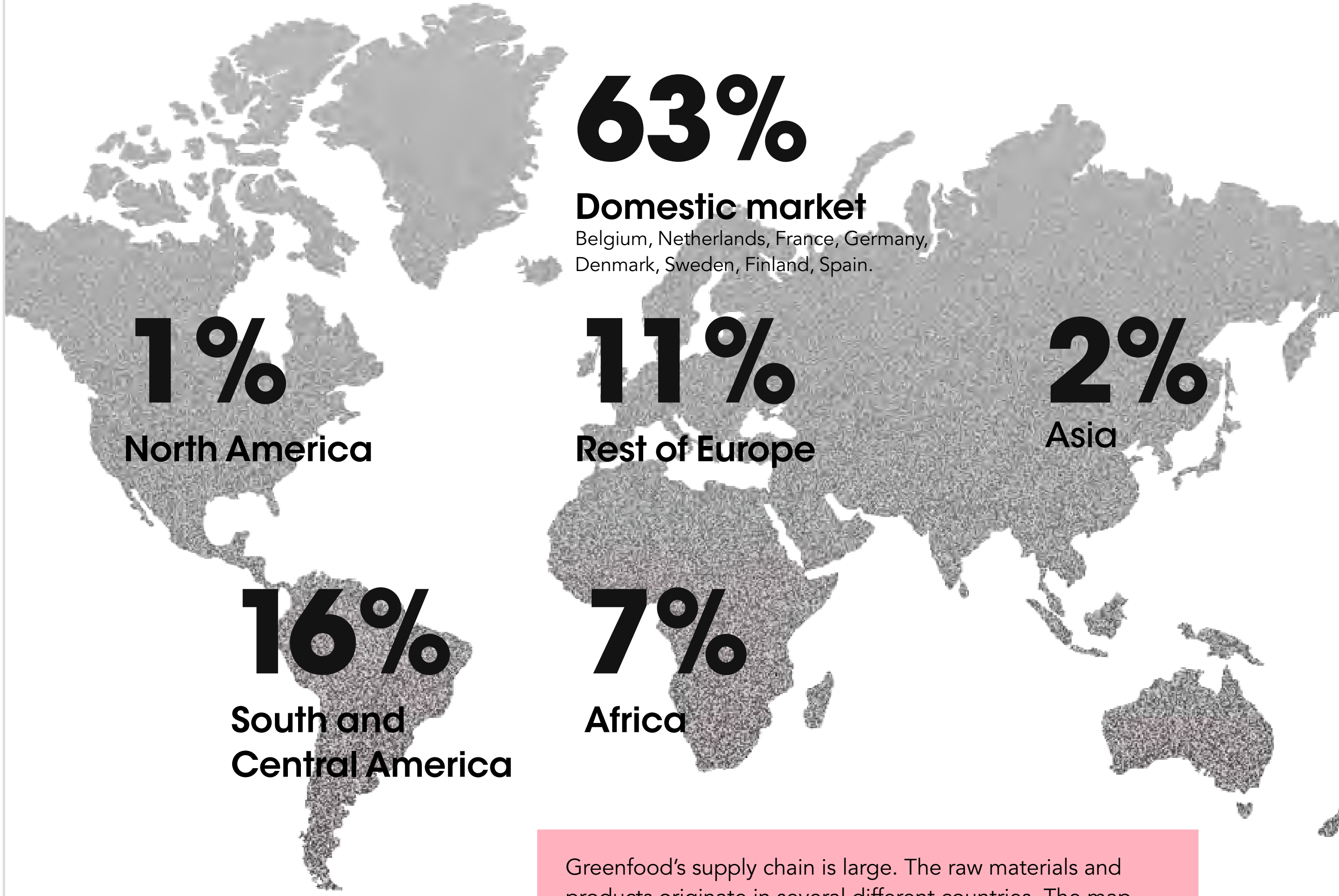
Supply chain

We take social responsibility

The majority of our products and ingredients originate in EU countries such as Sweden, Spain and Germany – countries where we also have our own operations. Other major countries of origin are the Netherlands, Poland, Italy, France and the Baltic countries. Changing market availability and growing seasons mean that some of our products and ingredients come from further afield, such as Ecuador, Costa Rica, Morocco, Brazil, Egypt, South Africa and China.

International bodies and organizations have identified risks in the agriculture and food sector. These include wage conditions, working hours, child labor and opportunities for unionization. We take the risk of violations to human rights or labor rights in our supply chains seriously, and actively work to identify and manage those risks.

We work continuously to strengthen our sustainable sourcing procedures and during the year, we implemented a new program called the "Sustainable Sourcing Program." The program defines what the procurement process and supplier management should look like and was developed based, among other things, on the OECD guidelines on due diligence in corporate responsibility. Use of the due diligence process also lays the foundation for Greenfood to comply with future EU legislation that tightens companies' responsibilities in relation to their supply chain.



Greenfood's supply chain is large. The raw materials and products originate in several different countries. The map shows the geographical distribution based on 92 percent of the companies we buy from, the majority of which are from Europe.

Supply chain

In total, 16 audits were conducted by Greenfood in Morocco, Spain and Sweden, and eight by third parties in 2022. During the year, Greenfood's sustainability team also joined a three-day Amfori BSCI audit in South Africa for learning purposes. 88 percent of Greenfood's purchasing volumes were from suppliers who have signed our Code of Conduct. We will continue to develop our work with our suppliers while focusing on further strengthening processes for managing suppliers with identified risks.

To enhance our ability to make a positive impact, we collaborate with others through several organizations. During the year, Greenfood joined ETI Sweden, which works to ensure good working conditions and human rights in global supply chains. We work in this forum with others in the industry to exchange experiences and contribute to jointly improving conditions in our supply chains. Greenfood has also been a member of Amfori BSCI, where the basis is the same as in ETI, with the addition of also working with a special method for social third-party audits.

Preventing corruption

Corruption and business ethics risks can mean non-compliance with legal requirements, but can also impact our profitability. Our Supplier Code of Conduct makes it clear that corruption is not permitted, and we prevent corruption in our own operations through training and internal processes. Our anti-corruption policy helps our staff identify situations where corruption could occur, and describes what to do in the event of exposure to corruption.

Since 2018, we have had a whistleblowing system through which employees or others in the supply chain can report misconduct that violates laws and regulations or the ethical guidelines of our Code of Conduct. The system guarantees complete anonymity and is managed by an independent party. No whistleblowing cases were reported during the year. However, the whistleblowing function identified two cases of dissatisfaction that were addressed for further action.

Suppliers undergo Greenfood's due diligence process

1. Greenfood's Supplier Code of Conduct, which is designed according to Amfori BSCI, guides us and our suppliers on labor and human rights.
2. Suppliers are evaluated based on quality, environmental and social conditions.
3. Suppliers complete self-assessments that provide Greenfood with important information.
4. Suppliers are audited according to the GF Audit program in two stages:
   1. Greenfood employees fill in an audit form during supplier visits based on their own observations and questions on issues such as wages and working hours.
   2. Third-party audits according to the Amfori BSCI model.
5. If the audit shows areas for improvement, these are followed up with support for an action plan in direct dialog with the supplier.

"We actively work to identify and manage risks in our supply chain."

Commitments to a better society

We believe in the power of community. When people work together toward the same goal, incredible results can be achieved. That is why we have several collaborations with external partners and organizations, and we are always looking for fruitful new partnerships. Greenfood is not only a contributing party to these collaborations – we also get a great deal in return, from knowledge to new perspectives, and the joy of contributing to something bigger than ourselves.

During the year, we had several active partnerships that generate involvement and support our sustainability efforts. Among others, we have rewarding partnerships for food donations with Matmissionen in Sweden, Via Dia in Finland, and Les Restaurants du Cœur in France, where Greenfood contributes by making use of food that cannot be sold. Another partnership is with Rscued where we create juices and smoothies from waste products. We have also run partnerships to which Greenfood has contributed financial resources.

Financial donations for the year

This year's donations have gone to organizations that support those in need in various ways. Recipients of our donations include the Santa Maria del Aguila Institute in Almería, Fundacion Ingenio in Spain, and Operation Smile.

Major financial contributions are made annually by linking sales of products under our Daily Greens brand to donations. Since 2020, sales of organic Daily Greens bananas have helped Operation Smile perform 1,113 surgeries on children born with a cleft lip, jaw, or palate.

Donations of the year

> "During the year, we had several active partnerships that generate involvement and support our sustainability efforts."

Through Greenfood Iberica's Plant for Life project, funds are also donated to enable the organization Plant for the Planet to plant a tree for every ton of fruit and vegetables sold under our Daily Greens brand. In 2022, 6,110 trees were planted in the project and a total of 21,854 trees have been planted so far. According to Plant for the Planet's calculation, each tree absorbs 200 kg of CO_2 in its lifetime, and if we count on every planted tree reaching its full lifespan, this means we are contributing to a reduction in CO_2 emissions of around 4,371 tons.

ACCOUNTING IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

We want to grow further with a sustainable operation at the foundation. Therefore, we review every step we take from environmental, social and economic sustainability perspectives. Sustainability is not only our guiding principle; we also see it as the key to better business and a basis for continued growth.

The EU Taxonomy Regulation provides a framework for determining whether an economic activity is environmentally sustainable and also aims to create a shared language that investors and companies can use to assess and compare the sustainability of investments and activities. The EU hopes this will help companies reach their 2030 climate and energy targets, as well as the goals of the European Green Deal.

		Sustainable Investments according to the EU taxonomy (% of total)	
	Total, SEK k	Covered	Covered and aligned
Sales	5,238,841[1)]	0.3	0
Capital expenditure	142,065[2)]	5	5
Operating expenditure	52,152[3)]	5	0

1) Net sales in accordance with the consolidated income statement. See p. 79.
2) Capital expenditure includes intangible assets and property, plant and equipment and rights of use as shown in the consolidated balance sheet. See consolidated financial statements, Notes 17-19.
3) Operating expenses include the Group's direct costs related to building renovations, short-term leases and maintenance and repairs as shown in the Group's income statement. Constitutes part of other external costs in the consolidated income statement. See consolidated financial statements, Note 8.

Greenfood is subject to the EU's Non-Financial Reporting Directive and must report to what extent our economic activities comply with the taxonomy criteria in our sustainability report. The EU taxonomy regulation is based on the activities that contribute significantly to climate change and play a crucial role in the green transition. At present, our main business, production and distribution of food and ready-made meals, is not included among the activities listed in the taxonomy. As a result, the proportion of our business covered is low. A small part of Greenfood's revenue is included among the activities considered to be revenue-generating according to the taxonomy. Otherwise, the largest part of Greenfood's revenue consists of transition or enabling activities.

Assessment of compliance with the Taxonomy Regulation

Services regarding road transport of goods (6.6)

Greenfood is covered by the activity "Services regarding road transport of goods" (6.6) according to the environmental objective "Limitation of climate change". It is the revenue within road transport within the subsidiary GF Iberica. Approximately 0.3 percent of the revenue belongs to "Services regarding road transport of goods". A full assessment of compatibility with the taxonomy has not yet been carried out.

Installation, maintenance, and repair of renewable energy technologies (7.6)

Greenfood is covered by the activity "Installation, maintenance, and repair of renewable energy technologies" (7.6) according to the environmental objective "Limitation of climate change". Approximately 0.05 percent of the capital expenditures belong to "Installation, maintenance, and repair of renewable energy technologies". A full assessment of compatibility with the taxonomy has not yet been carried out.

Transport by motorcycles, passenger cars, and light motor vehicles (6.5)

Greenfood is covered by the activity "Transport by motorcycles, passenger cars, and light motor vehicles" (6.5) according to the environmental objective "Limitation of climate change". It is the leasing of passenger cars within Greenfood AB, and about 4 percent of the capital expenditures belong to "Transport by motorcycles, passenger cars, and light motor vehicles". Any extensions of leasing agreements, for example, regarding cars, are not included, but only new agreements that were added during 2022. A full assessment of compatibility with the taxonomy has not yet been carried out.

Accounting principles

There are three financial KPIs: the proportion of the business that is environmentally sustainable according to the taxonomy regarding sales, capital expenditure and operating expenditure, which are to be reported broken down by the EU's six environmental objectives. Greenfood's method for calculating the three KPIs is described below. Greenfood reports in accordance with the environmental objective "Climate change mitigation," as climate change adaptation is not relevant and the EU has yet to publish the details of other objectives.

Sales

Total sales corresponds to the revenue recognized for the financial year (consolidated income statement and Note 6). The Group's revenue recognition policy is further described in Note 1.

Capital expenditures

Capital expenditures for Greenfood covered by the taxonomy are solar cell installations and new leasing contracts for passenger cars. The value of the assets covered by the taxonomy corresponds to the acquisition value of these through the total acquired fixed assets, including right-of-use assets during the current reporting period (see notes, 17, 18, and 19). Total capital expenditures refer to additions to tangible and intangible assets during the year before depreciation and impairment.

Operating expenditure

According to the taxonomy, operating expenditure covered should correspond with direct, non-capitalizable costs for daily maintenance that may be or may become environmentally sustainable. More specifically, this includes building renovation and maintenance and repair. For Greenfood, this includes repair and maintenance costs for trucks, as well as repair and maintenance of property. From a Group perspective, the cost share is small as the financial impact is limited. However, costs seen as contributing to Greenfood's transition process through reduced greenhouse gas emissions, such as operating costs related to the Group's solar panels, purchased green electricity and fuel costs, are not included in the taxonomy.

Turnover				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year 2022	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity)	Category (transitional activity)
		SEK m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	M	O
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	0	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	0%	0%	E.T	E.T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Services regarding road transport of goods	6.6	14.1	0.3																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14.1	0.3																	
Total (A.1 + A.2)		14.1	0.3																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		5,225	99.7																	
Total (A + B)		5,239	100																	

CapEx				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year 2022	Taxonomy-aligned proportion of CapEx, year 2021	Category (enabling activity)	Category (transitional activity)
		SEK m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	M	O
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Installation, maintenance, and repair of renewable energy technologies	7.6	2.7	2																	
Transport by motorcycles, passenger cars, and light motor vehicles	6.5	5.8	4																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8.5	6																	
Total (A.1 + A.2)		8.5	6																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-Non-eligible activities (B)		133.5	94																	
Total (A + B)		142	100																	

OpEx				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year 2022	Taxonomy-aligned proportion of OpEx, year 2021	Category (enabling activity)	Category (transition activity)
		SEK m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	M	O
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	–	–	0	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	E.T	0	0	E.T	E.T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Services regarding road transport of goods (repair and maintenance)	6.6	1.6	3																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.6	3																	
Total (A.1 + A.2)		1.6	3																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-Non-eligible activities (B)		50.4	97																	
Total (A + B)		52	100																	

GREENFOOD'S SUSTAINABILITY-LINKED BOND – NOW ON NASDAQ STOCKHOLM

In the fall of 2021, Greenfood issued a four-year sustainability-linked bond of SEK 1,050 million that was listed on the Frankfurt Stock Exchange. By late 2022, the bond was also admitted to trading on the Nasdaq Stockholm corporate bond list and is thus listed in both Frankfurt and Stockholm. The bond is linked to the goals of our sustainability framework and was granted the highest possible rating in an independent verification.

The bond gives us greater financial flexibility to invest in more sustainability projects and in future growth. At the same time, the bond is a clear and transparent visualization of our highly ambitious climate targets. The fact that the bond is now available on our domestic market in Sweden makes it even more clear that Greenfood wants to put sustainability first and dares to take that step.

Highest rating in independent review
The Governance Group (TGG) conducted an independent review of the framework and the design and level of ambition of our goals. In the review, the framework received the highest possible rating, an A-rating.

What is a sustainability-linked bond?
A sustainability-linked bond is a bond that creates an incentive for the issuer to achieve defined sustainability goals. The issuer's performance in sustainability is measured in relation to stated targets, and the terms of the bond change based on the target fulfilment rate.

"The bond is linked to the outcome of three of our sustainability targets."

	TARGET	STATUS
#1	Reduce climate emissions from Scope 1 and Scope 2 by 55 percent per ton of food sold by 2025 (base year 2020)	Reduced by 40 percent
#2	Define science-based targets for reducing climate emissions and have targets validated by Science Based Targets initiative by 2023. Reduce our climate impact in line with science-based climate targets by 2025.	Greenfood's targets were submitted for validation by SBTi in November 2022
#3	Reduce food waste by 20 percent per ton of food sold by 2025 and by 45 percent by 2030 (baseline 2019).	Increased by 12 percent

TARGET #1 – Reduced climate emissions

In 2022, CO2e emissions per ton of food sold were 40.4 percent lower than in the base year 2020. This is due to better energy efficiency and a higher share of renewable energy. New cooling systems and consolidation of production facilities have improved energy efficiency. The share of renewable energy has increased in production and transport.

TARGET #2 – Scientific climate targets

In November 2022, we submitted our application to SBTi. Due to the waiting period, a response is expected at the end of Q2 2023 at the earliest. Because the target has not been validated, milestones have not been set. As part of finalizing our application to SBTi, the calculations of our baseline were completed. Now our focus is on developing action plans and beginning to implement measures to meet our Scope 3 target, both in the long and short term.

TARGET #3 – Reduced food waste

In 2022, Greenfood's food waste per ton of food sold was 13.2 percent higher than the previous year and 12.2 percent higher than in 2019. However, Fresh Produce reduced food waste by 11.4 percent compared to 2021. Picadeli reduced food waste in Sweden, but total food waste increased from 0.3 percent to 0.6 percent, due mainly to a new warehouse in Belgium, which temporarily increased food waste. In Food Solutions, which focuses on processing and has a larger share of waste, food waste increased by 3 percent. This was due mainly to Greendeli Oy's move from Lahti to Kivikko and to increased sales in the "Fresh Cut" category, which has a high proportion of waste such as peels and cores. When the share of Fresh Cut increases, food waste per ton of food sold increases for the whole Greenfood group.

To reduce food waste and achieve the target in the coming period, we have among other things initiated tests with potential external partners to turn our non-edible waste into animal feed or into edible food. The tests have so far been successful and will continue during 2023.

For detailed information about the targets and the framework, see https://www.greenfood.se/obligation

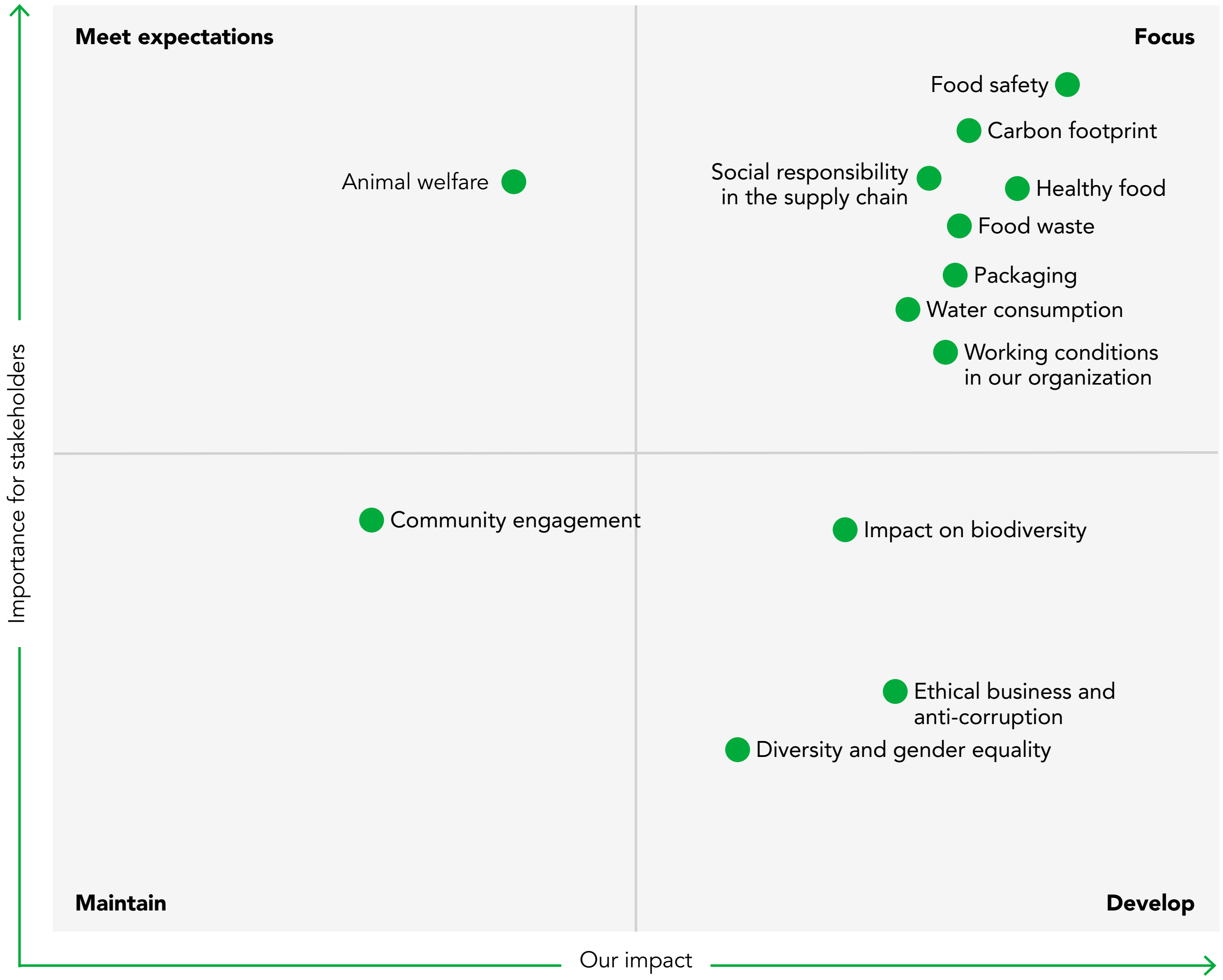
SUSTAINABILITY NOTES

H1, Materiality analysis

In 2021, a new and comprehensive analysis of the business was carried out. The analysis has a double materiality perspective, which means that we have considered how the Group is impacted by changes to various aspects of sustainability, such as climate change, but we have also analyzed how we can have an influence externally by working with these aspects. In addition to data from internal and external stakeholders, we interviewed and assessed six of our customers to identify priorities and expectations for our sustainability initiatives. The analysis was based on our focus areas, which have already been identified. In the materiality analysis result, we identify the following focus areas as the most important to work with in our sustainability initiatives:

- Food safety
- Food waste
- Healthy food
- Carbon footprint
- Packaging
- Water consumption
- Social responsibility along the supply chain
- Working conditions in our organization

Our most important stakeholders are the groups that are most impacted by and/or influence our activities: customers, employees, owners, suppliers, partners and other key players in society.



AUDITOR´S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Greenffod AB (publ), corporate identity number 559035-9104 .

Engagement and responsibility
It is the board of directors who is responsible for the statutory sustainability report for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Malmö the 25th of April 2023

Deloitte AB

Signatures on Swedish original

Richard Peters
Authorized Public Accountant

LIMITED ASSURANCE REPORT FROM THE INDEPENDENT AUDITOR – GREENFOOD AB SUSTAINABILITY LINKED BOND

To Greenfood AB (publ), corporate identity number 559035-9104

Introduction
We have been engaged by Greenfood AB to undertake a limited assurance engagement of Greenfood AB's Sustainability Linked Bond reporting as of 31 December 2022 as set out in this document ("the Reporting").

Responsibilities of Management
Greenfood AB Management is responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained in the Greenfood's Sustainability Linked Bond Framework 2021 (available at http://www.greenfood.se/obligation) as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The audit firm applies the International Standard on Quality Control Management 1, which requires the firm to design and manage a quality control system including guidelines or routines regarding compliance with professional ethical requirements, standards and professional practice and applicable requirements in laws and other regulations. We are independent of Greenfood AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Accordingly, the conclusion of the procedures performed do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by Greenfood AB Management as described above. We consider these criteria suitable for the preparation of the Sustainability Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Linked Bond reporting as of 31 December 2022 as set out in this document, is not prepared, in all material respects, in accordance with the applicable criteria, as explained in the Greenfood AB's Sustainability Linked Bond Framework 2021.

Malmö the 25th of April 2023

Deloitte AB

Signatures on Swedish original

Richard Peters
Authorized Public Accountant

SUSTAINABLE, EFFICIENT OPERATIONS LED BY AN ENGAGED TEAM

Download a print-optimized PDF (A4)

CORPORATE GOVERNANCE REPORT

Greenfood AB (publ)'s sustainability-linked bond of SEK 1,050 million has been listed on the Frankfurt Open Market, an unregulated marketplace, since 2021. In November 2022, the bond was also admitted to trading on the corporate bond list of Nasdaq Stockholm, a regulated marketplace. The bond matures in November 2025. Corporate governance is based primarily on the following regulations: the Companies Act, the Articles of Association, the NASDAQ Stockholm Rulebook for Issuers of Fixed Income Instruments, as well as other rules and guidelines. Greenfood AB (publ) does not apply the Swedish Corporate Governance Code in its entirety because the company trades in bonds, which are included in the definition of "transferable securities other than shares" and less information is therefore required based on the points of the Annual Accounts Act.

Shares and shareholding

Greenfood AB (publ) is a Swedish public limited company with its registered office in Stockholm and a wholly owned subsidiary of Greenfood MC AB with corp. ID no. 559035-9096 and registered office in Stockholm. Share capital amounts to SEK 500,000 and consists of 50,000 ordinary shares with a quota value of SEK 10 per share. The holding company has the same board as Greenfood AB (publ).

Shareholders' voting rights

The Articles of Association contain no restrictions on the number of votes that can be cast at a general meeting, and because Greenfood AB (publ) has only one shareholder and one class of shares, all shares have the same voting value.

Articles of Association

Election of the Board of Directors and amendment to the Articles of Association

The appointment or dismissal of the Board of Directors is decided annually at the Annual General Meeting, or at an Extraordinary General Meeting if necessary. The same applies to amendments to the Articles of Association. According to the Articles of Association, the Board of Directors shall consist of 3–10 members with a maximum of 5 deputy members.

In 2022, the General Meeting did not authorize the Board to decide on new share issues or acquisition of own shares (provided that it does not require an amendment to the Articles of Association, according to Chapter 13, Section 35 of the Companies Act). Previously, only one bonus issue has been made in connection with the conversion of Greenfood AB to a public limited company in October 2021.

Internal control over financial reporting

The Greenfood Group's internal control environment related to financial reporting varies between its three business areas. In summary, the processes are informal, but are moving toward standardization in certain selected areas. This means that processes are in place, but they generally lack structured documentation and follow-up. The Group has primarily focused on establishing and documenting governance documents and policies; the next step is to define a standardized framework for the most essential processes, thereby improving documentation and a proactive approach to financial reporting. Financial reporting includes the preparation of interim and annual reports.

Control environment

The control environment refers to the structures, processes and standards established by management and the Board of Directors to govern internal control and concerns, for example, the values and behaviors communicated and pursued within the Group. The Board has reviewed and adopted the Group's policy portfolio, but it still has room for improvement in terms of continuously assessing compliance and reporting to management and the Board.

Control environment

Risk assessment

Each business area conducts risk assessments on an ongoing basis, and the assessment is that the Group navigate these through a good understanding of the business and good cooperation with business partners. However, this approach must be complemented by a more robust operational model for identifying and reporting on risks. Roles and responsibilities must be formalized and clarified. See also the risk section on page 71.

Control activities

Control activities are in place in most key processes related to financial reporting, but are generally informal rather than standardized and documented. The next steps to improve internal control is to create a formalized framework of control activities that address risks in the Group's key processes.

Information and communication

In 2022, Greenfood's Board of Directors adopted an information policy that regulates Greenfood's disclosure of information. By providing reliable information and communicating clearly, Greenfood can build trust with investors and other stakeholders. The information policy regulates how information is communicated and includes guidelines for all internal and external communication. The policy aims to clarify the distribution of responsibilities for communication and to contribute to consistent communication within and outside the company. In addition, the company's insider policy contains detailed information on the disclosure of insider information.

Greenfood has established a framework of governing documents and policies that are communicated to employees via the intranet and that are approved by the Board and management. The Group sees improvements pertaining mainly to training process owners linked to the control environment and to reaching all employees. The control environment varies between the different business areas and this needs to be more homogenized in order to encompass all of Greenfood, for example through training and information sharing.

Follow-up of internal control

Ultimately the goal for Greenfood is to achieve monitored internal controls by integrating an internal control framework into the companies' business processes. This means that staff must be trained and formal control owners appointed. This will result in the companies taking a structured approach to following up outcomes and implementing improvements.

Greenfood's Code of Conduct

In 2019, the Group established a Code of Conduct for employees as guidance on how to behave ethically and how to handle different types of risks. Every employee is an ambassador for Greenfood, so our Code of Conduct is intended for everyone, regardless of role or position. All employees sign this Code of Conduct in conjunction with their employment, but ongoing training is carried out to ensure that employees are aware of Greenfood's Code of Conduct. The Code of Conduct can be divided into 6 different areas, which are summarized below:

Greenfood's Code of Conduct

Our workplace
- Everyone should be treated with respect. No discrimination.
- Focus on safety and health.
- Contribute to an open work environment.

Information and assets
- Handle confidential information with care.
- Financial information is reported in accordance with applicable rules.

Sustainability focus – CSR
- Decent working conditions.
- Economic growth.
- Responsible consumption and production.
- No hunger.

Product safety and quality
- Meet all food safety regulations and standards.
- Compliance with health, hygiene and safety regulations at our facilities.
- Assist authorities during inspections.

Business partner relationships
- Handle business information with care.
- Corruption and bribery are not permitted.
- Combat money laundering.

Reporting unethical behavior
- Dare to speak up!
- The whistleblowing service that guarantees anonymity.

Focus on IT security

The digital world is getting tougher and threats are on the rise, even for companies that have traditionally been spared. As cybercrime shifts from idealistic to purely economic motives, successful attacks are being launched against all companies and institutions for the purposes of making money.

Since 2021, cybersecurity has been high on Greenfood's agenda and in the past year, further steps have been taken to improve existing processes and introduce new security models.

The biggest project aims to introduce a tier model, which splits all IT resources into separate tiers depending on their importance to the business. This purely preventive measure negates an attacker's ability to access and take over critical resources, even when an attack has managed to be established at a lower level, where they often begin. The model provides better resilience and a much greater ability to defeat an ongoing attack.

With the construction of Greenhouse, we have identified a larger share of total sales tied to a single physical building than we have previously had in the Group. This is why, from the outset, we have designed a flexible, but robust and secure infrastructure that reduces the risk of failure in several different scenarios.

GREENFOOD'S BOARD OF DIRECTORS

Stefan Jacobsson
Chairperson

Former CEO of Puma Rudolf Dassler AG, Nybron Flooring International Corp, Abu/Garcia AB, Etonic Inc and Tretorn AB.

Former Chairman of Thule Group AB, Hafa Group AB, Nybron Flooring International Corp, Intersport AB, Woody AB, SBC AB, Avvail Int AB and inRiver AB, and Board member at Nobia AB and Etac AB.

Anette Rosengren
Member of the board

Nordic Managing Director at Philip Morris International.

Previously a board member at Altia plc, the Swedish Food Federation (Livsmedelsföretagen), Confederation of Swedish Enterprise (Svenskt Näringsliv), DLF, Lantmännen Research Foundation, Center of Innovation, European Snacks Association and Lantmännen Axa. Previous work experience from Unilever, Kraft Foods, Lantmännen and Fazer.

BSc in Marketing from Lund University.

Tiemo Grimm
Member of the board

Principal at Nordic Capital.

16 years of experience in finance.

Current board member of four other companies owned by Nordic Capital.

MBA from University of Passau.

Fabian Suessenguth
Member of the board

Investment Manager at Nordic Capital.

Former M&A analyst at J.P. Morgan and Equity Research Analyst at LBBW.

MSc in Advanced Finance from IE Business School.

Anders Johansson
Member of the board

Director at Fidelio Capital. Currently board member at iBinder.

Previously a board member at VetFamily and Nextmune. Previous work experience from Areim and Bank of America Merrill Lynch.

MSc in Accounting, Strategy and Control from Copenhagen Business School.

GREENFOODS LEDNING

David von Laskowski
CEO of Greenfood & Picadeli

At Greenfood since 2014.

Former Vice President at Accent of Scandinavia and CEO of Candyking Group and Visma Retail.

PhD in Strategic Management from the Stockholm School of Economics and visiting researcher at Columbia and Stanford Universities.

Mattias Engberg
CFO

Part of group management since 2014.

17 years of experience in fruit and vegetables, most recently as CFO of Dole Europe. More than 34 years of experience in finance.

MBA from Rotterdam School of Management.

Lisa Isaksson
Head of Communications and Sustainability

Part of group management team since 2018.

Over 15 years of experience in marketing and communication in the food industry with brands such as Picadeli, Ridderheims, Santa Maria, Dafgård and Gorbys.

Bjorn Johansson
CEO of Food Solutions

Part of group management team since 2010.

Industry experience since 1989 with leading positions in the food industry.

Involved in Salico's start-up and a board member of entrepreneurial restaurant and food companies.

David Bennertun
Vice President of Food Solutions

Part of group management since 2017.

Previous leading and market development positions in, for example, Axfood, ÖoB and OKQ8.

Ted Stenshed
CEO of Fresh Produce

Part of group management since 2017.

Broad industry experience. Previously in group management of Bama Fresh Cuts, KLS Ugglarps & Dalsjöfors Kött, Charkprodukter i Billesholm, Sydgrönt, Sydlog and Sydflora.

WORKING CONTINUOUSLY ON REDUCING RISK

All business entails risks, and Greenfood is no exception. The work of managing and minimizing risks and their impact on the business is well integrated into our business processes since this work is crucial for the Group's performance and earnings.

Greenfood's Board of Directors has overall responsibility for ensuring that the Group employs adequate risk management, including through identification, assessment and reduction of risks. Operational responsibility lies with the CEO who is responsible for ensuring that the company manages the risks in line with the framework approved by the Board of Directors. Greenfood has several policies to support risk management in a number of areas. Other risks are managed organically in the Group's day-to-day work, through reporting to the Board of Directors and at management team meetings.

The Greenfood Group has identified the following significant risk areas: operational risks, market risks, reputational risks and financial risks. Below is a brief description of the main risks associated with Greenfood's operations as well as how they are managed.

Operational risks

Description of risk	Risk mitigation
Product safety and quality Food production entails high demands for hygiene, handling and traceability. Deficiencies in handling could lead to physical, chemical or microbiological hazards that could harm the health of our consumers. Deficiencies could also lead to diminished confidence in Greenfood, our subsidiaries, or in the Group's brands, as well as fines or even a ban on operations.	Product safety and quality are fundamental to everything we do. Quality is essential to our business and leads to a high degree of trust among customers and consumers. We set stringent requirements throughout the value chain and apply recognized certifications, such as Global GAP, BRC Food and FSSC 22000. Identified risks are mitigated with a well-established organizational structure and systematic approach. We endeavor to take a preventive approach and work for the continuous development of both staff and processes.
Work environment Greenfood's future depends on its ability to hire, retain, and encourage growth among employees. This requires a safe and inclusive work environment with good conditions. Active work with matters such as occupational health and safety, diversity, gender equality and non-discrimination is crucial in this arena.	A Group-wide Code of Conduct and equal treatment policy govern work with employee issues and the work environment. At the company level, there are additional employee handbooks and occupational health and safety policies. Health risks in production and warehouse premises are managed through systematic occupational health and safety management and training. Greenfood must be an attractive employer and we conduct employee surveys annually to improve working conditions and the work environment.
Warehousing At Greenfood's central warehouse, our products are received, sorted, shared, assembled, packed and loaded for transport to the customer. In other words, the warehouse is also a production facility and disruptions or problems in Greenfood's warehouse as well as in suppliers' warehouses can pose a risk to Greenfood's operations.	Greenfood has extensive experience and strong procedures related to warehouse management for both end products and raw materials for further processing in our production facilities. Redundant solutions for various likely scenarios.

Market risks

Description of risk	Risk mitigation
Environment, climate and global disruptions With a global supply chain, Greenfood's business is highly dependent on the production and delivery capabilities of international markets. Multiple global factors play a role, including the climate, environment and international politics. Climate change is altering local weather conditions, resulting in drought, erosion, or flooding, which can damage growing conditions and limit the availability of raw materials. Nevertheless, overexploitation of natural resources, unilateral land use and threatened biodiversity can reduce the productive capacity of land. Pandemics, nearby wars and conflicts worldwide also have consequences for both producers and suppliers.	By importing from different regions of the world, we are spreading out the risks and securing access to raw materials. At the same time, we monitor and adapt the supply chain to the changing conditions and identify alternatives to the products at risk of a shortage. We also work closely with our suppliers and adapt our offering to ensure and promote sustainable agriculture and to protect ecosystems. We are attentive to any new risks in the supply chain through annual risk assessments based on, for example, Amfori BSCI, high-risk raw materials, etc. We are also considering the possibility of more local purchasing, if the need should arise. Among other things, we have invested in self-generated electricity, both to secure our energy supply and to contribute to the local energy system.
Prices The varying conditions for production also generate variation in prices. Moreover, inflation occurs at different rates in different parts of the world, which can create different conditions for producers and for Greenfood.	Variations in raw material costs and other cost increases are to an extent handled differently by different business areas. All business areas have either contract clauses that address price adjustments or a variable market price. In the event of a sudden increase in costs outside these windows, temporary gaps may occur.
Competition Greenfood faces strong competition in all its product areas, from both other Fruit and Vegetable producers and other suppliers of ready meals. If larger customers in the grocery retail segment were to integrate their value chain, there would be a risk of increased competition.	Greenfood is well aware of the potential for increased competition and ensures its own competitiveness and relevance to customers through continuous productivity improvements and increased innovation.
Demand Other companies may compete for market demand, but there is also a risk of decline in overall demand. Economic and political factors affect customers' disposable income and consumption patterns and thus demand. Biological factors, such as epidemics and pandemics, have also affected consumption patterns and may also impact the company's operations and profitability going forward.	Greenfood monitors the market and adapts its product development and marketing in accordance with prevailing trends. The Group is working toward scalability in its operations to ensure profitability for both large and small sales. Focusing on productivity and quality ensures that the Group can handle longer periods of lower demand, for example during a recession.

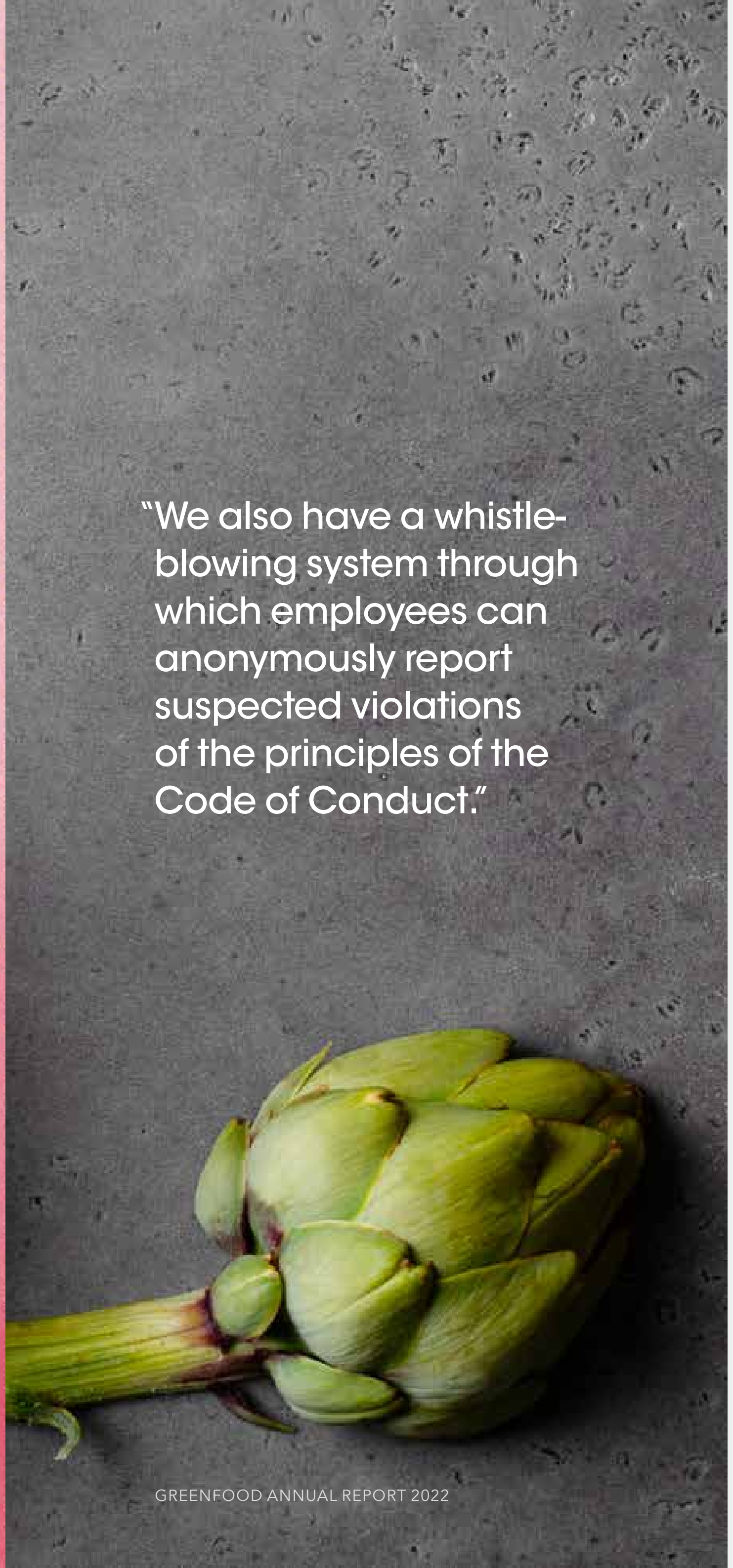
Market risks cont.

Description of risk	Risk mitigation
Legal requirements and regulations With subsidiaries in multiple countries, Greenfood is impacted by different laws, taxes and regulations in different markets. It is of great importance for Greenfood to comply with regulations and adapt its operations to national and international laws. Violations or neglect of laws and regulations can damage the Group's reputation, lead to sanctions and fines, and negatively affect profitability. Upcoming societal adjustments and legislation to combat climate change make it particularly important for Greenfood to be active and agile when it comes to adapting to new regulations.	We regularly review the legal context in which we operate by ensuring that each subsidiary monitors and adapts its activities in accordance with the legal requirements initiated and the markets in which they are active. With new legislation or regulations, measures are decided well in advance of the implementation of the new regulations.

Reputational risks

Description of risk	Risk mitigation
Social abuses in the supply chain Our products are grown all over the world and there are sometimes long supply chains before they reach us. This chain contains risks from different aspects such as occupational health and safety, child labor, trade union rights and food safety. Human rights violations are a challenge.	These risks are taken into account before a new supplier is approved. All business agreements are signed based on Greenfood's Code of Conduct. We also visit or audit suppliers to monitor quality and product, as well as social conditions. Greenfood is also a member of Amfori and urges and encourages suppliers to join.
Animal welfare Animals should be treated well in an environment that supports their health and natural behaviors. We believe in the globally established idea of the "five freedoms of animal welfare", i.e. freedom from hunger and thirst, freedom from discomfort, freedom from pain, freedom to express normal behavior, and freedom from fear and distress. We see a risk of damage to trust if we buy animal proteins that turn out to be from animals that were not able to live according to the five freedoms.	Today, 95 percent of our range comes from plant-based products, a share that we are working to increase. Our Code of Conduct requires our suppliers to comply with the "five freedoms of animal welfare" for the animal products we use.
Anti-corruption and business ethics Corruption, bribery and anti-competitive practices are unethical, illegal and in violation of our business ethics and values. With regard to the highest risk of corruption and unethical practices in our supply chain, we rely among other things on Amfori BSCI's classification of so-called high-risk countries. In our operation, there is a higher risk of unethical practices when dealing with suppliers and partners.	Business ethics are covered in our external and internal Code of Conduct, as well as in policies and a business ethics compliance program. Internally, the risk is minimized through our employee Code of Conduct, which lays out clear rules on corruption and gifts. We also have a whistleblowing system through which employees can anonymously report suspected violations of the principles of the Code of Conduct. In the supply chain, we manage risks in areas such as corruption and business ethics in several ways. In addition to the Code of Conduct, we conduct audits and risk assessments of the purchasing process.

Download a print-optimized PDF (A4)



Financial risks

Description of risk	Risk mitigation
FOREX Since Greenfood has operations and sales in several countries, fluctuating exchange rates, especially between SEK, EUR and USD, can create unexpected variations in cash flow and earnings.	Greenfood employs efficient forex management, with a policy that pragmatically addresses the flows in its various business areas.
Interest rates Elevated market interest rates increase Greenfood's costs and impair earnings and cash flow.	Greenfood continuously monitors developments on the interest rate market and considers various management options, according to the Group's finance policy. Greenfood has strong liquidity that can handle currently expected interest rate adjustments without affecting its expansion plans.
Financing risk The Greenfood Group's main financing is via a sustainability-linked bond that matures in November 2025. The debt/equity ratio has steadily decreased since the bond was issued, but is not yet on the level that the board has set as a goal. The financing will need to be renewed before the end of 2025.	The financing risk will only be a relevant risk during 2024, but with the current development of the business, our leverage will improve during 2023 and thus access to refinancing will increase.

FINANCIAL REPORTING

STRENGTHENED RESULTS DESPITE GLOBAL ECONOMIC HEADWINDS

DIRECTORS' REPORT

The Board of Directors of Greenfood AB (publ) hereby submits the annual report and consolidated financial statements for the financial year 2022-01-01–2022-12-31.

Information about the business

Greenfood AB (publ) is the parent company of the Greenfood Group, a leading player in fresh healthy food. The business comprises three business areas: Fresh Produce, Food Solutions and Picadeli. Through them, the Group offers several different concepts all of which have fruit and vegetables as their base. Everything from self-serve salad bars, pre-packaged healthy to-go food, pre-cut lettuce and vegetables to fruits and vegetables straight from the farms. Our main markets are Sweden, Finland, France, Denmark, Germany, and Belgium. The most important customer categories are grocery and convenience stores, as well as HoReCa. HoReCa is a collective term for direct and indirect sales to hotels, restaurants and commercial kitchens.

As a year, 2022 had a direct and tangible impact from several external factors, particularly: higher inflation, volatile energy costs, higher interest rates, and weaker consumer purchasing power. These factors have arisen due in part to Russia's invasion of Ukraine, but also to increased activity after COVID-19 restrictions were lifted. All companies in the Group have been affected, but Greenfood's range is holding up relatively well, even in challenging economic conditions, and the company has managed to improve or maintain its underlying earnings capacity.

Picadeli, a business area whose salad bars are primarily located in grocery and service stores, provides a unique concept for self-service salad. The concept is established in Sweden, Finland, France, Germany, Belgium, Estonia and in a test phase in the USA. In Sweden, Finland and France, the concept is very well established and is available at most grocery chains and in most of the larger cities. In Germany, Belgium and Luxembourg, the concept has been very well received and interest in the concept is continuing to grow. In 2020, the business area also established a joint venture company that will grow in the large U.S. market. The COVID-19 pandemic significantly negatively impacted the business area during 2021 due to shut-downs and restrictions that have affected both travel and societal functions. COVID-19 restrictions were lifted in the first half of 2022, and the business area had strong growth during the year and entered 2023 in a significantly stronger position than the previous year.

The Food Solutions business area develops, produces and delivers a broad range of products in the growing food-to-go category, as well as cut fresh fruit and vegetables for our customers in the convenience and grocery trades, as well as the HoReCa sector. Greenfood is a leading operator in Sweden and Finland with production and sales in both countries with significant exports to Denmark as well. In 2022, one of the business area's Finnish companies, Salico OY, incorporated the Lahti business acquired in 2017 for Food-to-Go into its Kivikko premises outside of Helsinki. This meant that one production unit was closed and that the production was centralized. Although the business area was affected by the ongoing move of the business in 2022, this consolidation has generated effective, scalable solutions for Food-to-Go in Finland. The impact of the initial change costs is also evident in the figures shown for the business area in the company's segment reporting. The business area has been negatively affected by higher energy costs and inflation in general. The organization has managed to counteract these effects somewhat through price increases and other measures.

Five year overview for the group

SEK m	2022	2021	2020	2019	2018
Net sales	5,238.8	4,321.0	4,290.3	5,156.3	4,625.3
Return on equity	–40.5	–81.2	–162.4	–5.1	55.8
Profit/loss before tax	–190.6	–190.5	–254.4	–91.7	–15.5
EBITDA	165,3	141,1	25,7	217,6	147,9
Adjusted EBITDA[1)]	219.0	161.7	56.1	263.8	172.4[5)]
Balance sheet total	3,585.1	3,530.9	3,340.3	3,504.7	3,065.6
Equity/assets ratio[2)]	14.9%	19.5%	25.9%	29.1%	36.5%
Return on equity[3)]	–29.2%	–21.9%	–22.7%	–8.6%	–1.4%
Return on total capital[4)]	–1.1%	–2.3%	–4.6%	–0.1%	1.9%
Average number of employees	940	937	971	1,139	957

1) EBITDA adjusted for Non-recurring items and unestablished business, also see note 5.
2) Equity/Total assets.
3) Profit/loss for the year/Average equity.
4) (Profit/loss before tax + interest expense)/Average total assets.
5) Adjusted EBITDA before change in accounting principle to IFRS 16, estimated effect on EBITDA is SEK 50-55 million.

At the same time, interest in locally produced fruits and vegetables is also growing. Greenfood's Fresh Produce business area is well-positioned in both of these trends and has a strong position in imports, exports, distribution and trade in fresh fruit and vegetables in their non-processed form. The business area builds a strong offering to the grocery trade and HoReCa based on a deep knowledge in cultivation, assortment, quality, logistics and handling of fruit and vegetables. The leading competence is an understanding of both the needs of the growers and the requirements of the customers. Although sales have been affected by the pandemic, this business area has generated a strong result, the strongest underlying EBITDA during the relevant five-year period. As the business area's products are generally traded with daily pricing, inflation does not have a direct impact, but the lower purchasing power among consumers has a negative impact on the range, with rejection of more exclusive products and greater focus on campaigns. We are also seeing a change at the customer level, where discount stores are growing at the expense of other store concepts. We do not yet see a strong negative change in the HoReCa sector.

Development of operations, performance and position

The Group's financial position

During the year, the Group achieved sales of SEK 5,238.8 million (4,321.0), adjusted EBITDA of SEK 219.0 million (161.7) and an operating loss of SEK –40.5 million (–81.2). Earnings were positively impacted by the growth generated in the Picadeli business area, which has a positive impact on adjusted EBITDA of SEK 66.4 million compared to the previous year. Fresh Produce has a sales increase of 14 percent, related mainly to underlying inflation. Adjusted EBITDA in this segment is also satisfactory with an improvement of SEK 3.9 million, compared to the previous year. Food Solutions' performance was negatively affected by change costs related to the move of Food-to-Go production from Lahti to Helsinki, and by some delays in price increases to customers on fixed contracts. The business area reported an adjusted EBITDA of SEK 63.6 million, which is SEK 14 million lower than the previous year.

Through an issuance of a sustainability-linked bond in 2021, the Group obtained a four-year loan until November 2025. The bond has three sustainability-related conditions that must be met before the bond matures. The bond is described in detail in Note 25. In the last quarter of 2022, the bond was also listed on NASDAQ/Stockholm. Elevated interest rates have a negative impact on financial costs of around SEK 9,1 million. Greenfood has an interest rate hedge of 50 percent of the loan if STIBOR exceeds 4 percent. This is described in detail in Note 3.

The Group has subsidiaries in Sweden, Finland, Spain, France, Germany, Belgium, Denmark and the US. The total number of full-time employees at the end of the year was 940 (936).

Research and development

The Group does not conduct actual research, but focuses on developing products and concepts. Product development is at the business area level with cross-business area collaboration where relevant. Regarding the "Picadeli" concept, we continue to use sophisticated technology, such as AI, to develop a salad bar that minimizes customer effort, creating a simpler and fresher experience for consumers. Each salad bar has a variety of sensors that collect data in real time which are then sent to our central database. Based on this information, the Group can act operationally, but also identify new areas of development. Recent developments have focused on auto orders and the next generation salad bar. In all business areas, the Group spends significant energy on developing delicious, healthy, plant-based food.

Acquisitions and divestments

In 2022, the Group did not make any acquisitions or divest operations. However, Picadeli has decided to cease operations in its own restaurants in Sweden and France.

Parent company

Greenfood AB (publ), corporate identity number 559035-9104, with its registered office in Stockholm, owns and manages shares in subsidiaries and manages the Greenfood Group. The company has three employees and no invoicing to external customers. Greenfood AB (publ) is a wholly owned subsidiary of Greenfood MC AB, corporate identity number 559035-9096, with its registered office in Stockholm. Greenfood MC AB is in turn 89 percent owned by Greenfood TC AB, corporate identity number 559034-3645, with its registered office in Stockholm, and prepares consolidated financial statements for the largest Group, which includes Greenfood AB (publ) as a subsidiary. The majority owner of Greenfood TC AB is Greenfood Cidron S.A.R.L. in Luxembourg, which is indirectly owned by Nordic Capital VIII Alpha, L.P. and Nordic Capital VIII Beta, L.P. (jointly "Nordic Capital Fond VIII", which acts through its general partner Nordic Capital VIII Limited, and together with earlier funds, "Nordic Capital"). Nordic Capital is a leader in "private equity" investments in companies in Nordic region and Europe's German-speaking areas, as well as healthcar companies globally.

Five year overview for the group

SEK m	2022	2021	2020	2019	2018
Net sales	15.6	12.9	14.0	14.5	3.6
Return on equity	–14.1	–7.0	–3.4	–17.2	–18.7
Profit/loss before tax	–81.2	–34.4	–38.1	–35.6	–23.5
Balance sheet total	2,420.9	2,463.4	2,170.6	2,134.4	2 052.1
Equity/assets ratio[1]	38.3%	41.2%	48.4%	49.0%	52.7%
Return on equity[2]	–9.1%	–3.5%	–3.6%	–1.6%	–1.7%
Return on total capital[3]	1.8%	1.8%	2.7%	–3.1%	–2.4%
Average number of employees	3	3	3	3	3

1) Adjusted equity/Total assets.
2) Profit/loss for the year / Average equity.
3) (Profit/loss before tax + interest expense)/Average total assets.

The remaining 26.7 percent is indirectly owned by Fidelio Capital AB (corporate identity number 556811-0851) via Acetaria Holding AB (corporate identity number 559051-3221), both based in Stockholm. Fidelio Capital AB is a Swedish investment company that invests in small and medium-sized enterprises.

During the year, the company has primarily led the Greenfood Group and provided financing in the form of a sustainability-linked bond.

Significant events during the financial year

- Picadeli established a central European logistics center in Belgium, mainly to serve the German and Benelux markets.
- Picadeli and Food Solutions have successfully launched a new Food-to-Go range under the Picadeli brand.
- Food Solutions began moving its Lahti operation to its facilities in Helsinki.
- Picadeli made a strategic decision to stop operating wholly owned restaurants. Business through franchisees will continue as before.
- Greenfood signed a supply agreement with Axfood for fruit, vegetables and perishable goods.
- Fresh Produce signed a cooperative agreement with Agtira to distribute and market fresh vegetables grown in urban greenhouses under the City Greens brand.
- Greenfood presented the Vegocracy report at the Future Food Forum at Almedalen. In the presentation, Greenfood argued for clearer nutritional information on food in Sweden and the removal of VAT from fruit and vegetables.
- Greenfood's sustainability-linked bond was listed on NASDAQ/Stockholm in the fourth quarter of 2022.

Significant risks and uncertainties

Operational risks

Greenfood mainly works with fresh plant-based food solutions. Fresh products are in themselves sensitive to climate changes that affect the harvesting volumes and times. Consumption of some products is also sensitive to the weather and has a seasonal emphasis to some extent.

In some cases, our delivery chain comprises the purchase of raw materials and products from countries where there is an elevated risk of corruption or human rights violations. To identify potential risks early, a risk analysis is conducted annually. A close dialogue with the supplier and a structured purchasing process are important and are also supplemented with audits and Greenfood's Code of Conduct.

The Group also has a risk in terms of food safety. The Group has particularly good procedures around the handling of fruits and vegetables in processing as well as in other handling, but a contamination of any kind would affect consumption of fresh plant-based food in general. To manage the risks associated with fresh food, the Group has relevant policies and procedures that are both used internally and included in a Code of Conduct that the Group's suppliers sign.
We actively work with audits that these commitments are met.

How the company manages operational risk is described in further detail on pages 71–74.

External risks

Governments started lifting a significant portion of mobility restrictions in the middle of February 2022, following an upsurge of Covid -19 Omicron mutation. End of March most markets lifted their restrictions and this impacted Picadeli positively since the mobility and thus consumption patterns returned to more normal behaviour. Several other factors have disrupted the macroenomic environment in 2022:

1. the russian invation of Ukraine,
2. inflationary pressure,
3. interest rate increases leading to increased living costs, and
4. volatile and high energy costs.

Inflationarry pressure, accelerating following the Russian invasion of Ukraine, affected especially raw material, fuel, energy, labour, and semiconductors. Greenfood has implemented and pushed through mitigating actions safeguarding prfitability in the value chain.

Interest rate increses has negatively affected net financial costs, but the group has mitigated the risks of further increases through an interest rate hedge entered into during the first half of the year. The levels still remain within the group's risk-span, with the hedge at 4% underlying 3-month STIBOR.

Rising energy costs increase operational expenses even if compensated by price increases to our customers. Despite market turbulence the Group has protected profitability.

IT-risks

Greenfood is dependent on functioning digital tools and infrastructure. Risk related to IT-applications are mapped and managed though redundancy and constant analysis of weaknesses. There are actors that actively try to intrude into the digital environments of companies as well as individuals. To prevent such lapses in cyber-security, the Group has put together a solid activity program based on a mapping of potentially existing weaknesses. All salaried employees within the Group have undergone training programs related to data security. The board follows up on how the Group develops data security and how it stands in relation to identified goals. Presently, the company is well in line with the Board's objectives. See also IT in focus in the corporate governance report on page 68.

Financial instruments and risk management

The Group uses financial instruments to a limited extent, and the instruments used are not fundamentally complex. Identified currency risks are mainly managed using forward contracts but also a cash flow hedge has been entered during the 2022 to reduce the interest risk in the Group. How the Group handles financial risk is shown in note 3 Financial risk management and financial instruments.

Significant events after the end of the financial year

After the closing date, the Group implemented savings measures through staff reductions in Food Solutions at the wholly owned subsidiary, Salico OY. Fresh Produce has also started negotiations in Sweden on planned staff reductions in Stockholm.

Sustainability report

The Group's sustainability report can be read on pages 14–15 and 34–64 in this document.

Proposed appropriation of earnings (SEK)

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

Profit/loss brought forward	1,013,415,880
Profit/loss for the year	–87,869,766
	925,546,104
The Board proposes the following amount be carried forward:	
	925,546,104

For more information about the position and performance of the Parent Company and the Group otherwise, please refer to the following income statements and balance sheets, statements of changes in equity, cash flow statements and the notes to the accounts. All amounts are expressed in millions of Swedish kronor (MSEK) where otherwise stated.

ACCOUNTS

Consolidated income statement

SEK m	Note	2022	2021
Operating income			
Net sales	6	5,238.8	4,321.0
Other operating income	7, 34	56.7	69.7
		5,295.5	**4,390.7**
Operating expenses			
Goods for resale		–4,071.9	–3,363.2
Other external expenses	8–10, 34	–322.5	–262.8
Employee benefit expenses	11, 34	–735.7	–623.5
Depreciation, amortization and impairment	12, 17–19, 34	–205.8	–222.3
Other operating expenses		–0.1	–0.1
Return on equity		**–40.5**	**–81.2**
Profit/loss from financial items			
Financial income	13, 14	2.3	1.7
Financial expenses	13, 14	–152.4	–111.0
Profit/loss before tax		**–190.6**	**–190.5**
Tax	15	11.9	20.3
PROFIT/LOSS FOR THE YEAR		–178.7	–170.2
Attributable to:			
Shareholders of the Parent Company		–168.6	–166.0
Non-controlling interests		–10.1	–4.2

Consolidated statement of comprehensive income

SEK m	Note	2022	2021
Profit/loss for the year		**–178.7**	**–170.2**
Other comprehensive income			
Items that may be reclassified to the income statement:			
Cash flow hedging		–6.2	–
Exchange rate differences on translation of foreign operations		14.3	4.1
Total other comprehensive income, net after tax		**8.1**	**4.1**
COMPREHENSIVE INCOME FOR THE YEAR		**–170.6**	**–166.2**
Attributable to:			
Shareholders of the Parent Company		–160.5	–163.0
Non-controlling interests		–10.1	–3.1

Consolidated statement of financial position

SEK m	Note	31/12/2022	31/12/2021
ASSETS			
Fixed assets			
Intangible fixed assets	17		
Goodwill		1,644.1	1,641.5
Trademarks		290.9	290.9
Other intangible assets		77.6	68.8
		2,012.6	**2,001.2**
Property, plant and equipment	18		
Land and buildings		56.9	68.1
Leasehold improvements		16.6	7.0
Plant and machinery		146.0	139.3
Equipment, tools, fixtures and fittings		85.3	113.7
Construction in progress		50.1	27.0
Right-of-use assets	19	277.7	272.8
		632.7	**627.9**
Other fixed assets			
Financial fixed assets	20	22.2	25.6
Deferred tax assets	15	55.6	37.6
		77.8	**63.2**
Total fixed assets		**2,723.1**	**2,692.4**
Current assets			
Inventories	21	160.4	117.5
Accounts receivable	22	372.0	299.0
Current tax receivables	15	11.2	10.5
Other receivables		31.1	39.4
Prepaid expenses and accrued income	23	55.8	38.9
Cash and cash equivalents	31	231.6	277.4
Total current assets		**862.0**	**782.7**
TOTAL ASSETS		**3,585.1**	**3,475.0**

SEK m	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Share capital	24	0.5	0.5
Other capital contributions		29.8	29.8
Reserves		17.3	9.1
Retained earnings including profit/loss for the year		462.4	633.5
Total equity attributable to Parent Company shareholders		**509.9**	**672.9**
Non-controlling interests		23.8	17.2
Total equity		**533.7**	**690.0**
Non-current liabilities			
Bond loan	3, 25, 30	1,022.4	1,013.0
Liabilities to credit institutions	3, 25, 30	10.4	15.6
Liabilities to parent company	3, 25, 30	432.3	401.7
Other non-current liabilities	3, 25, 30	69.6	–
Lease liabilities	19	277.2	253.4
Deferred tax liabilities	15	16.8	17.3
Other provisions	26	70.9	60.1
Total non-current liabilities		**1,899.6**	**1,761.0**
Current liabilities			
Liabilities to credit institutions	3, 25, 30	6.8	10.4
Advance payments from customers		1.7	0.5
Lease liabilities	19	71.2	79.9
Accounts payable		432.4	334.6
Liabilities to group companies		–	0.0
Current tax liabilities	15	1.7	1.6
Other current liabilities	3, 25, 30	227.0	243.7
Accrued expenses and deferred income	26	411.0	353.3
Total current liabilities		**1,151.8**	**1,024.0**
TOTAL EQUITY AND LIABILITIES		**3,585.1**	**3,475.0**

Consolidated statement of changes in equity

SEK m	Note	Share capital	Other contributed capital	Reserve	Retained earnings including profit/loss for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening equity 2021-01-01		**0.1**	**29.8**	**6.2**	**810.4**	**846.4**	**19.7**	**866.1**
Profit/loss for the year					–166.0	**–166.0**	–4.2	**–170.2**
Translation reserve for the year, net after tax				3.0	–	**3.0**	1.1	**4.1**
Comprehensive income for the year				**3.0**	**–166.0**	**–163.0**	**–3.1**	**–166.2**
Bonus issue		0.4			–0.4	**–**	–	**–**
Transactions with non-controlling interests					–10.5	**–10.5**	0.6	**–9.9**
Total		**0.4**	**–**	**–**	**–10.9**	**–10.5**	**0.6**	**–9.9**
Closing equity 31/12/2021	24	**0.5**	**29.8**	**9.1**	**633.5**	**672.9**	**17.2**	**690.0**
Opening equity 2022-01-01		**0.5**	**29.8**	**9.1**	**633.5**	**672.9**	**17.2**	**690.0**
Profit/loss for the year					−168.6	**–168.6**	−10.1	**–178.7**
Cash flow hedging				−6.2		**–6.2**		**–6.2**
Translation reserve for the year, net after tax				14.3		**14.3**	−0.1	**–14.2**
Comprehensive income for the year				**8.1**	**–168.6**	**–160.5**	**–10.1**	**–170.6**
New share issue from non-controlling interests					–	**–**	20.9	**20.9**
Transactions with non-controlling interests					−2.5	**–2.5**	–4.1	**–6.7**
Total		**–**	**–**	**–**	**–2.5**	**–2.5**	**16.7**	**14.2**
Closing equity 2022-12-31	24	**0.5**	**29.8**	**17.2**	**462.4**	**509.9**	**23.8**	**533.7**

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Consolidated statement of cash flows

SEK m	Note	2022	2021
Operating activities			
Return on equity		–40.5	–81.2
Adjustments for non-cash items:			
Depreciation, amortization and impairment	12, 17–19	205.8	230.3
Capital gains/losses		–0.1	0.0
Deferment of tax payments	30, 34	54.9	83.7
Other items		4.6	–1.3
Interest received	14	2.0	0.4
Interest paid	14	–96.6	–49.7
Income tax paid		–3.3	–8.5
Cash flow from operating activities before changes in working capital		**126.7**	**173.6**
Changes in working capital			
Decrease(+)/increase(–) in inventories		–39.8	–12.4
Decrease(+)/increase(–) in operating receivables		–63.0	–46.0
Decrease(–)/increase (+) in operating liabilities		122.9	54.6
Changes in working capital		**20.2**	**–3.9**
Cash flow from operating activities		**146.9**	**169.7**

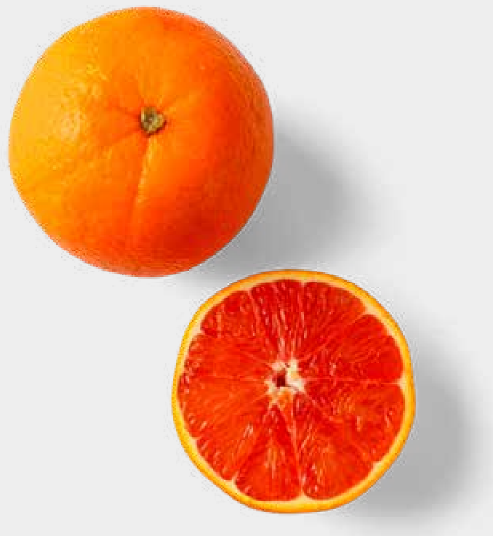
SEK m	Note	2022	2021
Investing activities			
Acquisitions of subsidiaries	29	–9.5	–4.7
Divestment of subsidiaries	29	–	2.8
Acquisitions of intangible assets	17	–27.4	–25.8
Acquisitions of tangible fixed assets	18	–103.4	–42.6
Sales of tangible fixed assets		10.7	1.4
Investments in financial fixed assets	20	3.8	–2.1
Cash flow from investing activities		**–125.8**	**–71.0**
Financing activities			
Transactions with non-controlling interests	29	20.9	–6.7
Loans raised	30	–	1,050.1
Repayment of loans	30	–17.8	–887.1
Expenses concerning loans raised	30	–	–37.0
Repayments of lease liabilities attributable to leases	19, 30	–77.6	–72.5
Cash flow from financing activities		**–74.6**	**46.8**
Cash flow for the year		**–53.4**	**145.5**
Cash and cash equivalents at beginning of the year		**277.4**	**127.7**
Exchange rate differences in cash and cash equivalents		7.6	4.2
Cash and cash equivalents at end of year	31	**231.6**	**277.4**

Parent company income statement

SEK m	Note	2022	2021
Operating income			
Net sales	6	15.6	12.9
Other operating income	7	0.0	0.0
		15.6	**12.9**
Operating expenses			
Other external expenses	8	–11.6	–5.6
Employee benefit expenses	11	–18.1	–14.3
Return on equity		**–14.1**	**–7.0**
Profit/loss from financial items			
Profit/loss from participations in Group companies	3	–60.0	–
Interest income and similar profit items	14	59.4	34.8
Interest expenses and similar profit/loss items	14	–125.9	–76.9
Profit/loss after financial items		**–140.6**	**–49.1**
Appropriations			
Submitted / Received group contribution		59.4	14.7
Profit/loss before tax		**–81.2**	**–34.4**
Tax on profit/loss for the year	15	–6.7	–1.5
PROFIT/LOSS FOR THE YEAR		**–87.9**	**–35.9**

Parent company statement of comprehensive income

SEK m	Note	2022	2021
Profit/loss for the year		–87.9	–35.9
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		**–87.9**	**–35.9**



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Parent company balance sheet

SEK m	Note	31/12/2022	31/12/2021
ASSETS			
Fixed assets			
Participations in Group companies	16	1,407.7	1,407.7
Receivables from Group companies		892.6	840.6
Deferred tax assets	15	2.5	9.3
Financial fixed assets	20	2.9	1.9
Total fixed assets		**2,305.7**	**2,259.6**
Current assets			
Current receivables			
Receivables from Group companies		105.7	42.3
Current tax receivables		0.8	0.8
Other receivables		0.2	–
Prepaid expenses and accrued income	23	7.5	0.5
Total current receivables		**114.3**	**43.6**
Cash and bank balances	31	**0.9**	**160.3**
Total current assets		**115.2**	**203.9**
TOTAL ASSETS		**2,420.9**	**2,463.4**

SEK m	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		0.5	0.5
		0.5	**0.5**
Non-restricted equity			
Profit/loss brought forward		1,013.4	1,049.3
Profit/loss for the year		–87.9	–35.9
		925.5	**1,013.4**
Total equity		**926.0**	**1,013.9**
Provisions			
Deferred tax liabilities	15	–	0.1
Other provisions		2.9	1.9
Total provisions		**2.9**	**2.0**
Non-current liabilities			
Liabilities to credit institutions	25, 30	1,022.4	1,013.0
Liabilities to parent company	25, 30	432.3	401.7
Other non-current liabilities	25, 30	9.3	–
Total non-current liabilities		**1,464.0**	**1,414.7**
Current liabilities			
Accounts payable		1.1	3.9
Liabilities to group companies		–	0.1
Other liabilities	25, 30	3.1	9.9
Accrued expenses and deferred income	27	23.8	19.0
Total current liabilities		**28.0**	**32.8**
TOTAL EQUITY AND LIABILITIES		**2,420.9**	**2,463.4**

Parent company statement of changes in equity

	Restricted equity	Non-restricted equity		
SEK m	**Share capital**	**Balanced profit or loss**	**Profit/loss for the year**	**Total equity**
Opening equity 2021-01-01	**0.1**	**1,087.8**	**–38.1**	**1,049.8**
Appropriation of previous year's profit/loss		–38.1	38.1	–
Bonus issue	0.4	–0.4	–	–
Profit/loss for the year			–35.9	**–35.9**
Other comprehensive income		–	–	–
Comprehensive income for the year			**–35.9**	**–35.9**
Closing equity 31/12/2021	**0.5**	**1,049.3**	**–35.9**	**1,013.9**
Opening equity 2022-01-01	**0.5**	**1,049.3**	**–35.9**	**1,013.9**
Appropriation of previous year's profit/loss		–35.9	35.9	–
Profit/loss for the year			–87.9	**–87.9**
Other comprehensive income		–	–	–
Comprehensive income for the year			**–87.9**	**–87.9**
Closing equity 2022-12-31	**0.5**	**1,013.4**	**–87.9**	**926.0**

Parent Company cash flow statement

SEK m	**Note**	**2022**	**2021**
Cash flow from operating activities			
Return on equity		–14.1	–6.9
Adjustments for other non-cash items		10.4	0.7
Interest received	14	59.4	34.8
Interest paid	14	–99.2	–34.8
Income tax paid		–	–0.2
Cash flow from operating activities before changes in working capital		**–43.5**	**–6.5**
Changes in working capital			
Decrease(+)/increase(–) in operating receivables		–22.6	–10.8
Decrease(–)/increase (+) in operating liabilities		5.0	2.1
Changes in working capital		**–17.6**	**–8.8**
Cash flow from operating activities		**–61.1**	**–15.2**
Investing activities			
Capital contributions to subsidiaries		-60.0	–
Investments in other financial assets		–53.0	–167.1
Cash flow from investing activities		**–113.0**	**–167.1**
Financing activities			
Loans raised	30	–	1,013.0
Shareholder contribution received		–	–
Repayment of loans	30	–	–732.7
Received (+)/ (–) group contributions received		14.7	14.7
Cash flow from financing activities		**14.7**	**298.6**
Cash flow for the year		**–159.4**	**116.2**
Cash and cash equivalents at beginning of the year		160.3	44.1
Cash and cash equivalents at end of year	31	**0.9**	**160.3**

NOTES

Notes to the financial statements

Greenfood AB (publ), with corporate identification number 559035-9104, is a limited company registered in Sweden with its registered office in Stockholm. The address of the Head Office is Knut Påls väg 9, Helsingborg, Sweden.

Greenfood AB (publ) is a parent company of the Greenfood Group, a leading player in fresh healthy food. The business comprises three business areas: Picadeli, Food Solutions and Fresh Produce. Through them, the Group offers several different concepts all of which have fruit and vegetables as their base. Everything from self-serve salad bars, pre-packaged healthy food to go, pre-cut vegetables and lettuces to fruits and produce straight from farms. The main markets are Sweden, Finland, Denmark, Germany, Belgium and France. The most important customer segments are the retail and convenience trades, as well as hotels, restaurants and catering (HoReCa).

The consolidated financial statements for 2022 consist of the parent company Greenfood AB (publ) and its subsidiaries, together referred to as the Group. Greenfood AB (publ) is a subsidiary of Greenfood MC AB with registered office in Stockholm, corporate identity number 559035-9096, which is in turn 89 percent owned by Greenfood TC AB with registered office in Stockholm, corporate identity number 559034-3645, with the remaining 11 percent owned by minority shareholders. Minimum consolidated financial statement is prepared by Greenfood AB (publ) but Greenfood TC AB prepares consolidated financial statements for the largest Group, which includes Greenfood AB (publ) as a subsidiary. The majority owner of Greenfood TC AB is Greenfood Cidron S.A.R.L. in Luxembourg, which is indirectly owned by Nordic Capital VIII Ltd. Nordic Capital is a leader in "private equity" investments in companies in the Nordic region and Europe's German-speaking areas, as well as healthcare companies globally. Minority owner of the remaining shares is Fidelio Capital I AB (corp. ID no. 556811 0851) through Acetaria Holding AB (corp. ID no. 559051-3221) both with their registered office in Stockholm. Fidelio Capital I AB is a Swedish investment company that invests in small and medium-sized enterprises.

The annual report and consolidated financial statements were approved for publication by the Board of Directors on April 24, 2023. The consolidated income statement, statement of comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet are subject to adoption by the Annual General Meeting on May 15, 2023.

NOTE 1 Significant accounting principles

The consolidated financial statements for Greenfood AB (publ) were prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU. The Group does not apply IAS 33 Earnings per share in accordance with the exemption rules for unlisted companies. In addition, the Group applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplemental accounting rules for groups.

It can occur that the total amount in tables and accounts does not add up due to rounding differences. The aim is for each subline to agree with its original source and rounding differences can therefore arise.

New and revised standards applied by the Group

There are no new IFRS standards that have been approved for application beginning in 2022. The amendments to standards approved for application as of 2022 are not expected to have any material impact on the Group's financial statements.

New standards and interpretations which have not yet been applied by the Group

Company management deems that new and revised standards and interpretations that enter into effect after December 31, 2022 are not expected to have any material impact on the consolidated financial statements.

Accounting Policy Operating Segment

The Group's top decision-making body has been identified as the Group's Executive Director as well as the management team. The management team evaluates the Group's operations on an ongoing basis and has identified three reportable segments in addition to geographic markets; Fresh Produce business area, Food Solutions business area, and Picadeli business area. The term "Business Area" shall be seen as synonymous with Operating Segment.

The Fresh Produce business area includes companies which, by acting as an importer, exporter or distributor, supply fruit and vegetables, in their original or partially processed form. It is a classic wholesale business.

The Food Solutions business area includes companies that, through process or assembly units, refine fruit and vegetables and supply them as washed and pre-cut salad, food salads or other fresh, plant-based ready-to-eat dishes.

The Picadeli business area includes corporations providing salad bars and products to salad bars via the Picadeli concept.

Group revenues and earnings are also reported and evaluated based on geographic market, as shown in Note 5.

Transactions between business areas are essentially limited to 1) ready-made salad shipped from Food Solutions to Fresh Produce for collusion with fresh products, 2) in season, salad from Fresh Produce Spanish unit to Food Solutions process units in Sweden and Finland, 3) salad based products delivered in trays from Food Solutions to Picadeli, as well as 4) trays of products with the Picadeli brand supplied from Food Solutions to Picadeli.

Group joint functions consist essentially of, corporate governance and coordination of IT, sustainability, consolidation and accounting. The Group has a joint Service Center that handles accounting, pay, and the Group's cash-pool, primarily for the Swedish companies.

Consolidated financial statements

Subsidiaries are companies that are subject to controlling influence (control) of Greenfood AB (publ). Control exists if the Parent Company has influence over the investment object, is exposed to or has the right to variable returns from its engagement and can use its influence over the investment to influence the return. When assessing whether control exists, consideration is given to potential shares with entitlement to vote and whether de facto control exists.

Subsidiaries are included in the consolidated financial statements from the time that control is achieved in the acquisition to the point at which the Parent Company no longer has a controlling influence over the subsidiary. The accounting principles for subsid-

Note 1, cont.

iaries are adjusted as necessary to agree with the Group's accounting principles. All intra-Group transactions, balances and unrealized gains and losses relating to intra-Group transactions have been eliminated in the preparation of the consolidated financial statements.

Transactions with non-controlling interests

Changes in the parent company's stake in a subsidiary that do not result in a loss of controlling power are recognized as equity transactions. Any differences between the amount with which non-controlling interests are adjusted and the fair value of the consideration paid or received are recognized directly in equity and allocated to the Parent Company's owners.

When the Parent Company loses control over a subsidiary, the profit or loss upon divestment is calculated as the difference between
i) the total of the fair value of the consideration received and the fair value of any remaining holdings, and
ii) the previous carrying amounts for the subsidiary's assets (including goodwill), and liabilities and any non-controlling interest.

The fair value of remaining holdings in the previous subsidiary at the point at which the controlling influence is lost is regarded as the fair value on initial recognition for a financial asset, in accordance with IFRS 9 Financial Instruments: Recognition and measurement, or, where appropriate, the cost on initial recognition for an investment in an associate or jointly controlled entity.

Business combinations

Business combinations are reported according to the acquisition method.

The purchase price of the business combination is valued at fair value at the time of acquisition, which is calculated as the total fair value at the time of acquisition of the assets acquired, liabilities arising or assumed, as well as equity instruments issued in exchange for control over the acquired operation.

Acquisition-related expenses are recognized in the income statement as they arise.

The transferred compensation also includes the fair value at the time of acquisition of all assets and liabilities that results from an agreement covering a contingent consideration. Changes in fair value for a contingent consideration, which arise due to additional information being obtained after the acquisition date regarding facts and circumstances that existed on the acquisition date, qualify as adjustments during the valuation period and are adjusted retroactively, with a corresponding adjustment of goodwill. A contingent consideration classified as equity is not revalued and its subsequent settlement is recognized within equity. All other changes to the fair value of a contingent consideration are recognized in profit or loss.

The identifiable acquired assets and assumed liabilities are recognized at fair value as of the acquisition date with the following exceptions:

- deferred tax assets or liabilities and liabilities or assets attributable to the acquired company's agreements on employee benefits are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits.
- liabilities or equity instruments attributable to the acquired company's share-based allocations or to the exchange of the acquired company's share-based allocations with the acquirer's share-based allocations measured at the time of acquisition in accordance with IFRS 2 Share-Based Payment.
- assets (or divestment groups) classified as held for sale according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- lease liabilities where the acquired company is the lessee shall be measured at the present value of the remaining lease expenses as if it were a new lease on the acquisition date.
- the rights of use shall then be measured at the same amounts as the lease liability, but adjusted for any terms that deviate from a market-based assessment.

For each business combination, non-controlling interests in the acquired company are either recognized at fair value or the value of the non-controlling interests' proportionate share of the acquired company's identifiable net assets.

Goodwill

Goodwill, which arises in the preparation of the consolidated financial statements, constitutes the difference between cost and the Group's share of the fair value of an acquired subsidiary's identifiable assets and liabilities on the acquisition date, adjusted for the minority share if applicable. At the time of acquisition, goodwill is recognized at cost and after initial recognition, it is valued at cost less any accumulated impairment. In testing for impairment, goodwill is distributed to the cash-generating units. Any impairment of goodwill is recognized immediately as an expense and is not reversed.

Revenue

The Group's operations primarily consist of the sale of fruit and vegetable products with varying degrees of processing. The Group offers its customers self-serve salads through Picadeli's salad bars, pre-cut salads in bags or trays, ready-made meal solutions and fresh fruits and vegetables. The Group's customer segments are mainly the retail trade, restaurants, hotels and catering.

The Group applies IFRS 15 Revenue from Contracts with Customers, a model for revenue recognition for nearly all income generated through agreements with customers, with the exception of leases, financial instruments and insurance contracts. The core principle of IFRS 15 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue is recognized when the control of the products is transferred, which occurs when they are delivered to the customer, the customer has full right of disposal over the sales channel and the sales price of the products, and there are no unfulfilled commitments that can affect the customer's approval of the products.

Valuation of the Group's revenues is based on compensation according to contracts and excludes amounts received on behalf of third parties, such as Value Added Tax. Some contracts with customers include volume discounts based on accumulated sales. The discounts are settled retrospectively once the customer has reached a certain sales volume. Assessments are made continuously based on the expected annual sales, but adjusted once real sales are known. The revenue from sales is recognized based on the price in the contract less estimated volume discounts. Historical data is used to estimate the discounts' anticipated value and the revenue is only recognized insofar as it is highly likely that a material reversal will not arise. A liability (which is included in the item "Accrued expenses and deferred income", see Note 27) is recognized for anticipated volume discounts in relation to the sales up to the balance sheet date.

Some contracts contain agreements that the Group provides certain compensations to its customers, such as marketing contributions. If the compensation that the Group provides is in exchange for a distinct product or service and corresponds to market value for this product or service, the transaction is recognized in the same way as purchases from other suppliers. If the amount of consideration paid to the customer exceeds the fair value of the distinct good or service, such an excess is recognized as a reduction of the transaction price. If the Group does not receive a distinct product or service in exchange for the compensation, the entire amount is recognized as a reduction of the transaction price.

A receivable is recognized when the goods have been delivered as this is the time the compensation becomes unconditional (i.e., only the passing of time is required for payment to be made). There are no contract assets. The Group has no contracts with originally

Note 1, cont.

expected durations that exceed 12 months, which is why information on contracted, but not yet fulfilled performance obligations is not provided.

Dividends and interest income
Dividend income is recognized when the shareholder's right to receive payment has been established.

Interest income is recognized divided across the duration by applying the effective interest method.

Leases according to IFRS 16
The Group as lessee
As of January 1, 2019, leases are recognized as right-of-use (ROU) assets and lease liabilities in the balance sheet. In order to meet the requirements on a lease, the right of disposal for an identified asset must be transferred to the user during a certain period of time against compensation.

Greenfood as the lessee recognizes an ROU asset and a lease liability, short- and long-term component, at the start date of the lease. The lease liability is initially valued at the present value of the remaining lease fees during an assessed lease period. This period is comprised of the non-cancellable period with the possible addition of supplemental periods in the agreement, which are deemed to be reasonably certain to be utilized. The lease liability also includes, for example, the present value of fixed fees, variable fees linked to an index and any restoration expenses that are payable upon cancellation of a lease.

The lease fees shall be discounted with the lease's implicit interest, but in most leases, it is difficult to establish, so the Group has chosen a practical solution for portfolios of leases with similar characteristics. The discount rate used is 3.75 percent, which corresponds to the loan rate that the Group initially had on its borrowing. The Group's operations are primarily concentrated to EUR and SEK countries. Our assessment is that the risk of the various asset classes is not larger or smaller between different contracts and we have therefore used the same discount rate for all leases.

The Group also applies the simplification rules for short-term leases, of less than one year, and leases where the underlying asset has a low value, of less than SEK 50 thousand, which accordingly are not recognized as ROU assets and lease liabilities. These payments are instead expensed straight-line in the income statement.

For leases concerning office and warehouse properties, the Group has chosen to not separate non-lease components from lease components.

The Greenfood Group still serves as the lessor in the letting of Picadeli counters to customers where salads are then sold on to the end-consumer. The counters are still classified as subject to an operating lease as the financial risks and rewards associated with the ownership of the underlying asset are essentially not transferred. Nor is the underlying asset transferred to the lessee once the lease expires.

Group as lessor
The Group is a lessor through operating leases regarding Picadeli counters that are let to customers. The classification has been established through a general assessment that essentially the leases do not transfer the financial risks and benefits associated with ownership of the underlying asset. At the beginning of every lease, according to IFRS 16, a classification is made that determines if the agreement is a financial or operational lease.

The reporting is unchanged for these contracts. Lease income in operating leases is recognized as revenue straight-line over the term of the lease, unless another systematic approach better reflects how the financial rewards from the object decrease over time.

Foreign currencies
Items included in the financial statements for the different units in the Group are recognized in the currency used in the primary economic environment in which the relevant unit is primarily active (functional currency). In the consolidated financial statements, all amounts are translated to Swedish kronor (SEK), which is the Parent Company's functional and presentation currency.

Transactions in foreign currencies are translated in the respective unit to the unit's functional currency at the exchange rates applicable on the transaction date. At every closing date, monetary items in foreign currencies are translated at the closing day rate. Non-monetary items, which are valued at fair value in a foreign currency, are translated at the exchange rate on the date that the fair value was determined. Non-monetary items, which are valued at historical cost in a foreign currency, are not translated.

Exchange rate differences are recognized in the income statement for the period in which they arise, except for transactions that constitute hedges that fulfill the conditions for hedge accounting of cash flows or of net investments, in which case gains and losses are recognized in other comprehensive income.

In the preparation of consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated to SEK at the closing day rate. Income and expense items are translated at the average exchange rate for the period unless the exchange rate fluctuated substantially during the period in which case the exchange rates on the transaction dates are used instead. Any translation differences arising are recognized as other comprehensive income and are transferred to the Group's translation reserve. In the divestment of a foreign subsidiary, such translation differences are recognized in the income statement as a part of capital gains/losses.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities in this operation and are translated at the exchange rate on the balance sheet date.

Borrowing expenses
Borrowing expenses, which are directly attributable to the purchase, construction or production of an asset that requires a significant amount of time to finish for its intended use or sale, are included in the asset's cost of acquisition until the point in time at which the asset is finished for its intended use or sale. Interest income from temporary investment of borrowed funds for the asset described above is deducted from the borrowing expenses that may be included in the asset's cost of acquisition. Other borrowing expenses are recognized in the income statement in the period in which they arise.

Employee benefits
Employee benefits in the form of salaries, bonuses, paid holiday, paid sick leave, etc., as well as pensions, are recognized as they are earned. Pensions and other benefits after concluded employment are classified as defined-contribution or defined-benefit pension plans. The ITP plan (Swedish supplementary pension for salaried workers) through Alecta is a defined-benefit pension plan, in accordance with UFR 10, however, this plan is reported as defined contribution. For further information, see note 11.

Defined-contribution plans

With defined-contribution plans, the Group makes fixed contributions to a separate independent legal entity and has no obligation to make any further contributions. Expenses are charged to consolidated profit or loss when the benefits are earned, which is normally when the premiums are paid.

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Note 1, cont.

Taxes
Tax expenses comprise the sum of current and deferred tax.

Current tax
Current tax is calculated on the taxable profit for the period. Taxable profit differs from the recognized profit in the income statement because it has been adjusted for non-taxable income and non-deductible expenses as well as income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the tax rates that apply on the closing date.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the taxable value used to calculate the taxable profit. Deferred tax is recognized according to the so-called balance sheet method. Deferred tax liabilities are recognized for essentially all taxable temporary differences, and deferred tax assets are recognized for essentially all deductible temporary differences to the extent it is likely that the amounts may be utilized against future taxable surpluses. Deferred tax liabilities and tax assets are not recognized if the temporary difference is attributable to goodwill, or if it arises as a result of a transaction that constitutes the initial recognition of an asset or liability (that is not a business combination), and that, at the time of the transaction, affects neither the recognized nor the taxable result.

Deferred tax liabilities are recognized for taxable temporary differences attributable to investments in subsidiaries, except the cases where the Group can determine the time for the reversal of the temporary differences, and it is likely that such a reversal will not occur within the foreseeable future. The deferred tax assets that are attributable to deductible temporary differences regarding such investments are only recognized to the extent it is likely that the amounts may be utilized against future taxable surpluses, and it is likely that such utilization will occur in the foreseeable future.

The carrying amount of deferred tax assets is tested every closing date and reduced insofar as it is no longer likely that adequate taxable profit will be available to be used, in part or in whole, against the deferred tax asset.

Deferred tax is calculated according to the tax rates expected to apply to the period when the asset is regained or the debt is settled, based on the tax rates (and tax laws) enacted or announced as of the balance sheet date.

Deferred tax assets and tax liabilities are offset when they are related to income tax that is charged by the same authority and when the Group has the intention of settling the tax with a net amount.

Current and deferred tax for the period
Current and deferred tax is recognized as an expense or income in the income statement, except when the tax is attributable to transactions recognized in other comprehensive income or directly against equity. In such cases, the tax is also recognized in other comprehensive income or directly against equity. For current and deferred tax arising on recognition of business combinations, the tax effect will be recognized in the acquisition calculation.

Right-of-use assets
Right-of-use (ROU) assets are measured at cost, less depreciation and impairment losses, which includes the following components:
- valuation of the original lease liability
- lease fees that have been paid in connection with entering the lease less any benefits received
- direct acquisition costs
- expenses to restore the asset to the condition prescribed in the terms of the lease

ROU assets primarily relate to rented premises and vehicles and are depreciated straight-line over the shorter of the asset's useful life and the term of the lease.

The Greenfood Group has chosen to not separate non-lease components from lease components. Property tax is not included in the rent. If there is an extension option on the rent, it is taken into account as soon as it is considered probable that the option will be utilized.

Property, plant and equipment
Tangible fixed assets are recognized at cost less accumulated depreciation and any impairment.

The cost consists of the purchase price, expenditures directly attributable to the asset to put it in the place and condition to be used, and estimated expenditures for disassembly and removal of the asset and restoration of the site it is on. Additional expenses are included in the asset or recognized as a separate asset only when it is probable that future financial benefits that can be attributed to the asset accrue to the Group and that the cost for the asset can be reliably calculated. All other costs for repairs and maintenance and additional expenses are recognized in the income statement in the period in which they arise.

When the difference in the consumption of significant components of a tangible asset is deemed to be material, the asset is divided up into these components

Depreciation of tangible fixed assets is expensed so that the asset's cost, potentially reduced by estimated residual value at the end of its useful life, is depreciated straight-line over the course of the asset's estimated useful life. Depreciation is begun when the tangible asset can be brought into use. Useful lives of tangible fixed assets are estimated at:

Buildings	20-40 years
Plant and machinery	5-10 years
Equipment, tools, fixtures and fittings	3-5 years

Land is not depreciated.

Estimated useful lives, residual values and depreciation methods are reviewed at least at the end of each financial period; the effect of potential changes to estimates is recognized prospectively.

The carrying amount for a tangible asset is removed from the balance sheet upon disposal or divestment, or when no future economic benefits are expected from the use or the disposal or divestment of the asset. The gain or loss that arises upon disposal or divestment of the asset is comprised of the difference between the potential net income upon divestment and its carrying amount and is recognized in profit or loss in the period when the asset is removed from the balance sheet.

Intangible assets
Internally produced intangible assets that originate from the Group's product development are only recognized if the following conditions are met:
- it is technically possible to complete the intangible asset and use or sell it,
- the company's intention is to complete the intangible asset and use or sell it,
- conditions exist to use or sell the intangible asset,
- the company shows how the intangible asset will generate probable future financial benefits,
- there are adequate technical, financial and other resources in place to complete the development process and to use or sell the intangible asset, and
- the expenditures that are attributable to the intangible asset during its development can be reliably calculated.

Note 1, cont.

If it is not possible to recognize an internally produced intangible asset, the expenses for development are recognized as an expense in the period in which they arise.

The capitalizations pertain to the development of new product, production processes and software.

After initial recognition, internally generated intangible assets are recognized at cost less accumulated amortization and any accumulated impairment. The assessed useful life is five years. Estimated useful lives and amortization methods are reviewed at least at the end of each financial year, and the effect of any changes to assessments are recognized prospectively. The amortization period is begun when the asset is brought into use.

Acquisition through separate acquisitions

Intangible assets with definite useful lives acquired separately are recognized at cost less accumulated amortization and any accumulated impairment. Amortization occurs straight-line over the course of the asset's estimated useful life. Estimated useful lives and amortization methods are reviewed at least at the end of each financial year, and the effect of any changes to assessments is recognized prospectively.

Acquisition as part of a business combination

Intangible assets acquired in a corporate acquisition are identified and recognized separately from goodwill when they fulfill the definition of an intangible asset, and their fair value can be reliably calculated. The cost for such intangible assets comprises their fair value at the time of acquisition.

After their initial recognition, intangible assets acquired in a business combination are recognized at cost less accumulated amortization and any accumulated impairment losses in the same way as separately acquired intangible assets.

Trademarks

The Group's trademarks have been acquired through business combinations and have been measured at fair value at the time of acquisition. After initial recognition, trademarks are recognized at cost less any accumulated impairments. Trademarks are deemed to have an indefinite useful life and are subject to impairment testing as soon as there is an indication of a decrease in value or at least annually.

The acquired trademarks are deemed to have an indefinite useful life. The assessment that the useful life for these trademarks is indefinite is based on the following circumstances. It is a matter of well-established trademarks within their respective areas, which the Group intends to retain and further develop. The trademarks are considered to be of material financial significance because they constitute an integrated part of the product offering to the market by indicating quality and innovation in the products. Such trademarks are thereby considered to affect pricing and competitiveness for the products. Through their connection to the ongoing operations, they are considered to have an indefinite useful life and are expected to be used as long as relevant operations are under way. Capitalized brands within the Group mainly consist of "Picadeli", which was acquired in 2016.

Considering that an assessment has been made that cash flows attributable to trademarks cannot be distinguished from other cash flows in the respective cash-generating units, impairment testing is done for both goodwill and trademarks jointly by calculating the recoverable amount for the cash-generating units to which goodwill and trademarks are allocated.

Other intangible assets

The Group's other intangible assets consist of knowledge in development, refrigeration and food safety linked to salad bars which are internally developed, as well as capitalized expenses for software. Directly attributable external and internal expenses for development of software for own use are recognized as assets in the statement of financial position on condition that future efficiency gains are likely and exceed expenses paid.

Amortization periods for intangible assets are:

Capitalized development expenditures	5 years
Licenses	5 years

Impairment of ROU assets, tangible and intangible fixed assets (excl. Goodwill, see note 2)

At the end of every accounting period, the Group analyses the carrying amounts of tangible and intangible assets to establish if there are any indications that these assets have decreased in value. If this is the case, the asset's recoverable amount is calculated to be able to establish the value of any impairment losses. If it is not possible to calculate the recoverable amount for an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets that are not yet ready for use shall be tested annually with regard to any impairment requirements, or when there is an indication of a decrease in value.

The recoverable amount is the higher of fair value less selling expenses and value in use. In the calculation of value in use, estimated future cash flows are discounted to present value with a discount rate before tax that reflects the current market evaluation of the time value of money and the risks associated with the asset.

If the recoverable amount for an asset (or cash-generating unit) is set at an amount lower than the carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to the recoverable amount. An impairment loss is immediately expensed in the income statement.

If an impairment loss is later reversed, the asset's (or cash-generating unit's) carrying amount increases to the revalued recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been established if no impairment loss had been applied to the asset (or cash-generating unit) in previous years. A reversal of an impairment loss is recognized directly in the income statement.

Financial instruments

Balance sheet recognition and derecognition

A financial asset or financial liability is recognized on the balance sheet when the Group becomes a party to the instrument's contractual terms. A financial asset is derecognized from the balance sheet when the right to receive cash flows from the instrument expires or is settled or when the Group has transferred virtually all risks and rewards of ownership. A financial liability, or part thereof, is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise expires.

Classification

The Group classifies its financial instruments in the following categories:

- financial assets recognized at fair value via profit or loss,
- financial assets recognized at fair value through other comprehensive income,
- financial assets recognized at amortized cost.

The classification of investments in debt instruments depends on the Group's business model for handling financial assets and the contractual terms for the assets' cash flows. The Group reclassifies debt instruments only in the cases where the Group's business model for the instruments changes. All of the group's equity instruments are presented at fair value via the income statement.

Measurement

Financial assets and financial liabilities, which at subsequent recognition are not measured at fair value through profit or loss, are recognized at initial recognition at fair value with supplements or deductions for transaction expenses. Financial assets and financial

Note 1, cont.

liabilities, which at subsequent recognition are measured at fair value through profit or loss, are recognized at fair value at initial recognition. Transaction expenses attributable to financial assets recognized at fair value through profit or loss are expensed directly in the income statement.

Investments in debt instruments
Subsequent measurement of investments in debt instruments depends on the Group's business model for the handling of the asset and what kind of cash flows the asset gives rise to. All of Greenfood's debt instruments are held for the purpose of collecting contractual cash flows and where these cash flows solely consist of principal and interest are recognized at amortized cost. Interest income from such financial assets is recognized as financial income, using the effective interest method. Gains and losses that arise upon removal from the balance sheet are recognized directly in profit or loss in other gains and losses together with the exchange rate gains and losses. Impairment losses are recognized on the line for other external expenses in the income statement.

Investments in equity instruments
Changes in the fair value of financial assets recognized at fair value through profit or loss are recognized as other profit or loss in the income statement.

Fair value of financial instruments
The fair value of financial assets and financial liabilities is determined as follows:
The fair value of financial assets and liabilities traded on an active market is determined with reference to their quoted market price.

The fair value of other financial assets and liabilities is determined according to generally accepted valuation models, such as discounting of future cash flows and use of information obtained from current market transactions.

For all financial assets and liabilities, the carrying amount is deemed to be a good approximation of their fair value, unless otherwise specifically stated in the subsequent notes.

Amortized cost
Amortized cost refers to the amount at which the asset or liability is initially recognized less repayments, additions or deductions for accumulated period allocation according to the effective interest method of the initial difference between received/paid amounts and amounts to pay/receive on the maturity date and with deductions for impairment losses.

The effective interest rate is the interest rate which, when discounting all future anticipated cash flows over the expected term, gives the value initially recognized for the financial asset or the financial liability.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances, as well as other current liquid investments that can easily be converted to cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents, the maturity period may not exceed three months from the time of acquisition. Cash and bank balances are categorized as "Assets measured at amortized cost". Because bank balances are payable on demand, amortized cost corresponds to the nominal amount. Short-term investments are measured at fair value via the income statement.

Accounts receivable
Accounts receivable are classified as assets measured at amortized cost. The accounts receivables' anticipated maturity period is short, however, which is why they are recognized as nominal amounts without discount. Deductions are made for receivables assessed to be doubtful. Impairments of accounts receivable are recognized under the heading of operating expenses.

Impairment losses
The Group measures the future anticipated credit losses related to investments in debt instruments recognized at amortized cost based on prospective information. The Group chooses the reservation method based on if there was an increase in the credit risk or not.

In accordance with the rules in IFRS 9, the Group applies a simplified method for impairment testing of accounts receivable. The simplification means that the reserve for expected credit losses is based on the loss risk for the receivable's entire duration and is recognized when the receivable is recognized for the first time. For more information, see Notes 3 and 22. A confirmed credit loss is recognized when it is considered probable that the customer will not be able to settle its debt, i.e. in the event of bankruptcy or distraint.

Accounts payable
Accounts payable are classified as "Other financial liabilities", which entails measurement at amortized cost. The accounts payable's anticipated maturity period is short, however, which is why the liability is recognized as a nominal amount without discount.

Liabilities to credit institutions and other borrowings
Interest-bearing bank loans, bank overdraft facilities and other loans are categorized as "Other financial liabilities" and measured at amortized cost in accordance with the effective interest method. Any differences between loan amounts received (net after transaction expenses) and repayment or amortization of loans are recognized over the duration of the loan.

Derivatives and hedge accounting
The Group enters derivative transactions with the aim of managing interest and currency risk. The derivative instruments that manage currency risks in the group is valued at fair value via the income statement. Derivative with a positive fair value are recognized as other receivables (non-current or current). Derivatives with negative fair value are recognized as other financial liabilities. Changes in value from derivative instruments are recognized in the financial items.

The Group applies hedge accounting on hedging cash flow risk related to interest payments. To meet the requirements of hedge accounting, IFRS 9 requires that there is an economic relationship related to the hedged item. In addition, it is required to ensure that the hedge accounting documentation must demonstrate that the hedging in an effective manner mitigates value changes for the hedged item. Any gains or losses related to the hedging must be recognized at the same date as gains and losses are recognized for the underlying hedged item.

Inventories
Inventories are measured at the lower of cost and net realizable value. Cost is calculated by applying the first-in first-out method (FIFO). Net realizable value is the estimated selling price less estimated costs of completion and selling expenses that are necessary to achieve a sale.

Provisions
Provisions are reported when the Group has an existing obligation (legal or constructive) as a result of an occurred event, it is likely that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The amount reserved constitutes the best estimate of the amount required to settle the existing obligation on the balance sheet date, considering risks and uncertainties associated with the obligation. When a provision is calculated by estimating the disbursements expected to be required to settle the obligation, the carrying amount shall correspond to the present value of these disbursements.

Note 1, cont.

When part or all of the amount required to settle a provision is expected to be reimbursed by a third party, this restitution shall be separately reported as an asset on the statement of financial position when it is virtually certain that it will be received if the company settles the obligation, and the amount can be reliably calculated.

Government assistance

Government grants are recognized in the statement of financial position when there is reasonable certainty that the terms associated with the grant will be fulfilled and that the grant will be received. The assistance is allocated to periods in the income statement over the same periods that the Group recognizes expenses for related expenses that the assistance is intended to compensate for. Grants attributable to assets are recognized as a reduction of the carrying amounts of the assets in question. If a government grant or assistance is neither related to the acquisition of assets nor to compensation for costs, the grant is recognized as other income.

Cash flows

The consolidated statement of cash flow shows the Group's changes in the company's cash and cash equivalents during the financial year and has been prepared in accordance with the indirect method. The reported cash flow solely comprises transactions that result in payments made and received.

Parent Company accounting

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 means that the Parent Company shall apply all of the IFRS approved by the EU to the furthest possible extent within the scope of the Annual Accounts Act and the Safeguarding of Pension Commitments Act and shall observe the connection between accounting and taxation. Company management assesses that changes to RFR 2 that entered into force in 2022 or were decided to take effect have not had or will not have a material impact on the financial statements of the parent company's undertaking for the financial year. The differences between the accounting principles of the Parent Company and those of the Group are described below:

Classification and presentation methods

The Parent Company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act's format. The difference from IAS 1 The format of the financial statements applied in the formatting of the consolidated financial statements is mainly statements of financial income and expenses, fixed assets and equity, as well as the existence of provisions as a separate heading in the balance sheet.

Financial fixed assets

Participations in subsidiaries are recognized at cost in the Parent Company balance sheet. Transaction expenses are included in the carrying amount for participations in Group companies. Dividends from subsidiaries are recognized as income when the right to receive a dividend is deemed to be certain and can be reliably calculated.

Financial instruments

The Parent Company does not apply IFRS 9 Financial Instruments: Recognition and measurement. A method based on cost according to the Annual Accounts Act is applied in the Parent Company.

Group Contributions

Consolidated group contributions obtained and submitted are reported as a financial statement position.

Taxes

In the Parent Company's balance sheet, untaxed reserves are recognized without being divided between equity and deferred tax liabilities, in contrast to the Group. There is no allocation of a share of appropriations to deferred tax expenses in the Parent Company's income statement.

Leases

The parent company does not apply IFRS 16 in legal entity. The lease fee is reported as a cost linearly over the lease period.

NOTE 2 Significant estimates and assessments

Key sources of uncertainty in estimates

An account is provided below of the most important assumptions about the future, and other important sources of uncertainty in estimates as of the closing date, which entail a substantial risk of material adjustments in carrying amounts of assets and liabilities in the next financial year.

Impairment testing of goodwill and trademarks

Several assumptions about future conditions and parameter estimates are made in the calculation of cash-generating units' recoverable amounts for the assessment of possible impairment requirements for goodwill and trademarks.

These calculations are made by calculating the relevant cash-generating unit's present value based on the area's weighted cost of capital. In this testing, no impairment requirements were identified because the calculated present value from future income exceeds the carrying amounts.

When calculating the present value, capital structure and market data for comparable listed companies and the Group's risk profile and expected future development were used. The valuation came out well above the carrying amount at 2022-12-31.

Deferred tax on loss carry-forwards

In connection with the calculation of deferred tax on temporary differences arising between tax and recognized values, there are both assessments and assumptions. These are above all associated with determining the recognized value as well as the possibility of using carry-forward of unused tax losses against future profits. The corporate management started from the budget and a more long-term strategic plan to make an assessment concerning the future use of the loss carry-forwards, see further note 15.

Critical assessments in the application of the Group's accounting principles

The following section describes the most important assessments, besides those that include estimates (see above), that company management has made in the application of the Group's accounting principles and have the most significant effect on the carrying amounts in the financial statements.

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Note 2, cont.

Evaluation of the length of the lease period
Extension options are included in a number of the Group's leases to ensure flexibility in the management of the assets used in the Group. When the lease's length is determined, management takes into account all available information to determine if an extension option will be exercised, or if the lease will be canceled. The possibility of extending the lease period is only taken into account if it is reasonably certain that the lease will be extended.

For office and warehouse premises, the following factors have primarily been deemed material in the assessment of whether an option shall be extended or a lease canceled:
- Historical information has been used in the assessment of a lease's length
- When there are leasehold improvements, they are also taken into account
- Expenses linked to replacing or restoring the leased asset
- Interruptions in operations

Reconsideration of the lease period is only done if an option is utilized or not utilized. If a significant event or changed circumstance arises, the assessment of reasonable certainty can be re-evaluated.

Measurement of inventories
The Group measures inventories at cost. Because the company's products are perishable goods, the value of the Group's inventories is low and there is only a small risk that the market value is below the historical value of the products.

NOTE 3 Financial risk management and financial instruments

In its operations, the Group is exposed to various kinds of financial risks, such as market, liquidity and credit risks. Market risks primarily consist of interest-rate risk and currency risk. It is the company's Board of Directors that bears utmost responsibility for exposure, management and follow-up of the Group's financial risks. The limits that apply for exposure, management and follow-up of the financial risks are set by the Board of Directors through its Finance and Audit Committee in a finance policy that is revised annually. In the finance policy, the Audit Committee has delegated the responsibility for the daily risk management to the company's CFO. The Board has the possibility of deciding on temporary deviations from the set finance policy.

Market risks
Currency risks
Currency risk refers to the risk that fair value or future cash flows may fluctuate as a result of changed exchange rates. Through its business, Greenfood is exposed to various types of currency risks. The primary exposure to currency risk mainly originates from the Group's purchases and sales in foreign currencies, known as transaction exposure. These currency risks consist in part of a risk of fluctuations in the value of financial instruments, accounts receivable and accounts payable and in part of the currency risk in expected and contracted payment flows. The company imports significant volumes of fruits and vegetables to Sweden from countries with a functional currency other than the SEK. This is generally managed through contracts made in SEK, the adjustment of market prices or currency hedges. The largest exposure is to EUR, but management finds that the existing risk management is adequate. Currency risks are also found in the translation of foreign subsidiaries' income statements and balance sheets to the Group's functional currency, which is the SEK; these risks are called translation exposure. The company owns assets in countries with a functional currency other than SEK. Essentially, this currency is EUR and to a lesser degree USD. Group management does not expect the translation risk of assets and liabilities to materially impact the company's financial position. No hedging is done of net investments in foreign currencies. The Group is also exposed to currency risks regarding payment flows for loans and investments in foreign currencies, known as financial exposure.

Transaction exposure
Transaction exposure entails a risk that profit is negatively impacted by fluctuations for changed exchange rates for the cash flows that take place in foreign currency. The Group's outflows mainly consist of EUR and in a limited way USD related to imports from Latin America, at the same time that the Group's inflows mainly consist of SEK and EUR. The Group is thereby affected to some extent by changes in these exchange rates. The transaction exposure is mainly managed by matching inflows and outflows in the same currency both in terms of time and amounts, to the furthest possible extent, to thereby achieve a natural hedge. It is also common practice in the industry for fresh fruit and vegetables to sell at the daily price, taking the exchange rate into account, because there is full transparency in the market with daily prices. At the same time imports mainly take place from the same region from all market operators. As all operators purchase from the same region during the same season, the exchange rate is reflected in the daily market price. A temporary currency exposure then arises in the accounts payable ledger, which is hedged with short forward contracts. During the summer, the Group can buy products locally and the currency exposure is then limited to tropical products that cannot be grown in Scandinavia. This does not apply to volumes acquired for further processing. The Group manages this by entering contracts in the purchasing company's currency and to some extent using forward contracts to manage 50 percent to 75 percent of this currency risk.

The table below presents the nominal net amounts for the significant flows that constitute transaction exposure. The exposure is shown based on the Group's payment flows in the most significant currencies translated to SEK millions.

Currency	31/12/2022	Average exchange rate 2022	31/12/2021	Average exchange rate 2021
DKK	2.8	(1.43)	1.9	(1.36)
EUR	–1,012.8	(10.63)	–804.1	(10.14)
GBP	–2.5	(12.47)	–0.9	(11.80)
USD	–148.0	(10.12)	–70.2	(8.58)
Total	**–1,160.6**		**–873.2**	

At the closing date, the net carrying amount of the Group's monetary assets and liabilities that are subject to translation to SEK millions amount to:

Currency	31/12/2022	Closing day rate 2022	31/12/2021	Closing day rate 2021
DKK	0.6	(1.50)	6.9	(1.38)
EUR	–91.9	(11.13)	–8.3	(10.23)
GBP	–0.2	(12.58)	–	(12.18)
USD	2.5	(10.44)	3.8	(9.04)
Total	**–89.0**		**2.4**	

Translation exposure
Translation exposure entails a risk that the value of the Group's net investments in foreign currency, primarily in EUR, is negatively impacted by changes in exchange rates. The Group consolidates the net assets in SEK on the closing date. This risk is called translation exposure and it is not currency hedged according to the Group's finance policy.

The table below presents the translation exposure for net investments in foreign currencies translated to SEK thousands.

Note 3, cont.

Currency	31/12/2022	Closing day rate 2022	31/12/2021	Closing day rate 2021
DKK	0.5	(1.50)	0.7	(1.38)
USD	53.1	(10.44)	23.4	(9.04)
EUR	219.3	(11.13)	182.1	(10.23)
Total	**273.0**		**206.2**	

Financial exposure
The Group's financial exposure is mainly comprised of loans in foreign currencies, where the distribution of the loan structure is essentially adapted to the sales in different currencies. Interest payments are made monthly on the loans in foreign currencies, which reduces the net exposure linked to the transaction exposure in foreign currency. The amounts are in the table where all monetary assets and liabilities are presented as net amounts above. Hedge accounting is not applied.

Under "Sensitivity analysis for market risks" below, the effects of changed exchange rates against the SEK are presented for the most significant foreign currencies.

Interest-rate risk
Interest-rate risk refers to the risk that fair value or future cash flows may fluctuate as a result of changed market interest rates. The Group is primarily exposed to interest-rate risk through its bond financing.

The Group issued a bond financing of SEK 1,050 million on November 5, 2021. These financial instruments were initially listed on Frankfurt OM (Open Market). In November 2022, the bond was also listed on NASDAQ Stockholm in accordance with the bond commitments contained in the original agreement.

As part of an effort to reduce interest rate risk, Greenfood AB (publ) entered into an agreement in June 2023 to hedge 50 percent of the underlying bond interest rate on the loan at 3-month STIBOR exceeding 4 percent. The period spans 28 months and the cash flow hedge is measured at fair value through comprehensive income. The company therefore applies hedge accounting as the derivative is directly matched in time and amount to the interest payments for the bond loan. The hedging is carried out in accordance with the Group's finance policy.

The section "Sensitivity analysis for market risks" presents effects of changed market interest rates.

Sensitivity analysis for market risks
The sensitivity analysis for currency risk shows the Group's sensitivity to an increase and/or decrease of 5 percent of SEK against the most significant currencies. For the transaction exposure, it is shown how the Group's profit after tax would have been affected by a change in the exchange rate. This also includes outstanding monetary receivables and liabilities in foreign currency on the closing date including loans between Group companies where the currency effects impact the consolidated income statement. For the translation exposure, it is shown how the Group's profit after tax and equity would have been affected by a change in the exchange rate.

The interest rate sensitivity for interest rate risk show the Groups sensitivity at an increase or decrease of one percent of the market interest rate. The interest rate sensitivity is based on the effect on profit after tax that a change in the market interest rate yields, both in terms of interest income and expenses. Note that the Group's main interest expense within the bond agreement has a margin of 7 percent with a floor of 0 percent as well as 3-month STIBOR set quarterly in February, May, August and November. The sensitivity analysis does not include the effect of the cash flow hedge as it only becomes effective at 3-month STIBOR exceeding 4 percent.

SEK m	2022 Effect on profit/loss	2022 Effect on total profit/loss	2021 Effect on profit/loss	2021 Effect on total profit/loss
Transaction exposure				
EUR +5%	–8.9	–8.9	–5.1	–5.1
EUR –5%	+8.9	+8.9	+5.1	+5.1
Restatement exposure				
EUR +5%	–3.3	–1.6	–2.4	–0.5
EUR –5%	+3.3	+1.6	+2.4	+0.5
Interest rate risk				
Interest +1.0%	–14.0	–14.0	–12.8	–12.8
Interest –1.0%	+14.0	+14.0	–	–

Liquidity and financing risk
Liquidity risk refers to the risk that the Group will have problems fulfilling commitments related to the Group's financial liabilities. Financing risk refers to the risk that the Group cannot raise enough financing at a reasonable cost. To reduce liquidity risk and financing risk, the Group has entered into a credit agreement with Swedbank for a Super Senior revolving credit facility. This agreement includes given space for increased borrowing under a credit facility of SEK 200 million. Cash flow forecasts are prepared continuously. Management carefully monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient cash to meet the needs of operating activities. The liquidity risks in the Group's subsidiaries and the Parent Company are deemed to be limited.

The duration distribution of contractual payment obligations related to the Group's financial liabilities is presented in the tables on the next page. It can be noted that the bond is due in full on the fourth anniversary after issuance. There are no amortization requirements or other financial conditions related to the bond. The amounts in these tables are not discounted values and, where appropriate, they also include interest payments, which means that these amounts cannot be reconciled against the amounts recognized in the balance sheets. Interest payments are set based on the conditions that apply on the closing date. Amounts in foreign currencies have been translated to SEK at the closing day rate.

The Group's current funding consists of a sustainability-related bond, a revolving credit facility, liabilities to parent companies, and equity. There are some small local loans.

Borrowing is further described under the Interest Risk section as well as in Note 25.

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Note 3, cont.

31/12/2022	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Bond loan	26.1	78.4	1,259.2	–	1,363.7
Liabilities to credit institutions	1.7	5.2	10.5	–	17.4
Other non-current liabilities	–	–	69.6	–	69.6
Lease liabilities	17.8	61.7	192.3	154.4	426.2
Accounts payable	432.4	–	–	–	432.4
Other current liabilities	44.1	190.2	–	–	234.3
Total	**522.3**	**335.4**	**1,531 7**	**154.4**	**2,543.7**

31/12/2021	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Bond loan	18.4	55.1	1,270.5	–	1,344.0
Liabilities to credit institutions	2.6	7.9	15.7	–	26.2
Lease liabilities	16.9	63.0	184.9	68.5	333.3
Accounts payable	334.6	–	–	–	334.6
Other current liabilities	59.2	190.0	–	–	249.2
Total	**431.7**	**316.0**	**1,471.1**	**68.5**	**2,287.3**

Credit and counterparty risks

Credit risk relates to the risk that the counter party in a transaction causes a loss to the Group by failing to fulfill its contractual obligations. The Group's exposure to credit risk is mainly attributable to accounts receivable. To limit the Group's credit risk, a credit assessment is done of each new customer. Existing customers' financial situations are also continuously monitored to identify warning signals at an early phase. In addition to this, the Group has credit insurance agreements for certain companies where the customer structure is deemed to be riskier, and it can be compensated.

Credit risk also arises when the company's surplus liquidity is placed in different kinds of financial instruments. According to the finance policy, surplus liquidity may be placed in interest-bearing bank accounts or in interest-bearing securities. According to the finance policy, credit risk in the placement of surplus liquidity must be reduced by only placing funds with counter parties with very good ratings. In addition, the finance policy states that placements shall normally be spread over several counter parties or issuers. At present, there are no such investments.

Accounts receivable are spread over a large number of customers and no customer accounts for a significant part of the total accounts receivable. Accounts receivable are also not concentrated to a specific geographic area. The Group thereby deems that the concentration risks are limited.

The Group's maximum exposure to credit risk is deemed to correspond to the carrying amounts of all financial assets and is presented in the table below.

Accounts receivable	31/12/2022	31/12/2021
Accounts receivable	372,0	299,0
Other current receivables	86,9	78,3
Cash and cash equivalents	231,6	277,4
Maximum exposure to credit risk	**690,5**	**654,7**

Note 3, cont.

Categorization of financial instruments

The carrying amounts of financial assets and financial liabilities broken down by measurement category in accordance with IFRS 9 in SEK million are presented in the table below.

31/12/2022	Fair value through profit or loss (compulsory)	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount
Financial assets				
Other long-term receivables	–	22.2	–	20.5
Derivatives	–	–	–	–
Accounts receivable	–	372.0	–	372.0
Cash and cash equivalents	–	231.6	–	231.6
	–	**625.7**	**–**	**624.0**
Financial liabilities				
Bond loan	–	–	1,022.4	1,022.4
Liabilities to credit institutions, non-current	–	–	10.4	10.4
Derivatives	0.1	–	–	0.1
Other liabilities, non-current	–	–	69.6	69.6
Other liabilities, current	–	–	182.9	182.9
Lease liabilities, current and non-current	–	–	348.4	348.4
Accounts payable	–	–	432.4	432.4
	0.1	**–**	**2,066.2**	**2,066.3**

31/12/2021	Fair value through profit or loss (compulsory)	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount
Financial assets				
Other long-term receivables	–	25.6	–	25.6
Accounts receivable	–	299.0	–	299.0
Cash and cash equivalents	–	277.4	–	277.4
	–	**601.9**	**–**	**601.9**
Financial liabilities				
Bond loan	–	–	1,013.0	1,013.0
Liabilities to credit institutions, non-current	–	–	15.6	15.6
Derivatives	1.2	–	–	1.2
Other liabilities, current	–	–	194.9	194.9
Lease liabilities, current and non-current	–	–	333.3	333.3
Accounts payable	–	–	334.6	334.6
	1.2	**–**	**1,891.4**	**1,892.6**

Note 3, cont.

Net gains/losses from financial assets and financial liabilities broken down by valuation category in accordance with IFRS 9 in SEK million are presented in the table below.

2022	"Fair value through profit or loss (compulsory)"	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount
Return on equity				
Other operating receivables – exchange-rate differences	–	7.8	–	7.8
Other operating liabilities – exchange-rate differences	–	–	0.0	–0.0
	–	**7.8**	**0.0**	**7.8**
Net financial items				
Interest income	0.9	–	–	0.9
Interest expenses	–	–	–137.5	–137.5
Exchange rate differences	1.1	1.4	–0.5	1.9
	2.0	**1.4**	**–138.0**	**–134.6**

2021	"Fair value through profit or loss (compulsory)"	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount
Return on equity				
Other operating receivables – exchange-rate differences	–	4.3	–	4.3
Other operating liabilities – exchange-rate differences	–	–	–0.1	–0.1
	–	**4.3**	**–0.1**	**4.2**
Net financial items				
Interest income	0.1	–	–	0.1
Interest expenses	–	–	–92.8	–92.8
Exchange rate differences	–4.2	1.6	–3.0	–5.6
	–4.1	**1.6**	**–95.9**	**–98.4**

Valuation of financial instruments at fair value
Financial assets and financial liabilities measured at fair value on the balance sheet, or where information is provided on fair value, are classified into one of the three levels based on the information used to determine the fair value.

For financial assets and liabilities, the carrying amounts are deemed to be a good approximation of their fair value.

Level 1– Financial instruments where fair value is determined based on observable (unadjusted) quoted prices in an active market for identical financial assets and liabilities. A market is considered active if quoted prices from a stock exchange, broker, industry group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regular market transactions at arm's length.

Level 2 – Financial instruments where fair value is determined based on valuation models based on observable data for the asset or liability other than quoted prices included in Level 1, either directly (i.e., as price quotations) or indirectly (i.e., derived from price quotations).

Examples of observable data within level 2 are:
- Quoted prices for similar assets and liabilities.
- Data that can form the basis of an assessment of price, e.g., market interest rates and yield curves.

Level 3 – Financial instruments where fair value is determined based on valuation models where substantial input data is based on non-observable data.

Financial assets and financial liabilities measured at fair value on the balance sheet are comprised of interest-rate derivate and currency futures. These are measured in Level 2 as per above. During the periods, no material transfers between the levels occurred.

For other financial assets and liabilities, the carrying amounts are deemed to be a good approximation of the fair values as a result of the maturity period and/or fixed-rate period being less than three months, which means that a discount based on current market conditions is not assessed to lead to any material effect.

NOTE 4 Capital Management

The Group's objective with regard to the capital structure is to safeguard the Group's ability to continue its operations so it can generate a return for its shareholders and benefits for other stakeholders and to also maintain an optimum capital structure in order to keep capital costs down.

The Group monitors the capital structure on the basis of the debt/equity ratio. The debt/equity ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (long-term and short-term) and lease liabilities less cash and cash equivalents. Total capital consists of total equity and net debt.

The company's financial target is that the net debt divided by profit before depreciation (leverage) shall be less than 5 times. At the end of the financial year, leverage amounted to 6.40 (7.92) times. Net debt is then adjusted with liabilities to parent companies and profit adjusted for one-time items as defined in Note 5. At the end of the financial year, the debt/equity ratio in SEK million amounted to:

	31/12/2022	31/12/2021
Liabilities to credit institutions	1,039.7	1,039.0
Lease liability	348.4	333.3
Other interest-bearing liabilities	245.7	184.5
Less - cash and cash equivalents and deposits	–232.4	–277.4
Net debt excluding debt to parent companies	**1,401.4**	**1,279.4**
Liabilities to parent company	432.3	401.7
Total net debt	**1,833.6**	**1,681.1**
Total equity	533.7	690.0
Total capital	**2,367.3**	**2,371.1**
Debt ratio excluding debt to parent companies	59%	54%
Debt ratio including debt to parent companies	77%	71%

The increased debt/equity ratio during the financial year is mainly a consequence of new deferments as well as a lease extension. For more information, see Notes 25 and 30.

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NOTE 5 Operating Segments

	Fresh Produce		Food Solutions		Picadeli		Group joint		Eliminations		Group	
Per operating segment	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Net External Sales	3,290.4	2,907.6	702.7	603.2	1,245.7	810.1	–	–	–	–	5,238.8	4,321.0
Net Internal Sales	79.7	56.7	379.1	285.1	18.7	14.8	–	–	–477.5	–356.6	–	–
Net Sales	**3,370.1**	**2,964.3**	**1,081.8**	**888.3**	**1,264.5**	**825.0**	**–**	**–**	**–477.5**	**–356.6**	**5,238.8**	**4,321.0**
Operating profit/loss	**28.8**	**4.7**	**–14.0**	**3.7**	**–8.9**	**–42.4**	**–46.5**	**–47.2**			**–40.5**	**–81.2**
Depreciation, amortisation and impairment	64.8	85.0	60.5	71.8	79.4	64.7	1.1	0.8			205.8	222.3
EBITDA	**93.6**	**89.7**	**46.5**	**75.3**	**70.5**	**22.3**	**–45.4**	**–46.3**			**165.3**	**141.1**
Non-recurring items (NRI)	2.8	2.8	17.1	2.2	4.4	–1.4	–	–			24.3	6.4
Adjustment for unestablished units	–	–	–	–	29.4	14.2	–	–			29.4	14.2
Adjusted EBITDA	**96.4**	**92.5**	**63.6**	**77.6**	**104.3**	**37.9**	**–45.4**	**–46.4**			**219.0**	**161.7**
Finance net											–150.1	–109.4
Group profit/loss before tax											**–190.6**	**–190.5**
Other information												
Investments in intangible fixed assets	–3.1	–3.1	–2.7	–1.2	–21.6	–21.5	–	–			–27.4	–25.8
Investments in tangible fixed assets	–27.6	–4.4	–35.2	–16.4	–40.5	–21.9	–	–			–103.4	–42.6
Total investments	**–30.7**	**–7.5**	**–37.9**	**–17.5**	**–62.1**	**–43.4**	**–**	**–**			**–130.8**	**–68.4**

Sales by operating segment and area

	Fresh Produce		Food Solutions		Picadeli	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Sweden	2,469.6	2,149.1	204.2	173.7	884.2	571.2
Finland	692.5	648.4	424.7	380.2	84.4	69.4
Rest of Europe	128.1	110.1	73.8	49.3	267.1	168.0
Other markets	–	–	–	–	10.0	1.6
Total	**3,290.4**	**2,907.4**	**702.7**	**603.2**	**1,245.7**	**810.1**

Definitions

The Greenfood Group management team follows up on the three identified segments based on a monthly report with financial as well as non-financial ratios. The main segments have been identified as the three business areas of Greenfood; Fresh Produce, Food Solutions and Picadeli. To make results more comparable and clearer, management adjusts the EBITDA for non-recurring items (NRI) as well as not yet established operations. The key ratios above are defined below:

Operating profit/loss (EBIT) is earnings from operations before financial items and taxes.

EBITDA refers to operating profit/loss excluding depreciation, amortizations and impairments.

Non-recurring items (NRI) are income or costs of a one-time nature, which do not recur in normal operations. For example, restructuring costs, acquisition costs or capital gains. The purpose of separating these revenues and costs is to be able to demonstrate the development of the underlying business.

Unestablished operations is a newly established, acquired or discontinued business that is under construction, not yet fully integrated or no longer operational. Management assess that when entering a new market, the costs prevent comparisons until the Company has a possibility to be profitable through customer contracts or an order stock with competitive terms that may, over time, support the Company.

Adjusted EBITDA refers to operating profit/loss adjusted for non-recurring items (NRI) and unestablished units.

External Net Sales per geographic market	**2022**	**2021**
Sweden	3,558.3	2,894.0
Finland	1,201.6	1,098.0
Rest of Nordic region	152.5	120.7
France	158.5	98.6
Germany	111.5	60.1
Rest of Europe	46.5	48.1
Other markets	10.0	1.6
Total	**5,238.8**	**4,321.0**

Note 5 cont.

Intangible and tangible fixed assets per geographic market	2022	2021
Sweden	2,227.4	2,162.3
Finland	99.1	138.7
Rest of Nordic region	–	0.1
France	17.8	31.3
Germany	12.0	16.3
Rest of Europe	2.4	2.3
Other markets	8.8	5.4
Total	**2,367.5**	**2,356.4**

NOTE 6 Net Revenue

The Group's sales consist of income from the sale of fruits and vegetables with varying degrees of processing. All revenue is recognized at any given time.

Net sales are broken down by geographic market as follows.

	Group		Parent company	
	2022	2021	2022	2021
Sweden	3,558.3	2,894.0	15.6	12.9
Rest of Nordic region	1,354.1	1,218.6	–	–
Rest of Europe	316.5	206.8	–	–
Other markets	10.0	1.6	–	–
Total	**5,238.8**	**4,321.0**	**15.6**	**12.9**

The Group's revenue from external customers is split into three business areas, Fresh Produce, Picadeli and Food Solutions.

	2022	2021
Fresh Produce	3,290.4	2,907.6
Picadeli	1,245.7	810.4
Food Solutions	702.7	603.2
Total	**5,238.8**	**4,321.0**

NOTE 7 Other operating income

	Group		Parent company	
	2022	2021	2022	2021
Commission revenues	–	0.0	–	–
Lease income	21.8	21.1	–	–
Public grants	1.7	14.1	–	–
Other	33.2	34.5	0.0	0.0
Total	**56.7**	**69.7**	**0.0**	**0.0**

Government assistance and public grants received are presented in Note 34.

NOTE 8 Other external expenses

	Group		Parent company	
	2022	2021	2022	2021
Rents and other premises costs	93.0	62.4	0.0	0.1
Consumable equipment, software and consumable materials	80.3	68.9	0.3	0.3
Selling and marketing expenses	29.0	33	1.1	0.2
Transport expenses	31.3	19.5	1.1	0.8
Insurance expenses	4.3	3.3	0.4	0.0
Unsecured accounts receivable	–5.0	3.0	–	–
Contracted personnel	6.2	10.0	1.1	1.9
Consulting expenses	68.3	50.4	7.2	2.4
Other	14.9	12.2	0.3	0.0
Total	**322.5**	**262.8**	**11.6**	**5.6**

Assistance received due to the COVID-19 pandemic is included in other external expenses in an amount of SEK 0.0 (5.2) million; also refer to Note 34.

Rent and other premises costs have increased in particular as a result of the aforementioned restructurings in Finland. The lower costs of consumable equipment etc. are due to lower costs of repair and maintenance.

NOTE 9 Remuneration of auditors

	Group		Parent company	
	2022	2021	2022	2021
Deloitte AB				
Audit assignment	3.0	2.5	0.6	0.3
Audit activities in addition to audit assignment	0.0	0.5	–	–
Tax advice	0.0	0.1	–	–
Other services	–	0.0	–	0.0
Other auditors				
Audit assignment	0.2	0.2	–	–
Audit activities in addition to audit assignment	–	0.0	–	–
Tax advice	–	0.0	–	–
Other services	0.0	0.5	–	–
Total	**3.2**	**3.7**	**0.6**	**0.3**

Audit assignment refers to the auditor's remuneration for the statutory audit. The work includes the review of the annual and consolidated financial statements and accountancy, management of the Board and the fees for audit advice provided in connection with the audit assignment.

Audit activities in addition to audit assignment refers to audit-related guidance.

NOTE 10 Leases

Operating leases – lessor

The Group is a lessor through operating leases regarding Picadeli counters that are let to customers. The total of the year's lease income recognized as revenue for operating leases amounted to SEK 21.8 million (21.1) in the Group.

Future minimum lease fees for non-cancellable operating leases fall due as follows:

Due date:	2022	2021
Within one year	22.4	20.2
More than one year but within five years	44.7	50.7
Later than five years	–	–
Total	**67.1**	**70.9**

NOTE 11 Number of employees, employee benefit expenses and senior executives

Average number of employees 2022	Women	Men	Total
Parent Company			
Sweden	1	2	3
Total in Parent Company	**1**	**2**	**3**
Subsidiaries			
Sweden	258	410	668
Denmark	–	1	1
Finland	75	121	196
Spain	12	10	22
France	15	19	34
Germany	4	6	10
USA	1	5	6
Total in subsidiaries	**365**	**572**	**937**
Total in the Group	**366**	**574**	**940**

Average number of employees 2021	Women	Men	Total
Parent Company			
Sweden	1	2	3
Total in Parent Company	**1**	**2**	**3**
Subsidiaries			
Sweden	237	402	639
Denmark	–	–	–
Finland	98	132	230
Spain	8	10	18
France	12	17	29
Germany	5	8	13
USA	1	4	5
Total in subsidiaries	**361**	**573**	**934**
Total in the Group	**362**	**575**	**937**

Board members and other senior executives	31/12/2022	31/12/2021
Parent Company		
Women:		
Board of Directors	1	1
Other senior executives including CEO	1	1
Men:		
Board of Directors	4	4
Other senior executives including CEO	2	2
Total in Parent Company	**8**	**8**
Group		
Women:		
Board of Directors	1	1
Other senior executives including CEO	1	1
Men:		
Board of Directors	4	4
Other senior executives including CEO	5	5
Total in the Group	**11**	**11**
Total		

Salaries and other benefits

Costs for employee benefits	2022	2021
Parent Company		
Salaries and other benefits	11.5	8.6
Social security contributions	4.4	3.4
Pension expenses	1.8	2.0
Subsidiaries		
Salaries and other benefits	515.4	449.7
Social security contributions	137.1	123.8
Pension expenses	37.5	35.9
Total salaries and other benefits in the Group	*526.9*	*458.3*
Total social security contributions in the Group	*141.5*	*127.2*
Total pension expenses in the Group	*39.3*	*37.8*
Total in the Group	**707.8**	**623.3**
Other employee benefit expenses	27.9	0.2
Total employee benefit expenses	**735.7**	**623.5**

Assistance received due to high sick-pay expenses reduced the employee benefit expenses for the year by SEK 2.6 million (10.0). The majority of this assistance was linked to salaries, remuneration and social security contributions, but pension expenses and other employee benefit expenses were also affected. Also refer to Note 34.

Salaries and other benefits distributed between senior executives and other employees	2022	2021
Parent Company		
Salaries and other benefits to senior executives (three persons)	11.5	8.6
of which bonus and similar benefits to senior executives	4.0	2.7
Pension expenses for senior executives	1.8	–
Total salaries and other benefits in the Parent Company	**13.3**	**8.6**

Salaries and other benefits and pensions to senior executives	2022	2021
Group		
Salaries and other benefits to senior executives (six persons)	17.6	11.3
of which bonus and similar benefits to senior executives	4.9	3.1
Pension expenses for senior executives	2.5	2.7
Total salaries and other benefits, as well as pensions for senior executives in the Group	**20.1**	**14.0**

Pensions

The cost for the year for defined-contribution pension plans amounts to SEK 39.3 (35.9) thousand.

In the Group, the collectively agreed insurance policies supplement the national pension and provide an extra insurance protection for the employees. The employer is responsible for and pays for these insurance policies, which provide security and are a valuable employee benefit.

Through membership in an employers' organization within the Confederation of Swedish Enterprise, the employer is bound by a collective agreement. The collective agreement includes an obligation to take out insurance for the employees. The same obligation applies to employers that have reached a collective agreement with a labor union, known as a local collective agreement.

The collectively agreed insurance policies apply for both blue- and white-collar employees. The insurance policies for blue-collar

Note 11, cont.

workers are taken out with FORA and for white-collar employees with FORA and Collectum.
The pension plan for blue-collar workers is called SAF-LO Collective Pension Insurance and is a defined-contribution solution that covers: Retirement pension, Illness, Parental leave, death, work-related injury and shortage of work.

The pension plan for white-collar employees is divided into sections.

ITP1, which is a defined-contribution solution and covers: retirement pension, illness, death, work-related injury and shortage of work.

ITP2 for white-collar employees, which is a defined-benefit solution and covers: retirement pension, illness, death, work-related injury and shortage of work.

At present, the Group accounts for an insignificant part of the ITP2 plan.

The collective consolidation level is comprised of the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125 percent and 155 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, actions must be taken to create the conditions enabling the consolidation level to revert to the normal interval. In the event of low consolidation, one action may be to increase the agreed price for new subscriptions and expansion of existing benefits. In the event of high consolidation, a measure can be to introduce premium reductions. At the end of 2022, Alecta's surplus in the form of the collective consolidation level amounted to 172 percent (172).

Pensions

The retirement age for the CEO is 65 years. The pension premium is to amount to 27 percent of the pensionable salary. Only the basic salary is pensionable salary.

The retirement age for other senior executives varies between 60 and 65. The pension agreement states that the pension premium is to amount to 20–30 percent of the pensionable salary.

Agreement on severance pay

A mutual period of notice of six months applies between the company and the CEO. On termination by the company, severance pay is paid amounting to 12 months' salary. The severance pay may be offset against other incomes.

Upon resignation by the CEO, no severance pay is payable.

NOTE 12 Impairment and depreciation/amortization of intangible and tangible fixed assets and ROU assets

	2022		2021	
	Depreciation and amortization	Impairment losses	Depreciation and amortization	Impairment losses
Goodwill	–	–	–	–
Other intangible fixed assets	–15.6	–2.9	–13.5	–
Land and buildings	–3.1	–4.2	–4.2	–
Leasehold improvements	–3.2	–	–3.6	–18.8
Plant and machinery	–35.0	–4.4	–35.9	–6.7
Equipment, tools, fixtures and fittings	–53.4	–1.6	–54.0	–
Construction in progress	–	–	0.0	–
Right-of-use assets	–75.0	–7.5	–71.5	–21.9
Total	**–185.3**	**–20.4**	**–182.8**	**–47.5**
Total depreciation/amortization and impairment	**–205.8**		**–230.3**	
Less transitional support received for depreciation/amortization	–		8.0	
Total recognized in the income statement	**–205.8**		**–222.3**	

NOTE 13 Exchange-rate effects

Exchange-rate effects have been reported in the income statement as follows:

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Other operating expenses	0.0	–0.1	–	–
Cost of goods sold	7.8	4.3	–	–
Financial income	2.4	1.6	–	–
Financial expenses	–0.5	–7.2	0.0	1.7
Total	**9.7**	**–1.4**	**0.0**	**1.7**

NOTE 14 Financial income and expenses

	Group		Parent company	
Financial income	**2022**	**2021**	**2022**	**2021**
Interest income, parent company	–	–	59.4	33.1
Interest income	0.9	0.1	0.0	–
Exchange-rate differences	1.3	1.6	–	1.7
Fair value measurement, derivatives	1.1	–	–	–
Other financial income	–1.0	–	–	–
Total	**2.3**	**1.7**	**59.4**	**34.8**

All interest income relates to financial assets not valued at fair value through profit or loss.

	Group		Parent company	
Financial expenses	**2022**	**2021**	**2022**	**2021**
Interest expenses	–94.9	–51.5	–83.9	–38.9
Interest expenses, intra-Group	–30.6	–28.4	–30.6	–28.4
Interest expenses, lease	–12.0	–12.9	–	–
Fair value measurement, derivatives	–	–4.1	–	–
Exchange-rate differences	–0.5	–3.0	0.0	–
Submitted group contributions	–	–	–	–
Capital gain on sale of shares	–	–0.2	–	–
Other financial expenses	–14.4	–10.8	–11.5	–9.7
Total	**–152.4**	**–111.0**	**–125.9**	**–76.9**

All interest expenses are attributable to financial liabilities that are measured at amortized cost.

NOTE 15 Tax

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Current tax				
Current tax on profit/loss for the year	–2.4	–4.7	–	–
Adjustments recognized in the present year regarding prior years' current tax	–0.3	0.1	–	–
Total current tax	**–2.7**	**–4.6**	**–**	**–**
Deferred tax				
Attributable to temporary differences, intangible assets	0.0	–0.9	–	–
Attributable to temporary differences, tangible assets	2.8	3.8	–	–
Attributable to fiscal deficit deductions	10.9	19.6	–6.7	–1.5
Attributable to lease liabilities	2.8	0.6	–	–
Translation difference	–3.9	–	–	–
Other items	2.0	1.9	–	–
Total deferred tax	**14.1**	**24.9**	**–6.7**	**–1.5**
Total tax on profit for the year	**11.9**	**20.3**	**–6.7**	**–1.5**
Profit/loss before tax	–190.6	–190.6	–81.2	–34.4
Tax calculated at Swedish tax rate 20.6 percent	39.3	39.3	16.7	7.1
Tax effect of changed tax rate	0.0	–	–	–
Tax effect of other tax rates on foreign subsidiaries	0.7	1.7	–	–
Tax effect of non-deductible expenses	–4.4	–9.3	–12.6	–0.2
Tax effect of reversal of non-deductible net interest expense (Sweden)	–21.8	–15.0	–10.8	–8.3
Tax effect of revaluation of previous years' loss carry-forwards not recognized	0.3	–1.0	–	–
Tax effect of adjustment of current and deferred tax attributable to earlier years	–0.4	0.2	–	–
Tax effect of unrecognized deferred tax assets on the year's tax loss carry-forwards	–2.7	–0.9	–	–
Tax effect of untaxable income	1.1	6.0	–	–
Other	0.1	–0.6	–	–
Reported tax expense for the year	**11.9**	**20.3**	**–6.7**	**–1.5**

The tax amount for the year is positive and amounts to SEK 11.9 million due to a loss before tax. The tax expense amounted to SEK 20.3 million in the previous year. The effective tax rate was 6 percent. The average tax rate was 22 percent. It has been calculated through a weighing of the subsidiaries' profit/loss before tax with the local tax rates for the relevant countries.

Note 15, cont.

Deferred tax assets and deferred tax liabilities

The Group's deferred tax assets and deferred tax liabilities pertain to the following items:

	Group		Parent company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Deferred tax assets				
Loss carry-forwards	80.5	69.6	2.6	9.3
Other deductible temporary differences	11.6	14.6	–	–
ROU assets/lease liabilities	12.0	9.3	–	–
Deferred tax assets	**104.1**	**93.5**	**2.6**	**9.3**
Offset of offsettable assets/liabilities per jurisdiction	–48.5	–55.9	–0.1	–
As per balance sheet	**55.6**	**37.6**	**2.5**	**9.3**
Deferred tax liabilities				
Untaxed reserves	–	–1.7	–	–
Intangible assets	–63.4	–63.4	–	–
Property, plant and equipment	–1.7	–4.6	–	–
Other deductible temporary differences	–0.1	–3.4	–	0.1
Deferred tax liabilities	**–65.3**	**–73.1**	**–**	**0.1**
Offset of offsettable assets/liabilities per jurisdiction	48.5	55.9	–	–
As per balance sheet	**–16.8**	**–17.3**	**–**	**0.1**
Net deferred tax asset (+)/– liability (–)	**38.9**	**20.3**	**2.5**	**9.2**

Offsettable receivables and liabilities concerning current tax have also been offset.

Reconciliation of deferred tax assets/liabilities, net

	Group		Parent company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
At start of year	20.3	–5.2	9.2	10.7
Recognized in profit or loss	14.6	24.9	–6.7	–1.5
Net acquisitions/divestments of subsidiaries	–	–0.1	–	–
Translation differences	3.9	0.7	–	–
At year-end	**38.9**	**20.3**	**2.5**	**9.2**

Deferred tax assets are valued at no more than the amount likely to be recovered, based on the current and future taxable profit. The Group has loss carry-forwards amounting to SEK 358.9 million, of which SEK 353.1 million forms the basis of the deferred tax assets of SEK 80.5 million. All loss carry-forwards have an unlimited maturity except those in Finland, which can be utilized for 10 years.

The Group considers unutilised capitalized loss carry-forwards are justifiable as the Group has not had a full year since 2019 without negative impact from the Covid-19 pandemic. Group management expects a significant increase in underlying earnings will be over the next four years, see also note 2 regarding significant estimates and assessments.

The remaining time for them is five years at the lowest. The Group has chosen to not recognize tax on non-deductible net interest items, which arose as a result of the new interest deduction limitations in Sweden. This is because we do not consider it to be possible to deem if it will be possible to utilize them during the maturity period, which is six years. Non-deductible net interest income for the year amounted to SEK 103.1 million. Remaining negative net interest income at the end of 2022 amounted to SEK 294.0 million (192.4).

Corporate tax in Sweden was reduced on January 1, 2021 to 20.6 percent. All countries have calculated deferred tax according to the rates applicable locally. The tax rate in the Group varied between 20 percent and 33.33 percent.

NOTE 16 Group composition

The Group had the following subsidiaries on December 31, 2022:

Name	Corp. ID no. and country of operations	Operations	% voting rights	% voting rights
Greenfood AB (publ)	559035-9104, Sweden	Holding company	100%	100%
Greendeli Investment Holding AB	559016-4058, Sweden	Holding company	100%	100%
Greenfood Services AB	559016-8919, Sweden	Holding company	100%	100%
Picadeli AB	556814-8067, Sweden	Picadeli	100%	100%
Picadeli Restaurants Sweden Hötorget AB	556856-9866, Sweden	Picadeli	100%	100%
Picadeli Aps	37 24 08 85, Denmark	Picadeli	100%	100%
Picadeli Deutschland GmbH	HRB 142975, Germany	Picadeli	100%	100%
Picadeli Finland OY	25 90 747-7, Finland	Picadeli	100%	100%
Picadeli France SAS	828 212 761, France	Picadeli	93.3%	93.3%
Picadeli France Restaurant SAS	891 648 115, France	Picadeli	100%	100%
Picadeli US Inc.	EIN 85-3549191, USA	Picadeli	58.9%	58.9%
Picadeli Logistics Belgium BV	0779.682.931, Belgium	Picadeli	100%	100%
Greenfood Fresh Cut AB	556914-7605, Sweden	Food Solutions	100%	100%
Greenfood Real Estate AB	559001-9203, Sweden	Picadeli	100%	100%
Måbo i Motala AB	556304-7959, Sweden	Picadeli	100%	100%
Mixum AB	556462-5803, Sweden	Picadeli	100%	100%
PF Food AB	556794-4771, Sweden	Food Solutions	50%	50%
Salico AB	556320-8874, Sweden	Food Solutions	100%	100%
Salico OY	15 68 508-1, Finland	Food Solutions	100%	100%
Valintavarkaus OY	08 11 202-3, Finland	Food Solutions	100%	100%
Greenfood Food Solutions AB	556890-1754, Sweden	Food Solutions	100%	100%
Ahlströms Factory AB	556801-2685, Sweden	Food Solutions	100%	100%
Svenska Smörgåstårtor Kvalité AB	556800-2934, Sweden	Food Solutions	100%	100%
Green Deli Oy	20 21 507-6, Finland	Food Solutions	100%	100%
LD Kiinteistöt OY	07 54 016-5, Finland	Food Solutions	100%	100%
Greenfood Fresh Produce Int'l AB	556115-6778, Sweden	Fresh Produce	100%	100%
Ewerman AB	556095-5840, Sweden	Fresh Produce	100%	100%
Greenfood Iberica S.L.U	B-65002453, Spain	Fresh Produce	100%	100%
Greenfood Fresh Food AB	559149-1682, Sweden	Fresh Produce	100%	100%
Satotukku OY	01 13 698-9, Finland	Fresh Produce	100%	100%
SP Greenfood Sourcing AB	556759-6811, Sweden	Fresh Produce	100%	100%
Trädgårdshallen Sverige AB	556381-2451, Sweden	Fresh Produce	100%	100%
Greens & Friends AB	556889-9990, Sweden	Fresh Produce	50%	50%
Lundgrens Primörer AB	556643-7976, Sweden	Fresh Produce	100%	100%

The Group has no significant non-controlling interests. Greenfood holds the Chairmanship of the Boards of PF Food AB and Greens & Friends AB, of which it owns 50 percent, and they are thereby considered Group companies.

In 2022, no companies were acquired or divested; however, Picadeli opened a newly started subsidiary in Belgium, Picadeli Logistics Belgium BV. The company handles warehousing and distribution for Picadeli's operations in central Europe through a third-party supplier.

Wrapsons & Deli AB and Green Deli Sweden AB were merged into Greenfood Food Solutions AB in 2022. Both companies were dormant.

NOTE 17 Intangible assets

	Goodwill	Trademarks	Other intangible assets	Total
Opening cost 01/01/2021	**1,639.9**	**288.8**	**165.1**	**2,093.8**
Acquisition/divestment of Group companies	2.8	2.2	1.4	6.5
Acquisitions/investments	–	–	25.8	25.8
Exchange rate differences	0.7	–	0.7	1.4
Sales/disposals	–	–	–0.4	0.4
Reclassifications	–	–	0.0	0.0
Closing accumulated cost 31/12/2021	**1,643.4**	**291.0**	**192.6**	**2,127.0**
Opening depreciation	**–**	**–**	**–59.0**	**–47.7**
Acquisition of group companies	–	–	0.4	0.4
Sales/disposals	–	–	0.4	0.4
Exchange rate differences	–0.1	–	0.4	–0.5
Depreciation for year	–	–0.1	–13.4	–13.5
Closing accumulated depreciation 31/12/2021	**–0.1**	**–0.1**	**–72.1**	**–72.3**
Opening impairment losses	**–1.8**	**–**	**–51.6**	**–53.4**
Sales/disposals	–	–	–	–
Exchange rate differences	–0.0	–	–0.1	–0.1
Impairment losses for the year	–	–	–	–
Closing accumulated impairment losses, 31/12/2021	**–1.8**	**–**	**–51.7**	**–53.5**
Carrying amount 31/12/2021	**1,641.5**	**290.9**	**68.8**	**2,001.2**

	Goodwill	Trademarks	Other intangible assets	Total
Opening cost 2022-01-01	**1,643.4**	**291.0**	**192.6**	**2,127.0**
Merger	–	–	–0.6	–0.6
Acquisitions/investments	–	–	27.4	27.4
Exchange rate differences	3.2	–0.1	3.3	6.4
Sales/disposals	–	–	–11.3	–11.3
Reclassifications	–	–	–0.7	–0.7
Closing accumulated cost 31/12/2022	**1,646.6**	**290.9**	**210.6**	**2,148.1**
Opening depreciation	**–0.1**	**–0.1**	**–72.1**	**–72.3**
Merger	–	–	0.4	0.4
Sales/disposals	–	–	11.3	11.3
Exchange rate differences	–0.7	0.1	–2.1	–2.7
Depreciation for year	–	–	–15.6	–15.6
Closing accumulated depreciation 31/12/2022	**–0.8**	**–**	**–78.1**	**–78.9**
Opening impairment losses	**1.8**	**–**	**–51.7**	**–53.5**
Merger	–	–	0.2	0.2
Exchange rate differences	0.0	–	–0.5	–0.5
Impairment losses for the year	–	–	–2.9	2.9
Closing accumulated impairment losses 2022–12–31	**1.8**	**–**	**–54.9**	**–56.7**
Carrying amount 31/12/2022	**1,644.1**	**290.9**	**77.6**	**2,012.6**

The Group's trademarks have been deemed to have indefinite useful lives and are therefore not amortized. Trademarks and the majority of goodwill are in SEK.

Goodwill and trademarks have been allocated to the following cash-generating units.

	2022		2021	
	Goodwill	**Trademarks**	**Goodwill**	**Trademarks**
Picadeli	916.7	288.8	916.7	288.8
Fresh Produce	184.8	2.1	185.4	2.1
Food Solution	542.5	–	539.4	–
Carrying amount	**1,644.1**	**290.9**	**1,641.5**	**290.9**

Impairment testing of goodwill and trademarks is done annually and when indications of impairment requirements exist. The recoverable amount of a cash generating unit is determined based on calculations of value-in-use. The calculations proceed from estimated future cash flows based on financial forecasts approved by management that cover a five-year period. In the assessment of future cash flows, assumptions are primarily made regarding sales growth, operating margin, discount rate, investment requirements and the cost trend. The assessed growth rate is based on forecasts as a consequence of our activities. The forecast operating margin is based on previous results and the management's expectations of the market. The discount rate (WACC) is calculated by an independent third party and is based on available market data for comparable companies and the Group's risk profile, and amounts to 8.1 percent for business area Fresh Produce or 8.2 percent after tax for the remaining business areas (10.2-10.3 percent before tax). After a five-year period, a growth rate of 2 percent (2) is applied, which coincides with the Group's long-term assumption regarding inflation and the market's long-term growth. Based on the assumptions presented above, the value in use exceeds the carrying amount of goodwill. Reasonable changes in the above assumptions would not mean that an impairment requirement would arise regarding goodwill or trademarks.

Other intangible assets consist of capitalized development costs, primarily related to implemented information systems of various types and consultancy costs and licenses. The carrying amount of activated development expenses not yet subject to depreciation is SEK 42.2 million (26.2).

NOTE 18 Tangible fixed assets

	Land and buildings	Leasehold improvements	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Opening cost 2021-01-01	**147.6**	**47.1**	**334.2**	**438.3**	**32.0**	**999.3**
Acquisition/divestment of Group companies	–44.9	0.1	–1.4	2.4	–	–43.8
Acquisitions/investments	0.3	–0.1	12.7	11.4	18.3	42.6
Exchange rate differences	1.2	0.0	2.1	3.6	0.2	7.1
Sales/disposals	–	0.0	–	–12.6	–0.2	–12.8
Reclassifications	–	–	25.8	7.9	–23.3	10.4
Closing accumulated cost 31/12/2021	**104.1**	**47.2**	**373.4**	**450.9**	**27.1**	**1,002.7**
Opening depreciation	**–48.0**	**–15.0**	**–168.7**	**–243.9**	**–0.1**	**–475.6**
Acquisition/divestment of Group companies	16.6	0.0	1.3	–1.4	–	16.5
Sales/disposals	–	0.0	–	11.5	–	11.5
Exchange rate differences	–0.4	0.0	–1.0	–2.0	0.0	–3.4
Reclassifications	–	0.0	–11.7	1.5	–	–10.3
Depreciation for year	–4.2	–3.6	–35.9	–54.0	0,0	–97.8
Closing accumulated depreciation 31/12/2021	**–36.0**	**–18.7**	**–216.0**	**–288.4**	**–0.1**	**–559.1**
Opening impairment losses	**–12.3**	**–2.7**	**–11.4**	**–48.6**	**0,0**	**–75.0**
Reclassification	12.3	–	–	–	–	12.3
Exchange rate differences	0.1	–	–	–0.2	–	–0.3
Impairment losses for the year	–	–18.8	–6.7	–	–	–25.5
Closing accumulated impairment losses, 31/12/2021	**–**	**–21.5**	**–18.1**	**–48.8**	**0.0**	**–88.5**
Carrying amount 31/12/2021	**55.7**	**7.0**	**139.3**	**113.7**	**27.0**	**342.7**
Opening cost 2022-01-01	**104.1**	**47.2**	**373.4**	**450.9**	**27.1**	**1,002.7**
Merger	–	–4.3	–	–4.9	–	–9.2
Acquisitions/investments	0.2	12.8	26.8	12.5	51.1	103.4
Exchange rate differences	1.0	0.1	11.4	16.8	0.4	29.8
Sales/disposals	–12.2	–	–0.1	–47.8	–1.6	–61.6
Reclassifications	–	–	14.3	2.8	–26.9	–9.9
Closing accumulated cost 31/12/2022	**93.1**	**55.8**	**425.8**	**430.3**	**50.1**	**1,055.2**
Opening depreciation	**–36.0**	**–18.7**	**–216.0**	**–288.4**	**–0.1**	**–559.1**
Merger	–	1.6	–	4.1	–	5.8
Sales/disposals	3.1	–	–	39.9	0.1	43.1
Exchange rate differences	–0.2	–0.1	–6.1	–11.2	–	–17.6
Reclassifications	–	–	–	10.6	–	10.6
Depreciation for year	–3.1	–3.2	–35.0	–53.4	–	–94.7
Closing accumulated depreciation 31/12/2022	**–36.2**	**–20.3**	**–257.1**	**–298.4**	**–**	**–612.0**
Opening impairment losses	**–**	**–21.5**	**–18.1**	**–48.8**	**0.0**	**–88.5**
Merger	–	2.7	–	0.8	–	3.5
Sales/Disposals	4.2	–	–	3.7	–	7.9
Exchange rate differences	–	–	–0.2	–0.7	0.0	–1.0
Impairment losses for the year	–4.2	–	–4.4	–1.6	–	–10.1
Closing accumulated impairment losses 31/12/2022	**–**	**–18.9**	**–22.7**	**–46.6**	**0.0**	**–88.2**
Carrying amount 31/12/2022	**56.9**	**16.6**	**146.0**	**85.3**	**50.1**	**354.9**

NOTE 19 Leases

Balance-sheet items

Right-of-use assets	2022	2021
Properties	237.6	219.8
Cars	11.1	15.2
Forklifts	14.0	21.5
Machinery and equipment	15.0	16.3
Other	0.0	0.0
	277.7	**272.8**

Additional rights of use (ROUs) during 2022 totalled SEK 11.3 million (32.5). Modification of existing contracts totaled during 2022 SEK to 78,9 million (13,3), the increase depends above all on extending rental lease contracts.

Lease liabilities	2022	2021
Current lease liabilities	71.2	79.9
Non-current lease liabilities	277.2	253.4
	348.4	**333.3**

Maturity analysis of lease liabilities, undiscounted amounts	2022	2021
Within 1 year	79.5	86.6
Between 1 and 2 years	59.6	68.4
Between 2 and 5 years	132.8	138.6
After 5 years	154.3	85.8
	426.2	**379.4**

The Group's Helsingborg-based Companies have entered into a property lease agreement in a more expedient and newly built property with entry in April 2023. In this property, called Greenhouse, the Companies can increase productivity, reduce climate impact and improve conditions to develop further with the Company's business partners.

In 2022, Ewerman AB and Salico AB conducted a reassessment of the sublease of current properties. This resulted in a further impairment of the value of ROUs of SEK 7.5 million (21.9) to better reflect the value of the ROU asset.

Profit or loss items

Depreciation and impairment on ROUs	2022	2021
Properties	–61.1	–73.2
whereof impairment	–7.5	–21.9
Cars	–9.4	–7.8
Forklifts	–8.8	–9.1
Machinery and equipment	–3.2	–3.2
Other	–	–0.1
	–82.5	**–93.4**

Cash flow attributable to leases	2022	2021
Interest expense (included in financial expenses)	–12.0	–12.9
Expenses attributable to short-term leases	–1.7	–1.7
Expenses attributable to leases of low value	–4.2	–3.8
Disbursements for repayment of lease liabilities	–74.3	–72.5
	–92.2	**–90.9**

Expenses attributable to short-term leases and leases of a low value are included in costs of goods sold and administration expenses.

NOTE 20 Financial fixed assets

	Group		Parent company	
Non-current receivables	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Opening carrying amount	**25.2**	**10.2**	**1.9**	**1.2**
New receivables	1.7	15.9	1.0	0.7
Additional other holdings of 10 percent of the shares	2.1	0.0	–	–
Acquired/divested Group companies	–	–	–	–
Removed receivables	–6.8	–0.6	–	–
Closing accumulated costs	**22.2**	**25.6**	**2.9**	**1.9**
Carrying amount	**22.2**	**25.6**	**2.9**	**1.9**

NOTE 21 Inventories

	31/12/2022	31/12/2021
Raw materials and consumables	31.9	22.6
Work in progress	4.3	2.2
Finished products and goods for resale	120.1	87.3
Advance payment to suppliers	4.1	5.4
Carrying amount	**160.4**	**117.5**

Goods in inventory reported as an expense during the year amounted to SEK 3,718.3 million (2,982.0). The total consolidated financial impairment is SEK 20.7 million (19.9).

NOTE 22 Accounts receivable

	31/12/2022	31/12/2021
Accounts receivable, gross	391.6	323.7
Provision for future credit losses	–19.6	–24.7
Provision for uncertain receivables	–	–
Accounts receivable, net after reserve for uncertain receivables	**372.0**	**299.0**

	31/12/2022	31/12/2021
Provision for doubtful receivables at the beginning of the year	–24.7	–27.8
Provision/write-off for the year, doubtful receivables	–2.5	–3.1
Reversal of unutilized amount	6.9	5.0
Confirmed losses	1.6	1.4
Foreign exchange gains/losses on foreign currency receivables	–0.9	–
Total	**–19.6**	**–24.7**

Age analysis, accounts receivable	**31/12/2022**	**31/12/2021**
Not overdue	333.2	288.0
Overdue 1–30 days	28.6	19.9
Overdue 31–60 days	6.5	4.2
Overdue 61–90 days	4.3	2.3
Overdue > 90 days	18.9	9.3
Total	**391.6**	**323.7**

The customers' payment history is good, but as the conditions for conducting operations have changed due to macroeconomic factors, driven in part by the war in Ukraine, such as increased inflation leading to increased interest rates, we see a continued risk that our customers may have difficulty paying; however, we consider the current reserve sufficient to handle any credit losses.

NOTE 23 Prepaid expenses and accrued income

	Group		Parent company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Prepaid rent	6.2	7.6	0.0	0.0
Prepaid insurance policies	0.6	0.8	0.0	0.4
Accrued interest income	–	–	–	–
Goods in transit	25.6	14.8	–	–
Other prepaid expenses	13.0	5.7	7.0	–
Other accrued income	10.5	10.0	0.5	0.0
Carrying amount	**55.8**	**38.9**	**7.5**	**0.4**

NOTE 24 Shares, equity and appropriation of profits

	Stam A	Totalt
Opening balance, January 1, 2022	**0.5**	**0.5**
Closing balance, December 31, 2022	**0.5**	**0.5**

All shares are common shares and have a quoted value of SEK 1 (1), which is why the registered share capital as of 2022-12-31 amounts to SEK 0.5 million (0.5).

Reserves
Reserves consist of cash flow hedging and translation reserves. Translation reserves refer to currency translation differences when translating foreign operations into SEK. Both the cash flow hedge and the translation reserve are recognized in other comprehensive income.

Proposed appropriation of earnings
The following proposal for appropriation of earnings will be presented to the AGM:

The following is at the disposal of the Annual General Meeting	1,013,415,880
Profit/loss for the year	–87,869,776
The Board proposes the following amount be carried forward	**925,546,104**

No dividends were paid in 2022 or 2021.

NOTE 25 Borrowing

	Group		Parent company	
	2022	2021	2022	2021
Non-current liabilities				
Bond loan	1,022.4	1,013.0	1,022.4	1,013.0
Liabilities to credit institutions	10.4	15.6	–	–
Liabilities to parent company	432.3	401.7	432.3	401.7
Lease liabilities	277.2	253.4	–	–
Other non-current liabilities	69.6	–	9.3	–
Carrying amount	**1,812.0**	**1,683.6**	**1,464.0**	**1,414.7**
Current liabilities				
Liabilities to credit institutions	6.8	10.4	–	–
Lease liabilities	71.2	79.9	–	–
Other liabilities	176.0	184.5	1.1	7.1
Carrying amount	**254.0**	**274.8**	**1.1**	**7.1**

Liabilities to credit institutions

Greenfood AB (publ) issued a sustainability linked bond of SEK 1,050 million on the Frankfurt Open Market on 5 November 2021. According to the bond commitments, Greenfood AB (publ) is due to list the bond on NASDAQ Stockholm within 12 months. The interest rate is 7 percent and is calculated as a margin above the current STIBOR.

The bonds are due in full on the fourth anniversary after issuance. There are no amortization requirements or other financial conditions related to the bond, however, it is linked to the goals of the Greenfood Group's sustainability framework. These include in brief:

1. Reducing CO_2 emissions by % per ton of food sold.
2. Calculating emissions in accordance with the Science Based Targets initiative and have them validated at the highest level (1.5 degrees Celsius)
3. Reducing food waste by 20 percent in food production (baseline 2019).

In addition to the bond, there is an agreement with Swedbank for a credit facility of SEK 200 million, running from November 2021 to November 2025, whereof SEK 4.6 million are utilized in the form of guarantees.

In connection with the new bond loan, new borrowing costs of SEK 37 million were capitalized, which are included under the heading Bond loan, but are amortized over the maturity period of four years. In addition to the borrowings mentioned above, the Group has local borrowings in PF Food AB, a Swedish company with a minority interest equivalent to SEK 1.4 million (0.2), and in France equivalent to SEK 15.8 million (22) denominated in EUR.

Lease liabilities

Lease liabilities and leases are presented in Note 19.

Other liabilities

Other liabilities comprise temporary deferment of payment of employer's contributions, withheld tax and VAT according to the rules initially introduced as a result of the Covid-19 pandemic, SEK 245.7 million (184.6). Of these, SEK 69.6 million is non-current and the rest is current based on the decisions made on extension at the closing date. The deferred payment amount includes accrued interest and fees of SEK 13.0 million (7.0). New opportunities for extending the original year-long loans were introduced in 2022 and companies have applied for extensions as the loans fall due for payment.

NOTE 26 Other provisions

	2022	2021
Restoration costs	61.5	49.4
Restructuring costs	–	2.1
Warranty costs	–	0.3
Additional purchase price	4.5	4.5
Legal claims	1.4	1.9
Pension provision	3.6	1.9
	70.9	**60.1**

Information on provisions

Restoration costs

Provision for restoration costs refers to dismantling or restoring existing premises after moving to Greenhouse.

Restructuring costs

Provision for restructuring costs is reported when the Group has established a detailed and formal restructuring plan and the restructuring has either started or been publicly announced. Provision for restructuring usually include compensation for redundancies, but also restructuring for the Group or legal companies.

Gross changes for each provision during the financial year are as follows:

	Restoration costs	Restructuring costs	Warranty costs	Additional purchase price	Legal claims	Pension provision	Total
Carrying amount 2021-01-01	10.0	23.0	1.3	–	2.3	1.1	37.8
Accounted for in income statement							
Additional provisions	49.4	2.0		4.5		0.7	56.7
Reversed unutilized amounts		−15.0					−15.0
Utilised during the year	−10.0	−7.9	−1.0		−0.4		−19.4
Carrying amount 2021-12-31	**49.4**	**2.1**	**0.3**	**4.5**	**1.9**	**1.9**	**60.1**

	Restoration costs	Restructuring costs	Warranty costs	Additional purchase price	Legal claims	Pension provision	Total
Carrying amount 2022-01-01	49.4	2.1	0.3	4.5	1.9	1.9	60.1
Accounted for in income statement							
Additional provisions	12.1					1.7	13.8
Reversed unutilized amounts			−0.3				−0.3
Utilised during the year		−2.1			−0.6		−2.7
Carrying amount 2022-12-31	**61.5**	**–**	**–**	**4.5**	**1.4**	**3.6**	**70.9**

NOTE 27 Accrued expenses and deferred income

	Group		Parent company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Salaries and holiday pay	94.4	82.8	6.7	4.3
Social security contributions	29.9	28.3	1.9	1.3
Accrued interest	15.6	10.7	15.1	10.7
Consulting expenses	2.2	3.9	0.1	0.4
Customer-related expenses	118.4	107.5	–	–
Freight expenses	34.2	11.4	–	–
Product costs	95.2	78.7	–	–
Other items	21.0	30.0	0.1	2.3
Carrying amount	**410.9**	**353.3**	**23.8**	**19.0**

NOTE 28 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Chattel mortgages	5,943.4	5,466.9	–	–
Awarded claim	–	–	674.2	674.2
Assets in subsidiaries	–	–	1,407.7	1,407.7
Total	**5,943.4**	**5,466.9**	**2,082.0**	**2,081.9**
Contingent liabilities				
General surety for external debt	–	–	25.8	7.2
Other warranties	3.7	3.8	–	–
Total	**3.7**	**3.8**	**25.8**	**7.2**

The chattel mortgages are mainly drawn out as collateral for the Group's bond loan of SEK 1,050 million as well as the credit facility of SEK 200 million signed in November 2021, see Note 25. In addition, contingent obligations are also found in Group companies relating to issued warranties to external parties.

The Parent Company Greenfood AB (publ) has invested assets in subsidiaries as well as intra-Group receivables in collateral for the Group's bond loan as well as credit facility. The Parent Company also has a contingent obligation in the form of a general surety commitment for subsidiaries.

NOTE 29 Operating acquisitions and transactions with non-controlling interests

Operating acquisitions and disposals and transactions with non-controlling interests 2022
The Greenfood AB (publ) Group did not acquire or divest any businesses in 2022. However, Greenfood Food Solutions AB settled the remaining additional purchase price for the subsidiary Svenska Smörgåstårtor Kvalité AB with SEK –9.5 million. The company has been a wholly owned subsidiary since 2021.

In December 2022, a new share issue was carried out in Picadeli US Inc. totaling USD 5 million, of which the minority provided USD 2 million, equivalent to SEK 20.9 million at the time of the new share issue, in order to strengthen equity for future growth.

Net cash flow on acquisitions/divestments and transactions with minorities 2022

	Svenska Smörgåstårtor Kvalité AB	Total acquisition/divestment subsidiaries	Picadeli US Inc.	Total transactions with minorities
Cash paid/received compensation [1]	–9.5	–9.5	20.9	20.9
Less: Acquired cash and cash equivalents	–	–	–	–
Net cash flow	**–9.5**	**–9.5**	**20.9**	**20.9**

Net cash flow on acquisitions/disposals and transactions with minorities 2021

	Lundgrens Primörer AB	Oy Avant-Niko	Total acquisition/divestment subsidiaries	Ahlströms Factory AB	Svenska Smörgåstårtor Kvalité AB	Total transactions with minorities
Cash paid/received compensation [2]	–7.0	2.8	2.8	–1.4	–5.3	–6.7
Less: Acquired cash and cash equivalents	2.3	–0.1	–0.1	–	–	–
Net cash flow	**–4.7**	**–2.8**	**–2.8**	**–1.4**	**–5.3**	**–6.7**

[1] Remuneration paid in cash includes new share issue of USD 2 million from Picadeli US Inc.
[2] According to the agreement on contingent purchase price, the company shall pay the sellers a maximum of SEK 4.5 million as an additional purchase price over six years if a number of different criteria are met, among other things, linked to the sale of certain products within the Greenfood group. The additional purchase price is determined at fair value and is reassessed annually. Management currently assesses that it is likely that the contingent purchase price will be paid.

The assets and liabilities reported as a result of the acquisition in 2021 are as follows:

	Lundgrens Primörer AB
Cash and cash equivalents	2.3
Fixed assets	5.2
Accounts receivable	10.0
Other receivables and stock	1.3
Liabilities to credit institutions	–0.2
Accounts payable	–7.2
Other liabilities	–2.7
Acquired identifiable net assets	**8.7**
Goodwill	2.8
Net acquired assets	**11.5**

NOTE 30 Changes in liabilities attributable to financing activities

	Group				Parent company		
Interest-bearing liabilities	**Non-current loan liabilities**	**Current loan liabilities**	**Lease liabilities**	**Other liabilities**	**Non-current loan liabilities**	**Current loan liabilities**	**Other liabilities**
Opening balance 2021	**1,249.4**	**31.0**	**364.3**	**95.8**	**1,103.2**	**–**	**3.2**
Non-cash items							
Arrangement cost	–37.0	–	–	–	–37.0	–	–
Raising of loans	1,050.1	–	–	–	1,050.0	–	–
Repayment of loans/lease liabilities	–887.1	–	–72.5	–	–732.7	–	–
Non-cash items							
Reclassification current component	20.6	–20.6	–	–	–	–	–
Deferment of tax payment	–	179.5	–	–95.8	–	7.1	–3.2
New leases	–	–	38.7	–	–	–	–
Translation differences	5.8	–	2.9	–	4.9	–	–
Capitalized interest	28.4	5.0	–	–	28.4	–	–
Closing balance, December 31, 2021	**1,430.2**	**194.9**	**333.3**	**–**	**1,416.7**	**7.1**	**–**
Of which non-current lease liabilities			*253.4*				
Of which current lease liabilities			*79.9*				
Opening balance 2022	**1,430.2**	**194.9**	**333.3**	**–**	**1,416.7**	**7.1**	**–**
Non-cash items							
Arrangement cost	–	–	–	–	–	–	–
Raising of loans	–	–	–	–	–	–	–
Repayment of loans/lease liabilities	–17.8	–	–77.6	–	–	–	–
Non-cash items							
Reclassification current component	3.6	–3.6	–	–	–	–	–
Arrangement cost non-cash	9.4	–	–	–	9.4	–	–
Deferment of tax payment	–	–11.1	–	66.0	–	–	–
New leases	–	–	77.7	–	–	–6.0	9.3
Translation differences	9.1	–	15.1	–	–	–	–
Capitalized interest	30.6	2.6	–	3.7	28.5	–	–
Closing balance, December 31, 2022	**1,465.1**	**182.9**	**348.4**	**69.6**	**1,454.7**	**1.1**	**9.3**
Of which non-current lease liabilities			*277.2*				
Of which current lease liabilities			*71.2*				

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NOTE 31 Cash and cash equivalents in the cash flow

The Group only deals with creditworthy institutions and therefore there is no impairment requirement at the closing date.

	Group		Parent company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Cash and bank balances	231.6	277.4	0.9	160.3
Total	**231.6**	**277.4**	**0.9**	**160.3**

NOTE 32 Transactions with related parties

Besides the companies that directly or indirectly own Greenfood AB (publ), related parties also includes members of the Parent Company's Board of Directors, the Group's senior executives and their close family members. Companies where a significant share of the votes is directly or indirectly held by the aforementioned group or companies where they can exercise a significant influence are also considered to be related parties.

Transactions between the company and its subsidiaries, which are related to the company, have been eliminated upon consolidation and disclosures regarding these transactions are therefore not provided in this note. Disclosures regarding transactions between the Group and other related parties are presented below.

Loans from related parties
For information on inter-group loans see note 25. There are no other loans from related parties.

Information on the remuneration of senior executives is presented in Note 11.

NOTE 33 Events after the closing date

During the first quarter of 2023, Food Solutions has completed the reorganization of its Finnish operations which has led to redundancies and te CEO of the company has left his position. As a consequence, the result has improved and the conditions for higher efficiency have been raised. Ahead of the move to Greenhouse, wh began after taking office in mid April 2023, Fresh Produce has reorganized in both Helsingborg and Stockholm, which will lead to significant cost savings. As a consequence, Greenfood has also acquired the minority-owned minority stake in Greens & Friends AB to simplify the organization, which leads to higher quality of governance and control. During the first quarter of 2023, Picadeli has entered into agreements with Schnucks and Ahold/Delhaize in the USA. During the first quarter of 2022, the market was still affected by Covid-19 related restrictions. As no similar restrictions remain in 2023, the result during the first quarter is therefore significantly better than the previous year.

NOTE 34 Government assistance

The Group received government assistance during 2021 as a result of the COVID-19 pandemic and no such assistance has been received during 2022. The different forms of assistance are presented below based on how they were recognized in the income statement or how the cost would have affected the income statement if the assistance were not received.

	Other income		Employee benefit expenses		Other external expenses		Depreciation and amortization		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Other support, not Covid-19 related	1.3	4.3	–	–	–	–	–	–	1.3	4.3
Transitional support	–	9.8	–	–	–	4.6	–	7.8	–	22.3
Furlough	–	–	–	4.5	–	–	–	–	–	4.5
Temporarily reduced employer's contributions	–	–	–	2.3	–	–	–	–	–	2.3
Support for sick-pay expenses	–	–	2.6	1.0	–	–	–	–	2.6	1.0
Project support (Finland)	0.2	–	–	1.2	–	0.6	–	–	0.2	1.8
Cost reductions	–	–	–	–	–	–	–	–	–	–
Total	**1.5**	**14.1**	**2.6**	**9.0**	–	**5.4**	–	**7.8**	**4.1**	**36.1**

Non Covid-19 related assistance comprises, among other things, public salary subsidies and employment assistance.

The grants are distributed over the following countries

	2022	**2021**
Sweden	2.9	21.7
Finland	0.3	2.1
France	0.1	12.3
Germany	–	0.0
Denmark	0.0	0.0
USA	0.9	–
Total	**4.1**	**36.1**

ASSURANCE OF THE BOARD

The annual report and consolidated financial statements were approved for publication by the Board of Directors on April 25, 2023. The consolidated income statement and statement of financial position and the Parent Company's income statement and balance sheet are subject to adoption by the Annual General Meeting on May 15, 2023.

The Board of Directors and CEO hereby certify that the Annual Report was prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities and provides a true and fair view of the company's financial position and performance and that the Administration Report provides a true and fair view of the development of the company's operations, position and performance and describes significant risks and uncertainty factors faced by the company. The Board of Directors and CEO hereby certify that the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the EU, and provide a true and fair view of the Group's financial position and performance and that the Administration Report for the Group provides a true and fair view of the performance of the Group's operations, position and performance and describes significant risks and uncertainty factors faced by the companies included in the Group.

Stockholm

Stefan Jacobsson
Chairperson of the Board

David von Laskowski
Chief Executive Officer

Tiemo Grimm
Board member

Anette Rosengren
Board member

Fabian Suessenguth
Board member

Anders Johansson
Board member

Our auditor's report was issued April 25, 2023

Deloitte AB

Richard Peters
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Greenfood AB (publ) corporate identity number 559035-9104

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Greenfood AB (publ) for the financial year 2022-01-01 – 2022-12–31 except for the corporate governance statement on pages 66 to 70. The annual accounts and consolidated accounts of the company are included on pages 75–116 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 66–70.The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties

Description of risk

The majority of Greenfoods intangible assets have been acquired externally, mostly through business combinations. Assets with an indefinite useful life such as goodwill and certain brands are not subject to yearly depreciation. Instead, an annual test will show whether the carrying amount for the cash generating unit can still be supported. The carrying value of goodwill amounts to SEK 1 644,1 million on 31 December 2022. Intangible assets relating to brands with an indefinite life that are not subject to amortisation comprise various brands acquired. The carrying value of such brands amounts to SEK 290,9 million on 31 December 2022. Goodwill and brands are significant assets in the consolidated balance sheet. No impairment charge has been recognised against goodwill or brand with indefinite life in 2022. Managements estimates of the intangible assets potential to generate future cash flows and other assumptions are decisive when preparing the annual impairment tests. Given the significant elements of assumptions and estimates, this constitutes a key audit matter. For further information, refer to the annual report note 17 Intangible assets and note 1 Group Accounting principles.

Our audit procedures

Our audit covered the following audit actions, but was not limited to these:

- Our audit included procedures to verify that business combinations have been recognised according to applicable accounting policies and that the impairment tests of goodwill and other intangible assets with indefinite life have been performed by the use of generally accepted valuation methods, are mathematically correct, and by the use of reasonable assumptions of, among others, future cash-flow estimates and discount rates.
- We have also evaluated the model for impairment tests and significant assumptions in impairment testing of future cash-flow estimates and discount rates for calculating the cash-generating units value in use. In our evaluation, we have compared with the historic business performance and the groups forecasts and strategic planning as well as with external data sources when possible and relevant.
- We have evaluated managements sensitivity analysis of changes in the assumptions that could lead to impairment.
- We have assessed that disclosures in Note 17 relating to goodwill and brands.

Other information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–74. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Greenfood AB (publ) for the financial year 2022-01-01 – 2022-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 66–70 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act

Deloitte AB, was appointed auditor of Greenfood AB (publ) by the general meeting of the shareholders on the 2022-05-04 and has been the company's auditor since 2016-07-08.

Malmö the 25th of April 2023

Deloitte AB

Signatures on Swedish original

Richard Peters
Authorized Public Accountant

DEFINITIONS

Number of employees	Average number of full-time employees (FTE) calculated as the number of hours worked during the year in relation to the number of hours worked for a full-time employee during the same period.
Operating cash flow	Cash flow from operating activities including changes in working capital
Operating profit	(Profit before tax + interest expenses) / Average total assets
EBITDA	Profit from operations excluding depreciation and write-downs
EBITDA margin	EBITDA as a percentage of sales
Non-recurring items	Non-recurring income or expenses which are not recurring in normal operations
External net debt	Net debt excluding debt to the parent company (Greenfood MC AB).
Adjusted EBITDA	EBITDA adjusted for non-recurring items and unestablished operations
Net debt	Total borrowing (long-term and short-term) and lease liabilities less cash and cash equivalents
Unestablished operations	Newly established, acquired or discontinued business that is being established, not yet fully integrated or no longer operational.
Operating cash flow	Profit from operations before financial items and tax
Organic sales growth	Sales growth adjusted for currency and acquisitions
Return on equity	Profit for the year / Average Equity
Debt / equity ratio	Net debt (with or without debt to the parent company) as a percentage of total capital
Solidity	Equity / Total assets
Available liquidity	Cash and cash equivalents and available revolving credit facility
Total net debt	Net debt including debt to the parent company (Greenfood MC AB).
Total capital	Total equity and net debt

OTHER INFORMATION

Contact
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Financial reports
Greenfood's financial reports and financial calendar are available on the company's website. The financial reports are only distributed in digital form via the website. The purpose of Greenfoods Investor Relations is to continuously inform the capital market about the company's operations and development.

This report is a translation of Greenfood's annual report in Swedish. In the event of discrepancies between the two versions, the Swedish version takes precedence.

EAT YOUR GREENS

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